

# The Lane Report<sup>®</sup>

KENTUCKY'S BUSINESS NEWS SOURCE FOR 31 YEARS

OCTOBER 2016

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## DESIGNERS FIND VIRTUAL REALITY IS FOR REAL

Architecture, engineering  
and construction firm  
are first Kentucky business  
sector to adopt VR

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**LANE ONE-ON-ONE:**  
**CARL HOWARD**  
CEO, Fazoli's System Management LLC





A portrait of Amelia Gandara, a woman with long dark hair, wearing a black blazer over a light blue top and large gold hoop earrings. She is smiling and looking towards the camera. The background is a blurred industrial or warehouse setting.

# AMELIA

Aspiring Engineer.  
UofL Alumna.  
**Business Catalyst.**

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The ballet introduced Amelia Gandara to Louisville, but the Speed School of Engineering put her career on the fast track. She is now using her chemical engineering background and the entrepreneurial skills she learned at UofL to help innovative businesses form local and global partnerships.

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See Amelia's story — or start your own — at  
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UNIVERSITY OF  
**LOUISVILLE**





Kentucky veterans tell their personal  
stories of their time in Vietnam

# KENTUCKY VETERANS OF THE VIETNAM WAR

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# IN THEIR OWN WORDS

You're invited to gather with fellow Kentuckians to honor the sacrifice and service of Vietnam veterans and attend a preview screening of the documentary. Find event locations and details at [KET.org/events](http://KET.org/events) or (502) 589-3538.

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**KETKY** Friday, Nov. 11 • 8/7 pm  
**KET2** Sunday, Nov. 13 • 9/8 pm

**KET**  
[KET.org](http://KET.org)





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Advances in immersive virtual reality technology – especially in headset display systems that have come onto the market in the past year – is quickly changing the way architects, engineers, designers and construction companies interact with their customers. And it's improving projects. (Photo illustration by Paul Blodgett)

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### Faster Lane

#### Email news bulletin

Three or more times a week, the editors of *The Lane Report* publish Faster Lane – email bulletins of fast breaking and important Kentucky business and economic news. Visit [lanereport.com](http://lanereport.com) to sign-up for this free, must-have, at-your-fingertips news service.



## BALLOT BOX INTEGRITY

Photo IDs help identify properly qualified voters

BY PAT FREIBERT

IN just a few days on Nov. 8, Americans will cast their votes for the next president of the United States – that is, those Americans who have registered to vote and bother to show up at the polls. Voting to choose our country's leaders is a cherished gift handed down to us by the sacrifices of our founding fathers.

Each presidential election experiences allegations of fraud from conservatives and of discrimination from liberals. Historically, greater emphasis has been placed on increased participation of voters and less on proper eligibility to vote. Currently that emphasis has begun to shift more to eligibility, with federal courts considering whether voter identification cards with photos discriminate against poor people and minorities. Recently a Texas federal court ruled that the Texas 2011 law requiring voters to present official photo identification to be discriminatory and issued a new list of acceptable forms of ID. The new list includes a government check, current utility bill or an expired ID but no requirement of a photo. Texas law had already required as acceptable forms of voter ID a driver's license, a military ID card, a U.S. citizenship certificate, a license to carry a handgun, a passport or an ID card issued by the state (at no cost to the applicant) or an ID card issued by the state Department of Public Safety.

A *Washington Examiner* reporter compiled a list three years ago of activities or transactions that require a photo ID. On that list: If you are 25 or younger, store signs say you must have a photo ID to buy cigarettes or alcohol. A photo ID is required to open a bank account; you must have a photo ID to apply for welfare, Medicaid and Social Security, unemployment benefits; to rent or buy a house or apply for a mortgage; drive, rent or buy a car. A photo ID is required to get married, get on an airplane, adopt a pet, rent a hotel room, apply for a hunting or fishing license or buy a cell phone. To pick up a prescription or buy restricted over the counter medications, you must present a photo ID. If you want to donate blood or apply for a license to hold a demonstration, be sure you have a photo ID with you. Likewise, you must have a photo ID to buy an M-rated video game.

Why is it that voting should not require a person to present a photo ID as proof of identity and residence? And why are so many on the political left determined to strike down election laws that require proof of citizenship and residence? To require proof of citizenship and residence with photo ID is sound logic. The right to vote for our country's leaders is held sacred by American citizens, and to cheapen it by allowing just anyone who shows up to vote without proof of identity devalues the votes of eligible citizens.

To take the position that requiring a photo ID discriminates against poor people or minorities unfairly and incorrectly presumes incompetency on the part of those people. Those same people have daily business transactions with retailers, utilities and government agencies who require photo IDs. To forbid the same practical identification to match voters to registered voting rolls, as some federal judges are doing, unnecessarily increases



the chances of voter fraud. A news report about voter fraud in the last presidential election highlighted voters who voted multiple times at different locations. We can do better.

The idea of representative government suffers when we begin counting the votes of dead people, illegal aliens and those people who vote multiple times in different locations. The old-time saying of "Vote early and vote often" is not the mentality we should follow. Rather, it is reminiscent of the era of strong mayors in Chicago when people claimed that city officials did not bother diving in to Lake Michigan to retrieve lost ballot boxes full of votes "unless they really needed them."

Photo IDs help identify properly qualified voters and all Americans benefit by honest elections. We must do all that is necessary to ensure that every eligible voter can vote and that every vote cast is cast by eligible voters. ■



Pat Freibert is a former Kentucky state representative from Lexington. She can be reached at [editorial@lanereport.com](mailto:editorial@lanereport.com).

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# FAST LANE

A compilation of economic news from across Kentucky

## OWENSBORO: ALORICA TO HIRE 830 FOR PHONE/DIGITAL CUSTOMER SUPPORT CENTER; CREATE TRAINING TRACK



CALIFORNIA-based **Alorica** plans to establish a customer engagement center in downtown Owensboro's former **BB&T** building, creating some 830 new jobs and making it one of the city's largest-ever economic development projects.

The company plans to hire 500 employees during the first 12 months of operations and will expand to about 830 team members within three years. Company officials said they hope to complete renovations to the 52,000-s.f. building and open for business next year.

Alorica provides customer engagement services through voice, online, mobile telephone and social media to companies in nine key industries, including communications/media, retail/e-commerce, technology, travel, transportation, utilities, government, financial services and healthcare.

Formed in 1999 in Irvine, Calif., the company currently employs more than 92,000 people at 150 locations globally.

Alorica will lead a new workforce-training program in a business and technical service track. The company is patterning its partnership after the Greater Owensboro chapter of KY FAME, the Kentucky Federation for Advanced Manufacturing Education. KY FAME pairs private-sector companies with Kentucky higher-education institutions to provide education, training, certification and hands-on experience to students and adults seeking a career change. Through classroom education and apprenticeship-style job experience, KY FAME works to build pipelines of experienced employees to meet the specific needs of its partner companies.

## BOWLING GREEN: CONSTELLIUM-UACJ OPENS \$150 MILLION PLANT TO MEET DEMAND FOR AUTO-BODY ALUMINUM



The Constellium-UACJ plant in Bowling Green will produce aluminum sheets for the automotive industry.

CONSTELLIUM-UACJ has opened a \$150 million auto-body sheeting plant in Warren County's **Kentucky Transpark** to help meet the increasing demand by the automotive industry for materials to help create lighter-weight, more fuel-efficient vehicles.

The plant will initially be staffed with a workforce of 65 and will produce finished aluminum body sheets that will be distributed to the country's major automotive manufacturers.

The North American aluminum body sheet market is expanding rapidly to respond to stringent automotive regulations calling for major car weight reductions and fuel efficiency. As a growing number of automotive manufacturers have integrated aluminum in their models, the use of aluminum automotive body sheet in North America increased from 70kt (thousand tonnes) in 2012 to approximately 500kt in 2015 and is forecasted to reach more than 1,000kt in 2020.

Constellium-UACJ is a joint venture between Constellium and UACJ, two established global aluminum industry players with roots in Europe and Japan. Both will supply aluminum coils that will be treated and processed at the Bowling Green facility.

**Tri-Arrows Aluminum**, a subsidiary of UACJ that is headquartered in Louisville, will also supply cold rolled aluminum coils to the new facility. The company manufactures base aluminum coils at its joint-venture operating mill at **Logan Aluminum** in nearby Russellville.

Constellium is a global sector leader that develops aluminum products for a broad scope of markets and applications, including aerospace, automotive and packaging. The company operates 22 manufacturing sites worldwide and has corporate offices in New York, Paris and Zurich, Switzerland. It employs over 10,000 people worldwide.

UACJ is an aluminum industry leader established in 2013 from a merger of **Furukawa-Sky Aluminum** (founded in 1910) and **Sumitomo Light Metal Industries** (founded in 1897), two companies that have an extensive history of aluminum production in Japan. UACJ has more than 70 group companies throughout the world and boasts the world's third-largest aluminum production capacity.

## COVINGTON: IRS TO CLOSE OFFICE IN COVINGTON BY 2019; 1,800 JOBS AFFECTED

THE Internal Revenue System plans to close its Covington facility by 2019, a move that will affect some 1,800 employees who handle the agency's paper tax returns.

The Covington facility is one of three IRS paper processing facilities slated to close by 2024: The Fresno, Calif., office will end operations in 2021 while the Austin, Texas, office will close in 2024.



The IRS has been consolidating its paper processing facilities as more Americans elect to file their tax returns electronically. Electronic submissions have grown from 58 percent in 2008 to 86 percent in 2015. The IRS projects that consolidating operations from the remaining five facilities to two will save approximately \$266 million within the first five years alone. The Kansas City facility will handle individual tax returns, while the agency's facility in Ogden, Utah will handle business returns.

The IRS is one of Covington's largest employers, employing some 4,100 people. Covington employees who do work other than paper processing will be relocated to another IRS facility in the area. The closure does not affect those employees housed at the nine-story Gateway Center in downtown Covington.

In a memo to Covington IRS employees announcing the closing, IRS Commissioner John Koskinen said the IRS plans to remain in the Cincinnati area and emphasized that the Submission Processing announcement was "not a prelude to other major operational closures in the area."

City and state officials said they were not notified beforehand of the IRS' plans to close the Covington office.

However, the IRS's one-level building has long been targeted for redevelopment and is located on nearly 23 acres of property. While city leaders had hoped the jobs would remain if the center's operations were relocated, news of the closure now allows for prime riverfront real estate opportunities in Covington.



## STATE: KY LAUNCHES APPRENTICESHIP INITIATIVE TO FILL WORKFORCE NEEDS



*For each year of apprenticeship training, the apprentice will receive approximately 2,000 of on-the-job training and a minimum of 144 hours of related classroom instruction.*

KENTUCKY has officially launched a new **apprenticeship initiative** with the goal of helping employers across the state tap into the potential that apprenticeships have for their workforce needs.

Apprenticeship programs typically range from one to five years in length, but the majority of programs are four years long. For each year of the apprenticeship, the apprentice will receive about 2,000 hours of on-the-job training and a required minimum of 144 hours of related classroom instruction. The **Kentucky Labor Cabinet** will work with each company to craft a customized curriculum that is specific to each employer's needs. At the completion of the training program, the apprentice receives a nationally recognized certification.

Gov. Matt Bevin said the "Kentucky Trained. Kentucky Built." campaign will commit new energy and resources to providing technical and marketing expertise toward the initiative and will enable the Labor Cabinet to better identify and bring together key stakeholders who might benefit from a local apprenticeship pipeline.

There are currently about 1,100 employers across Kentucky with registered apprenticeship programs that employ nearly 3,000 apprentices in various industries.

## LOUISVILLE: CHANGES AT GE INCLUDE PRODUCTION CUTS, JOB OUTSOURCING

GE Appliances has announced plans to discontinue production of its heat pump water heater at the end of this year, citing continued weak consumer demand and an inability to achieve profitability.

Officials with the Louisville-based division said

consumers' incentives for paying higher up-front costs for the high-tech, energy-efficient water heaters has declined as energy costs have dropped.

The company has also announced that it will outsource the work of its AP10 warehouse operations in Louisville early next year in an effort to improve customer service and reduce costs. Although GE Appliances has invested more than \$5 million in AP10 since 2013 to improve customer service, productivity and cost, the warehouse operation has continuously lagged behind industry performance. GE officials said discussions with the union over the last year have not been able to achieve needed improvements in productivity, cost, quality or damage in the AP10 warehouse.

GE said the 200 hourly employees currently working in the AP10 warehouse and the 100 employees working on production of the water heater line will be reassigned to other GE jobs in Louisville.



*GE Appliances' production of the GeoSpring water heaters will come to a halt at the end of this year.*

## BUSINESS BRIEFS

### BARBOURVILLE

■ **Union College** is now offering a fully online Masters of Business Administration program. The program consists of 30 credit hours and students should have an undergraduate degree in business or may complete Union's foundation courses prior to application. The degree can be completed in less than 24 months.

### BARDSTOWN

■ **Jay Hospitality Group** has announced plans to open a new **Holiday Inn Express & Suites** in Bardstown by late 2017 or 2018. The property will feature 75 to 80 rooms – of which 20 percent will be suites – as well as conference space.

■ After nearly three years in development, the **Bardstown Bourbon Co.** began commercial production in mid-September – and is already preparing to expand

because its collaborative whiskey, bourbon and rye distilling program is sold out, based on the current capacity of the distillery. The distillery's 1.5 million proof gallon capacity can be expanded to more than 6 million proof gallons within the current design by adding additional equipment, which will allow the company to take on new customers in the third quarter of 2017. The distillery plans to open its visitors and events center to the public in early 2017. The state-of-the-art whiskey distillery will also include an educational experience along with tours and tastings, event space and eventually a restaurant and boutique hotel.



*Business Wire photo*

### BOWLING GREEN

■ **Western Kentucky University** and **Oak Ridge National Laboratory** (ORNL) have formed a partnership that will allow researchers and students to use both facilities. ORNL scientists and engineers conduct research across a wide range of disciplines, including advanced materials science, clean energy, neutron science, nuclear science and supercomputing and computation. The new agreement will provide opportunities for WKU faculty to establish collaborations and pursue joint appointments with ORNL, which is considered one of the world's top research facilities. WKU currently houses the only publicly available large-chamber scanning electron microscope in the U.S., originally located at ORNL, in its Center for Research and Development.

### COVINGTON

■ **Bad Girl Ventures**, a Cincinnati-based nonprofit organization that serves as a business educator, incubator and accelerator for female entrepreneurs, has opened its first Kentucky location in Covington. The new office is located in a long-vacant, century-old building that is now part of a project called Pike Star, which is creating street-level commercial space and upper-story apartments in Covington's Innovation District – so called due to the number of tech and design-oriented businesses flocking to the neighborhood. Other companies in the area include **UpTech**, **biologic**, **BLDG**, **Durham Brand Co.**, **Connectic Ventures** and **Gateway Community and Technical College's** Urban Metro Campus.

### EASTERN KENTUCKY

■ An analysis by **Standard & Poor's** reveals that of the 25 counties across the nation that have suffered the most **coal job losses** since the end of 2011, eight are in Kentucky. Pike County is second on the list, having lost 2,232 jobs, trailing only Boone County, W. Va., which lost 3,787 jobs. Harlan County was fifth (1,371 lost jobs), Perry County sixth (1,370), Letcher County 11th (905), Knott County 15th (836), Martin County 18th (751), Leslie County 21st (665) and Union County 22nd (650). The analysis found that "in Kentucky, which mines less coal than West Virginia, fewer jobs were lost but the loss of 11,508 jobs represents about 63.9 percent of the state's coal employment since the sector peaked in late 2011."



# FAST LANE

## BUSINESS BRIEFS

### EASTERN KENTUCKY

■ Cincinnati developer and design-builder **Al. Neyer** is partnering with Dallas-based developer **Hillwood** to build two speculative industrial buildings in the **Hebron Logistics Center**. The buildings, totaling 800,000 s.f., will be visible from Interstate 275 and will also have easy access to interstates 71, 74 and 471. The target completion date for both buildings is mid-2017.

### HENDERSON

■ The Kentucky Public Service Commission has granted **Kenergy Corp.**'s request for new rates that will increase the electric distribution cooperative's revenue by \$2.36 million, allowing it to remain in compliance with requirements set by its lenders. Kenergy has about 55,800 customers in 14 counties in western Kentucky. It is one of three electric distribution cooperatives that own and purchase power from Big Rivers Electric Corp.



### HIGHLAND HEIGHTS

■ Northern Kentucky University has selected Texas-based **American Campus Communities** and its partner, Ohio-based **Fairmount Properties**, for a project that includes the construction of a mixed-use development at the gateway to NKU's Highland Heights campus and the design and construction of a new 500-bed residence hall. The request for proposals also included a commitment to grow the university's student housing capacity from 2,000 to 3,000 over the next 10 years. NKU is now in the process of determining the scope of the project along with financing plans and a timeline for development.

### LEXINGTON

■ The **University of Kentucky Sanders-Brown Center on Aging Alzheimer's Disease Center** has been awarded an \$8.25 million, five-year grant from the National Institutes of Health to continue and further research and clinical initiatives geared to treating Alzheimer's disease. The center is a leader in the detection of early neuropathological changes in the brain associated with Alzheimer's and other age-related dementias, made possible in part by a large cohort of more than 800 volunteers – both healthy and cognitively impaired – in the Sanders-Brown Longitudinal Study, which generates significant amounts of data about how healthy brain aging occurs and when and why some people develop Alzheimer's.

■ **Griffin Gate Marriott Resort & Spa** has added a new outdoor event venue that can accommodate up to 400 attendees. The Overlook at Griffin Gate is situated between the first and fourth holes on the golf course and provides 5,250 s.f. of space. The resort has also updated its event pavilions with new carpet, fresh ceiling drapes and lighting.

Griffin Gate photo



### LEXINGTON/LOUISVILLE

■ **Dean Dorton Allen Ford**, a leading accounting and business consulting firm, is now offering accounting and financial outsourcing for back office and accounting solutions. Through the use of cloud-based technologies, the new service line is designed to provide financial management solutions – which can be customized for companies ranging from small businesses to large multi-national organizations – and expertise for a fixed monthly fee.

### LOUISVILLE

■ Louisville accounting firm **Mountjoy Chilton Medley** has acquired **Preferred Accounting Services LLC**, a full-service accounting firm that has 10 members in Louisville. The expansion will allow MCM to grow its expertise in the restaurant franchise niche across the United States.

## LOUISVILLE: MIDEA WILL HIRE 60 AT \$10M R&D CENTER FOR HOME APPLIANCES

**MIDEA**, one of the world's leading manufacturers of air conditioners and home appliances, is building a \$10 million research and development center in Louisville that will create 60 new jobs.

The 30,000-s.f. **Midea America Research Center (MARC)** is slated to open by January 2017 and will provide technical expertise in developing home appliance products for the United States market. The new facility will include lab facilities, testing equipment and engineering areas, as well as office space.

Mark Wilson, director of technology for MARC, said Midea chose Louisville for the new center due to its location in the "epi-center of the 'Appliance Corridor' of the U.S.," noting that the Ohio/Indiana/Kentucky/Tennessee region boasts the largest concentration of appliance manufacturing and R&D in North America. **General Electric's** appliance division – recently acquired by China-based **Qingdao Haier Group** – is headquartered in Louisville and also operates an R&D center in Louisville.

Founded in 1968 in China, Midea now has a global platform of more than 200 subsidiaries and nine strategic business units, with revenues of more than \$24 billion (2014) and over 100,000 employees worldwide. The company's U.S. sales and marketing offices are located in New Jersey.

Midea has been serving the U.S. market under both Midea-branded and private-label appliances for more than 10 years. The company has also made recent acquisitions to bolster its R&D efforts in other areas around the world, including the purchase of the home appliances business of **Toshiba** in Japan.



*Midea is one of the world's leading manufacturers of appliances.*

## STATE: KY TO HOLD ENTREPRENEURSHIP CONTEST FOR HIGH SCHOOL STUDENTS

**K**ENTUCKY has announced plans to launch an entrepreneurship competition for high school students, with prizes that include college scholarships.



*Lt. Gov. Jenean Hampton*

The **Lieutenant Governor's Entrepreneurship Challenge** will consist of a business plan proposal and live pitch competition and will include two components: a regional competition and a state competition. (Locations for the regional competition will be announced in early 2017.) The competition will be conducted in partnership with **Junior Achievement** and is supported by the **Kentucky Innovation Network**.

All high school students from public, private and home-school settings are eligible to participate. The deadline to submit intent to compete forms is Feb. 1, 2017 and all business plans are due on March 1, 2017. Teams will then do a pitch presentation at their regional competition, with the top two teams advancing to the state competition.

Student teams will be required to work with two adult advisers (e.g., teachers, business owners) who can help coach and guide the team as they develop their business idea.

Additional information can be found at [kylgec.com](http://kylgec.com).

"The goal of the Lt. Governor's Entrepreneurship Challenge is to get entrepreneurship in front of students as an exciting education experience and as a viable path to a rewarding career," said Lt. Gov. Jenean Hampton.





David A. Owen, Lexington Office

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## BUSINESS BRIEFS

### LOUISVILLE

■ **Junius Hospitality Partners** has made a major investment in Louisville-based **21c Museum Hotels** that will enable 21c to develop up to \$250 million in future projects. 21c co-founder and CEO Steve Wilson said the Junius team has an appreciation for 21c's brand, mission and culture and brings a forward-thinking investment strategy in the hotel industry and real estate development that will make them an ideal partner. Financing has already closed on their first joint venture, the development of the **21c Museum Hotel Nashville**, which is slated to open in the first half of 2017.



■ Construction work is officially under way on a \$300 million expansion of **UPS' Centennial Ground Hub** facility in Louisville. The 580,000-s.f. expansion project will nearly triple the size of the facility to 838,000 s.f. and will roughly double the company's current sorting capacity to 85,000 packages per hour. The expansion, which is being conducted in three phases, will continue through 2020 and is expected to create up to 300 full- and part-time jobs.

■ Louisville industrial distributor **Air Hydro Power** has acquired **Total Hose Inc.**, an Alabama company that brings more than 34 years of experience in the hydraulic and industrial hose fields. Air Hydro Power, which specializes in hydraulics, pneumatics, electrical automation and hose and fittings, currently has locations in Birmingham and Montgomery, Ala.; the acquisition of Total Hose adds locations in Decatur and Huntsville and brings the company's Alabama workforce to 25.

■ **Masonic Homes of Kentucky** has broken ground on a new \$44 million active-lifestyle community on its 82-acre campus in Louisville, further adding to the rapid growth of the long-term-care industry in Louisville, which boasts the largest concentration of nursing-home and extended-care companies in the nation. **The Meadow** – which as of early September was already 84 percent pre-sold – will feature 122 independent-living apartments designed for those age 62 and older and include amenities such as full-service restaurants, movie theater, putting green, craft shop, salon, fitness center, aquatic center and a creative arts studio and gallery.

■ The **John F. Kennedy Memorial Bridge**, which spans the Ohio River to connect Louisville to southern Indiana, is slated to reopen this month after being completely closed since January for extensive improvements. With the bridge being reopened to southbound traffic, direct access from I-65 South to I-64 East, I-64 West and I-71 North will be restored.



■ Two Kentucky accelerators were among 68 winners of the third annual **U.S. Small Business Administration's** Growth Accelerator Fund Competition. **Chef Space** and **XlerateHealth**, both of Louisville, each received \$50,000 from a total of \$3.4 million in prizes awarded to boost the economic impact of accelerators. Chef Space is a kitchen incubator that provides a licensed commercial kitchen for food entrepreneurs to rent at affordable prices. XlerateHealth helps early-stage healthcare companies build their commercialization strategy.

### MIDWAY

■ **Midway University**, which announced plans earlier this year to transition from a women's-only college to a coed institution, has seen its enrollment increase by 14.5 percent this fall compared to last fall's enrollment figures. The incoming class is the largest in the history of the institution, with males making up 23 percent of the enrollment. Graduate student enrollment is also at an all-time high with 189 students.

## FRANKLIN: 215 HARMAN JOBS IMPACTED AS SOME OPERATIONS MOVE TO MEXICO

**H**ARMAN International has announced plans to relocate a portion of its manufacturing operations from Franklin to facilities in Mexico as part of a companywide effort to increase efficiency.

For the last 15 years, the Franklin plant has produced audio equipment for vehicles, with **BMW** being its primary client.

The move will affect 215 employees, nearly two-thirds of the Franklin plant's workforce. Approximately 110 employees will remain in Franklin at the end of the three-year transition.

"A growing competitive landscape increasingly demands greater operational efficiency within hardware manufacturing – from quality to production to cost," the company stated in a news release. "It's with that in mind that we have made the decision to relocate certain functions into fewer centers of competency, in an effort to improve productivity. With the company growing our automotive business in North America with automakers like **Subaru**, **GM**, **Ford** and **Daimler**, on top of **BMW** and **Harley Davidson**, we saw an opportunity to position Franklin as a valuable link in Harman's automotive supply chain, able to support our customers and better leverage our warehouse capabilities on site."

With the upcoming changes, the Franklin plant will be rebranded as Harman's **North America Connected Car Distribution and Service Center**.



Harman's Franklin plant produces audio equipment for vehicles, with BMW being its primary client.

## LOUISVILLE: YUM BRANDS SELLS STAKE IN CHINA BUSINESS FOR \$460 MILLION



Since entering the Chinese market in 1987, Yum Brands now has more than 7,200 KFC and Pizza Hut restaurants across 1,000 Chinese cities.

**Y**UM Brands Inc., the Louisville-based parent company of **KFC**, **Pizza Hut** and **Taco Bell**, has announced an agreement to sell a \$460 million share in its **Yum China** unit as part of the company's plans to spin off the China business.

**Primavera Capital Group**, a China-based global private equity firm, is investing \$410 million in the unit, with **Ant Financial Service Group**, a leading online

and mobile financial services provider, investing \$50 million.

The spinoff and sale to Primavera/Ant are slated to occur on Oct 31; Yum China will begin being traded on the **New York Stock Exchange** as an independent company on Nov. 1, under the ticket symbol YUMC.

Yum Brands CEO Greg Creed said the sale represents "another important milestone in our plans to separate the China business and create a solid foundation for Yum China as it prepares to become an independent restaurant powerhouse."

In 1987, Yum became one of the first major restaurant companies to enter the China market. Yum China now encompasses more than 7,200 KFC and Pizza Hut restaurants in 1,000 cities in China and generated more than \$8 billion in system sales for 2015.

**Yum China Holdings** will become a licensee of Yum! Brands in mainland China.





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## BUSINESS BRIEFS

### MIDWAY

■ **Lakeshore Learning Materials**, a California-based developer and retailer of educational products, is constructing a 500,000-s.f. fulfillment and distribution facility in Midway that is expected to generate 262 full-time jobs. The new facility, which represents an investment of more than \$47 million, will provide a central distribution location for the company and is expected to be operational by November 2017.



### NICHOLASVILLE

■ Nicholasville-based animal health and nutrition company **Alltech** has formed a strategic alliance with **Keenan** and **Haier Financial Services** with the goal of building a healthy agricultural ecosystem in China. Under the alliance, Alltech will provide services to the farming sector through its expertise in animal nutrition innovation and on-farm support services. Keenan, an Irish-based company recently acquired by Alltech, will deliver their feed mixers and InTouch technology to China, while Haier will offer financial and capital support. Alltech has been involved in Chinese agriculture for more than 30 years and has had an office in Beijing for the past 22 years. China now ranks as the world's leading producer of animal feed.

### PAINTSVILLE

■ The **eKentucky Advanced Manufacturing Institute Inc.** has received a \$2.5 million grant from the Office of Surface Mining and Reclamation Enforcement for an advanced manufacturing training project in Paintsville. The money will fund the establishment of an HTEC Advanced Manufacturing Training Center that will provide CNC (computer numeric control) skills training to help bridge the skills gap in advanced manufacturing and prepare students for employment as CNC machinists.

### PIKE COUNTY

■ Citing a "continued depressed coal market," **Alpha Natural Resources** plans to close its **Process Energy Mine** in Pike County, effective Nov. 7. The mine is Virginia-based Alpha's last active mine in Kentucky. The shutdown will affect 117 workers.

### SHELBY COUNTY

■ **Louisville Gas and Electric Co.** and **Kentucky Utilities Co.** have requested permission from the Kentucky Public Service Commission to develop a "community" solar facility in Shelby County. If approved, the subscription-based Solar Share Program would include constructing a regional facility for the utilities' residential, business and industrial customers interested in sharing in local solar energy and receiving solar energy credits generated from the facility. The company says the program is ideal for customers who want solar power, but are unable to install it on their own property or would prefer to avoid the costs and maintenance required for a private system.



### SOMERSET

■ **Continental Refining Co.** has implemented the use of railcars to carry oil products to and from its refinery in Somerset to the Somerset Rail Park in Ferguson, where the oil is offloaded or loaded onto trains for final distribution across the country. Continental President/CEO Demetrios Haseotes said the intermodal transportation reduces shipping costs, enabling the company to ship products farther. Continental is currently bringing in gasoline components for gasoline pool blending and hopes to continue procuring additional blending components going forward. In addition, the company is also buying transmix, a type of fuel produced when different fuels mix together in the fuel distribution system, which is also brought in by rail.

### STATE

■ Four more **Kentucky state parks** have been added to the list of those slated to receive upgrades and improvements under the state's recently announced "Refreshing the Finest" campaign. State park facilities at Lake Cumberland, Dale Hollow, Barren River and Rough River Dam are scheduled for painting and various other repairs and upgrades as part of the \$18 million improvement program. Work is already underway and/or completed at nine other state parks.

## STATE: 34 AIRPORTS ACROSS KENTUCKY SCHEDULED TO RECEIVE IMPROVEMENTS



*A recent study found that in Kentucky, general aviation contributes over \$1.6 billion to the state's total economy, supports 9,400 jobs and \$454 million in labor income.*

THE state has allocated \$20 million over the next two years to fund overdue pavement renovations at airports across the state.

In total, 34 **general aviation airports** are slated to begin pavement improvement projects on aged runways, taxiways and aprons.

"Every year, hundreds of individuals and companies consider bringing their business to Kentucky. Many of them travel here on corporate jets and land at one of our non-commercial airports," said Gov. Matt Bevin. "First impressions about Kentucky's business communities are made starting from the moment an aircraft touches down. For this reason, investing in general aviation airport infrastructure is not merely cosmetic – it's vital to strengthening the health of Kentucky's economy."

Those scheduled for projects this year include: **Big Sandy Regional Airport** (Prestonsburg), **Tompkinsville-Monroe County Airport**, **West Liberty Airport**, **Russellville-Logan County Airport**, **Wendell H. Ford Airport** (Hazard), **Morehead-Rowan County Airport**, **Williamsburg-Whitley County Airport**, **Sturgis Municipal Airport**, **Harlan Airport** and **Georgetown-Scott County Airport**.

## WALTON: SAFRAN LANDING SYSTEMS BEGINS \$100M EXPANSION PROJECT

A groundbreaking ceremony was held on Sept. 28 for a \$100 million expansion of **Safran Landing Systems'** facility in Walton that will create approximately 80 new jobs.

Safran, formerly **Messier-Bugatti-Dowty**, is enlarging its existing facility to accommodate increased production of carbon brakes, which are used by a wide variety of commercial and military aircraft. The Walton plant's client list includes **Delta**, **Spirit Airlines** and **Air Canada**, among others.

Exports of Kentucky-made aerospace products and parts increased nearly 22 percent in the first seven months of 2016 compared to the same time frame in 2015, making aerospace products the state's No. 1 export category. Kentucky companies exported more than \$6 billion in aerospace parts and products, representing 36 percent of the state's overall \$16.88 billion in exports through July.

Safran was the first company to introduce carbon brakes on commercial aircraft in 1986. Now the benchmark in high-performance braking, carbon brakes provide two to three times the amount energy absorption of steel brakes while also offering reduced operating costs and technological, economic and environmental advantages for airlines.

The Walton expansion is expected to be complete by the end of 2017. In addition to the Walton facility, France-based Safran operates carbon production plants in France and Malaysia.



## HENDERSON: HENDERSUN GETS OK TO BUILD ELECTRIC GENERATION FACILITY

**H**ENDERSUN Energy has received approval to build and operate an electrical generation plant on 100 acres approximately 15 miles southwest of the Henderson city limits.

According to a report by *The (Henderson) Gleaner*, the Henderson City-County Planning Commission approved a request in 2001 to rezone nearly 2,000 acres along Kentucky 1078 S from agricultural/surface mine to heavy industrial. The site plans originally included a coal-fired generation plant, but that project was brought to a halt by the coal industry's market conditions and increased Environmental Protection Agency standards.

The HenderSun Energy project is expected to bring nearly \$700 million in capital investment to the area and will create approximately 500 construction jobs. Once completed, the facility will employ 20 to 30 employees with salaries upwards of \$60,000 per year. Construction on the natural gas combined-cycle facility will begin next year, with completion targeted for 2020.



**We want to know what's going on at your company!** If you have news to share with Kentucky's business community, please forward your press releases and photos/logos/graphics to [editorial@lanereport.com](mailto:editorial@lanereport.com). In order to reproduce well, images must be large enough to publish in high resolution (300 dpi).



## BUSINESS BRIEFS

### STATE

■ The **advanced manufacturing workforce** in Kentucky reached a seven-year high with more than 280,000 workers employed, according to a new report from LIFT – Lightweight Innovations For Tomorrow. The report notes that since 2009, lightweighting-related job postings in Kentucky have increased by more than 21 percent, representing 48,877 jobs recovered.

AME Alliance photo



■ Kentucky has received a \$467,000 **State Trade Expansion Program (STEP)** grant from the U.S. Small Business Administration to help small businesses find broader markets for their products and services. STEP grants lower the cost for small businesses to participate in international trade missions, sales trips and subscription services and also assist companies with international market research, export trade show exhibit costs, training workshops, travel expenses, translation services and product compliance testing.

■ Five Kentucky riverports have been awarded \$500,000 in grants from **Kentucky's Riverport Financial Assistance Trust Fund**. Riverports in Hickman, Paducah, Eddyville, Owensboro and Henderson will receive matching grants to supplement investments made by each riverport on projects like dock dredging, pavement rehabilitation, railroad repair and crane restoration.

■ The Louisville chapter of the **National Association of Women Business Owners (NAWBO)** has merged with NAWBO's Lexington chapter and expanded into a statewide organization. Now named NAWBO Kentucky, the organization provides educational resources, mentoring and networking opportunities for women business leaders.

# PASSPORT



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# INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

## BUSINESS BRIEFS

### INDIANA

■ **Accuride**, an Evansville, Ind.-based automotive components supplier, has entered into an agreement to be acquired by New York private equity firm **Crestview Partners** in a deal valued at approximately \$124.5 million. After the transaction closes, which is expected to take place in the fourth quarter of this year, Accuride will remain an independent company and will continue to be headquartered in Evansville, operating under its current name. Accuride has also sold its **Brillion Iron Works** subsidiary to **Metaldyne Performance Group Inc.** for \$14 million.



■ Louisville-based **American Air Filter Co.** (dba AAF International) and its subsidiary, **Flanders Corp.**, has opened a new **Clean Air Innovation and Research Center** in Jeffersonville, Ind., that will create 40 new jobs. AAF and Flanders develop and manufacture a wide variety of air filtration solutions that are designed to remove and control airborne particulates and gaseous contaminants in commercial, industrial, clean-room, transportation and nuclear power applications.

■ **Goshen Coach** has announced that it will close its commercial bus manufacturing facility in Elkhart, Ind., at the end of October. The closure will result in the elimination of 159 jobs.

### OHIO

■ **Aleris Corp.**, a global aluminum rolled products producer headquartered in Cleveland, has entered into a definitive agreement to be acquired by **Zhongwang USA** for \$2.33 billion. Aleris will continue to be headquartered in Cleveland, with its existing management in place, and will be operated as an independent entity under the Aleris name. It will also continue with the implementation of strategic growth projects, including its major expansion project in Lewisport, Ky., which is being undertaken to help meet the growing North American demand for aluminum auto body sheet.



■ Columbus-based retailer **Big Lots** and the Big Lots Foundation have committed \$50 million to support **Nationwide Children's Hospital's Behavioral Health** expansion, a project that will create one of the nation's largest comprehensive facilities dedicated to children and adolescents with behavioral health conditions. The \$158 million pavilion, which is included in a \$730 million campus-wide expansion, is scheduled to open in 2020. The Big Lots donation represents one of the largest corporate donations specifically devoted to a pediatric and adolescent behavioral health program.

### TENNESSEE

■ **W. M. Barr & Co.**, a Memphis-based manufacturer of paint removers, solvents and household cleaning products, is planning a \$12 million expansion of its facility in southwest Memphis that will add 40 new jobs to the existing staff of 179. The project will enable the company to bring manufacturing jobs back from China, according to a report by the *Memphis Daily News*, while also increasing plant efficiencies.

■ Goodlettsville, Tenn.-based retailer **Dollar General** has announced plans to hire 10,000 new employees to support planned store openings and fill current vacancies. The company, which has become one of the nation's fastest-growing retailers, currently has more than 13,000 stores and has created approximately 42,000 jobs since 2008.



## WEST VIRGINIA: TOYOTA WEST VIRGINIA CELEBRATES ITS 20-YEAR ANNIVERSARY

COMMUNITY leaders and dignitaries gathered in Buffalo, W. Va., on Sept. 21 to join with **Toyota** officials in celebrating Toyota's 20th year in West Virginia.

When the company announced plans to build a plant in West Virginia in 1997, approximately 19,000 people applied for the initial 300 jobs. The Buffalo plant now has a workforce numbering 1,600.

The Buffalo facility is the only Toyota plant in North America that produces both engines and transmissions, manufacturing more than 650,000 engines and 740,000 transmissions annually.

The \$1.4 billion facility currently produces four- and six-cylinder engines for the **Toyota Corolla, Sienna, Highlander** and **Lexus RX 350**, as well as transmissions for the Toyota **Camry, Avalon, Sienna, Highlander** and **RAV4** and Lexus RX 350 models built in North America. A new transmission rolls off the assembly line about every 25 seconds, with four-cylinder engines rolling off every 30 seconds.

Since its inception, TMMWV has had eight expansions to its engine and transmission lines. A \$400 million investment over the next four years will further modernize its operations.



Henry "Sonny" Smith, a Toyota West Virginia team member for 17 years, inspects the cam housing on a four-cylinder engine.

## INDIANA: FEDERAL RULING FORCES ITT TECH TO CEASE ALL OPERATIONS



Founded in 1946, ITT Tech has closed its doors after being in business for 70 years.

**ITT Technical Institute**, a for-profit technical institute with approximately 130 campuses in 38 states, closed abruptly in early September, eliminating 8,000 jobs and leaving 35,000 students in limbo.

The closure was the result of a ruling by the U.S. Department of Education that essentially blocked all federal student loan funding for the Carmel, Ind.-based school amid lawsuits and questions as to whether the school was acting in the best interests of its students.

Among the issues cited as problems were "misleading" job placement rates; lack of accreditation for some programs, such as nursing; and high-cost private loans to students, some of which carried interest rates exceeding 16 percent (compared to federal loan rates of 6.8 percent).

In the 2013-14 school year, ITT Tech received approximately 83 percent of its revenue from federal dollars – some \$784 million – according to government data. The government's action, according to a release from ITT Tech, forced the school to conclude that it could no longer continue to operate.

Since ITT Tech's announcement, numerous colleges and universities across the country have said they will work with students to help them continue their education plans.



## UNIVERSITY MONEY: WHO IS GETTING THE BEST RETURN ON INVESTMENT?

State funding of universities has received a great deal of coverage in recent months, but when it comes to handling the money they already have, which universities are getting the best returns on the investments of their endowments? The Kentucky Center for Investigative Reporting looked investment returns on endowments at Kentucky's public universities, based on data as of Dec. 31, 2015.

Endowments	Total assets	5-year average annual return
 College Heights Foundation	\$53,400,000	7.35%
	\$40,500,000	6.94%
	\$18,400,000	6.37%
	\$88,250,000	6.1%
	\$14,700,000	6.03%
	\$1,050,000,000	5.7%
	\$49,700,000	5.52%
	\$56,256,670	5.3%
	\$730,500,000	5.2%
	\$50,000,000	4.4%
	\$68,900,000	2.49%

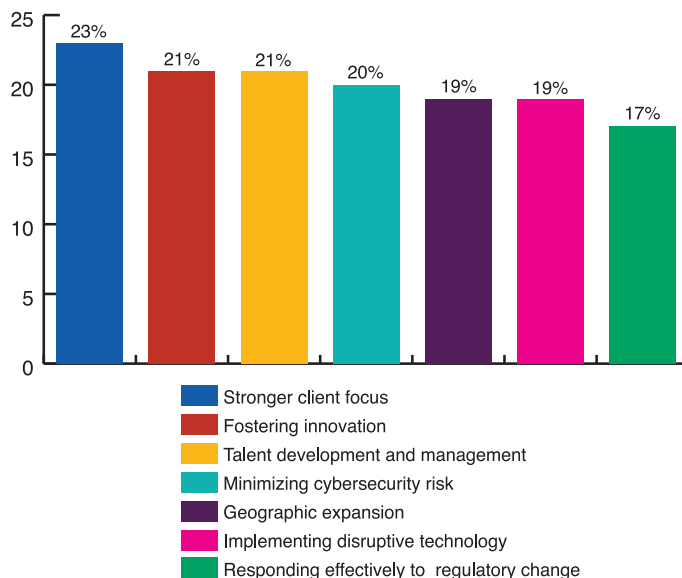
\* Data current as of Dec. 31, 2015  
Source: College, University Foundations

Source: Kentucky Center for Investigative Reporting

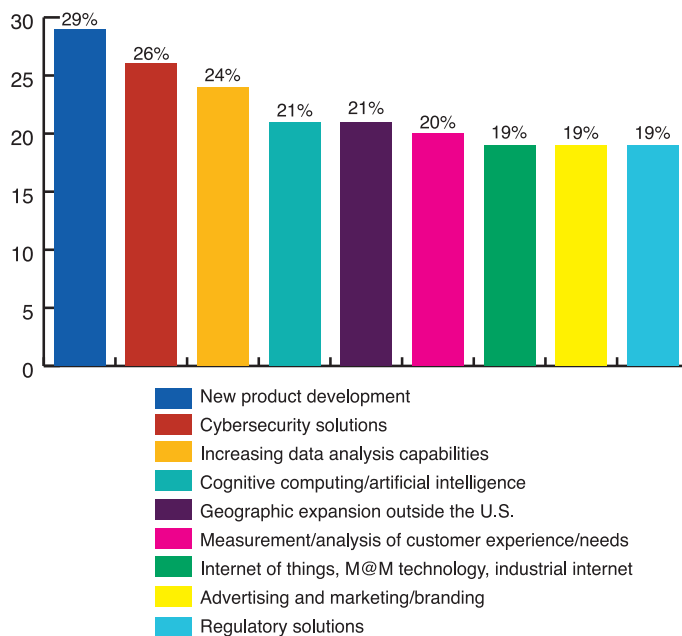
## CEOS: PREPARING FOR CHANGE

KPMG's latest survey of 400 U.S. CEOs found that 65 percent say the next three years will be more critical for their industries than the past 50 years. The majority cited technological change as being one of the biggest factors impacting growth over the next three years, second only to economic factors, and nearly 40 percent say they are transforming their companies into significantly different entities in the next three years. Among the issues addressed in the survey were strategic priorities and investment priorities in the years ahead.

### STRATEGIC PRIORITIES\*



### INVESTMENT PRIORITIES\*



\*Respondents could select more than one item

Source: KPMG

# CORPORATE MOVES

New leadership for Kentucky businesses

## BANKING

■ **Chris French** has been promoted to vice president, relationship manager and commercial lender for Bank of the Bluegrass & Trust Co.



Chris French

■ **Kevin Kloentrup** has been appointed senior vice president and trust officer of Citizens Bank of Northern Kentucky.

■ **Marilyn Blair Ford** has been promoted to president and chief executive officer of Elizabethtown-based First Citizens Bank.



Marilyn Blair Ford

■ **Dennis Barnes** has been named vice president of Lexington-based Central Bank.



Dennis Barnes

## ECONOMIC DEVELOPMENT

■ **Robert L. Helton** has been named executive director of the Morehead-Rowan County Economic Development Council Inc.

## EDUCATION

■ **J. Michael Clyburn** has been named director of the Kentucky Partnership for Early Childhood Services at the University of Kentucky Human Development Institute.

■ **Chad Lee** has been named director of the University of Kentucky Grains Center of Excellence.

■ Centre College has announced the following promotions: **Kay Drake** – vice president for human resources and administrative services; **Shawn Lyons** – vice president for development and alumni engagement (effective Jan. 1, 2017); and **Jamey Leahey** – vice president for legal affairs and gift planning (effective Jan. 1, 2017).

■ **Gary Dryden** has been named chief financial officer for Jefferson Community and Technical College.

■ **Tim Murley** has been named executive director of the Green River Regional Educational Cooperative.

■ **Ben Jackey** has been named director of marketing, public relations and special projects at Jefferson Community and Technical College.

■ **J. Michael Clyburn** has been named director of the Kentucky Partnership for Early Childhood Services at the University of Kentucky Human Development Institute.

■ **Brian T. Nichols** has been named chief information officer at the University of Kentucky.

## FINANCE

■ **Shane Raymond** has been named senior vice president and director of learning and development for Hilliard Lyons.



Shane Raymond

■ **Joey Payne** has joined Cammack Retirement Group as vice president, senior consultant, leading the company's Lexington-based Southeast operations.

## HEALTHCARE

■ **Dr. Cheryl McClain** has joined St. Claire Regional Medical Center as associate chief medical officer for primary care.

## INSURANCE

■ **Tim Feld** has joined Kentucky Employers' Mutual Insurance as legal director.

## GOVERNMENT

■ **Andrew V. McNeill** has been appointed deputy state budget and policy director in the Office of State Director. The Office of State Budget Director includes the Governor's Office for Policy Management, the Governor's

## DEPARTURES

■ **Richard Trollinger** has announced that he will retire as vice president of college relations at Centre College, effective Dec. 31, 2016.

■ **Milton Reigelman**, director of international programs and special assistant to the president at Centre College, plans to retire effective June 30, 2017.

■ University of Kentucky Executive Vice President for Health Affairs Dr. **Michael Karpf** has announced plans to retire from his position in 2017. Once a replacement is named, Karpf will transition to a part-time faculty position working on health service and health policy issues.



Michael Karpf

nor's Office for Policy Research and the Governor's Office for Economic Analysis.

■ **Carey D. Cockerell** has been named commissioner for the Kentucky Department of Juvenile Justice.

■ **Gary Reece** has been named commissioner of the Kentucky Department of Rural and Municipal Aid.

## LEGAL

■ **John Michael Carter** and **Courtney Hampton** have joined the law firm of McBrayer, McGinnis, Leslie & Kirkland.

■ **Jennifer Barbour**, **Amy Berge**, **Joe Dages**, **Dan Redding** and **Scott Stinebruner** have been named directors at the law firm of Middleton Reutlinger.

## UTILITY

■ **Spencer Bruce** has been named president and chief executive officer of the Louisville Water Co.



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# ON THE BOARDS

Kentuckians named to organizational leadership roles

## AMERICAN BAR ASSOCIATION

■ **Palmer Gene Vance II** has been named vice chair of the American Bar Association's Section of Litigation for 2016-2017. Vance has been with the law firm of Stoll Keenon Ogden since 1995 and is a member of the firm's Lexington office.



Palmer Gene Vance II

## AEROSPACE STATES ASSOCIATION

■ The following individuals have been named to the leadership team of the Kentucky Chapter of the Aerospace States Association: Chair – Lt. Gov. **Jenean Hampton**; Vice Chair – **Benjamin Malphrus**, Morehead State University; **Edwin Webb**, World Trade Center Kentucky; **Dannette Wilder**, Sealing Life; **Kris Kimel**, Kentucky Science and Technology Corp.; **Brad Thomas**, East Kentucky Power Cooperative; and **Steve Parker**, Kentucky Commissioner of Aviation. ASA is a national nonprofit organization that promotes a state-based perspective in federal aerospace policy development and supports state aerospace initiatives.

## ASSOCIATION OF REGULATORY BOARDS OF OPTOMETRY

■ Dr. **Gregory S. Moore** has been named president of the Association of Regulatory Boards of Optometry. Moore is a senior clinical instructor at the University of Pikeville – Kentucky College of Optometry.

## GOVERNOR'S COMMISSION FOR VOLUNTEERISM AND SERVICE

■ **Andrew J. Cole** has been appointed to the Governor's Commission for Volunteerism and Service, a bipartisan group that encourages and recognizes volunteerism and assists in the development of service programs statewide. Cole is director of campus ministry at Thomas More College.



Andrew Cole

## GREATER LOUISVILLE ASSOCIATION OF REALTORS

■ **Allison Bartholomew** has been elected president of the Greater Louisville Association of Realtors. Paula Colvin has been named president of Metro Search Inc., the entity that oversees the association's multiple listing service.

## KENTUCKY FISH AND WILDLIFE RESOURCES COMMISSION

■ The following individuals have been named to the Kentucky Fish and Wildlife Resources Commission: **Harry W. Carlross**, Paducah; **Kevin R. Bond**, Burlington; **James B. "Jimmy" Bevins**, Frankfort; **Paul B. Horn**, Prestonsburg; **Richard M. Storm**, Carlisle; and **Karl D. Clinard**, Somerset.

## KENTUCKY LAW ENFORCEMENT COUNCIL

■ The following individuals have been appointed to the Kentucky Law Enforcement Council: **Michael D. "Spike" Jones**, chief of police, Kenton County; **Arthur E. Ealum**, chief of police, City of Owensboro; **Tracy A. Schiller**, chief of police, City of Elizabethtown; and **Michael D. Bosse**, chief of police, City of Georgetown.

## LOUISVILLE REGIONAL AIRPORT AUTHORITY

■ **William Byrley** has been appointed to a four-year term on the board of directors of the Louisville Regional Airport Authority.

## MOREHEAD STATE UNIVERSITY

■ **Terri S. Walters**, of Pikeville, and **Patrick Price**, of Flemingsburg, have been appointed to the Morehead State University board of regents.

## NATIONAL COAL COUNCIL

■ **Danny L. Gray** has been appointed to serve as a member of the National Coal Council. Gray is executive vice president of Louisville-based Charah Inc.



Danny Gray

## NATIONAL CONFERENCE OF BAR PRESIDENTS

■ **Doug Farnsley** has been selected to serve on the executive council of the National Conference of Bar Presidents. Farnsley is an attorney with Stites & Harbison.



Doug Farnsley

## NATIONAL COUNCIL OF STATE DIRECTORS OF ADULT EDUCATION

■ **Reecie D. Stagnolia** has been named chair-elect of the National Council of State Directors of Adult Education's executive committee. Stagnolia is vice president for adult education for the Kentucky Council on Postsecondary Education.

## NORTHERN KENTUCKY UNIVERSITY

■ **Normand G. Desmarais**, of Covington, and **Gregory S. Shumate**, of Ft. Mitchell, have been appointed to the Northern Kentucky University board of regents.

## SAINT JOSEPH HOSPITAL FOUNDATION

■ **Daryl Love** has been appointed to the board of directors of the Saint Joseph Hospital Foundation. Love is the manager of community relations for Ashland Inc.



Daryl Love

## SOUTHERN KENTUCKY PERFORMING ARTS CENTER FOUNDATION

■ **Sandy Jones Boussard**, **Elizabeth Sigler**, **Ginger VanMeter**, **Kirk Pierce** and **Ernie Small** have been named to the board of directors for the Southern Kentucky Performing Arts Center (SKyPAC) Foundation.

## UNIVERSITY OF KENTUCKY

■ **Jennifer Yue Barber**, of Louisville; **Kelly Knight Craft**, of Lexington; and **Michael A. Christian**, of Ashland, have been appointed to the University of Kentucky board of trustees.



Lakia Gilbert, MSBC  
Brown-Forman Corporation  
Alumna, Spalding University

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# LANE ONE-ON-ONE

Kentucky's leaders express their opinions



## Carl Howard

Carl Howard has been president/CEO of Lexington-based Fazoli's since June 2008. Howard previously held positions in Columbus, Ohio, as president/CEO of Damon's (Grill) International; as chief operating officer of bd's Mongolian (Grill) Operating Co.; and president/COO of H&H Management, which operates Polidoro Italian Grill, Salvi's Bistro and multiple Damon's Grill franchises. He was named the No. 1 restaurant executive on the 2014 FastCasual.com Top 100 Movers & Shakers. He was named 2013 Food and Beverage Executive of the Year by the American Business Association. Howard, who earned a business administration degree from Ohio State University, is active in numerous civic and industry organizations. He and his wife, Rocchina, reside in Lexington.

## FAZOLI'S FORMULA GETS GOOD RESULTS DESPITE INDUSTRY-WIDE PRICE PRESSURE

CEO Carl Howard says HQ team that's been there works collaboratively with franchisees to improve the brand

BY MARK GREEN

**Mark Green:** Fazoli's describes its category as "Premium Fast." What differentiates it from other categories?

**Carl Howard:** Fazoli's has repositioned itself over the last eight years away from being a QSR brand, which competes mainly on speed and price, and moved the brand to compete on service and food quality. While we still have a drive-through that's similar to a quick-service restaurant, our dine-in experience is along the lines of a casual themed dining restaurant or more of a full-service restaurant. We have real plateware and silverware; we bring you the food; we have a dining room attendant who walks around and makes sure that you get more breadsticks, pre-busses your dishes. It's just a completely different experience than fast food. But we're much less expensive than a casual-themed dining restaurant. At a \$7 price point, no one can do what we do today.

**MG:** How did Fazoli's start, and how has the company developed?

**CH:** That's an interesting story. It was started over 25 years ago by Jerico Inc., which owned Long John Silver's and Jerry's, the breakfast concept. It started because there was a cod (fish) crisis at the time, and the people who had Long John Silver's were concerned there was

going to be an issue with being able to support their Long John Silver's franchisees. They needed to create another (restaurant) concept on the fly, so they created something called Grazie's, which later turned into Fazoli's. They opened four quick-service Italian restaurants. They later sold it to Kuni Toyoda, who was an employee of Jerico. And with financial backing, he grew it.

But it expanded too quickly, and the brand had some tough times in the early 2000s and mid-2000s. They didn't have the team it takes to run a brand of that size. They did not have sophisticated restaurateurs running restaurants; they had doctors and lawyers and dentists, who did not pay attention to the restaurants. Competitors were out-positioning and outperforming them.

Kuni Toyoda sold the concept in 2006 to Sun Capital, a private equity company that specializes in buying fractured or damaged concepts. They hired a management team that did not have the energy to turn it around, which then led them to give me the opportunity in 2008. When they hired me the brand was in disrepair; we were on the verge of being insolvent. We had locations that were significantly underperforming, and guests were migrating away at a double-digit pace.

The first thing I did was perform a consumer trial study, mainly focusing on migration: I wanted to know why consumers were leaving. I spent a few weeks, not in an Undercover Boss situation, but actually in the restaurants before I even walked into the office – cooking food, making food, watching what was going on. I came to the assumption we were the world's fastest Italian restaurant, but our food and service and facilities were just below average. We would cook food ahead; the quality of the experience was not good.

The good news is that the empirical data confirmed my assumptions and allowed me to talk to the franchisees and say, here's our problem. It allowed me to talk to the ownership group about the same issues. We hired The Culinary Edge, out of San Francisco, and we completely retooled the menu. In 2010, we added a test of plateware and silverware, and bringing the food to the table instead of using pagers, and it really took off. And between 2010 and 2012, we remodeled every company(-owned) and franchise location. By the end of 2012, we had completed the rebranding of Fazoli's, where our food came on a real plate, we had significantly upgraded our food products, had real silverware. We put service back in the dining room. The whole focus today is on quality and service, and it's reflected in our sales performance.

**MG:** How many franchises and company-owned stores does Fazoli's have now?

**CH:** There are 220 total restaurants. We have, right now, four under construction. And we have 123 company restaurants and 97 franchised locations.

**MG:** Is that a typical or atypical mix of company-owned and franchised locations?

**CH:** In today's environment, it's extremely rare that the company would hold more locations than the franchisees. I view the company as the largest franchisee. I like the position that we're in. We could certainly change that balance, but I like having skin in the game. It keeps our team sharp. If we make a mistake, if I make a mistake, we feel it 123 times versus making a mistake with one or two company restaurants and then have it hurt 400 franchise locations. I do like that. It keeps our team much more focused on accuracy and performance. We don't have any immediate plans to change that, although we are out there signing franchise groups on a regular basis.

**MG:** What is the geographic footprint?

**CH:** The majority of our locations are in the Midwest – Indiana, Ohio, Kentucky, Tennessee, Missouri probably make up 60



percent of our locations. We have locations and a good penetration in Texas; we have a location in California, one location in Chino Hills; we have several locations in Michigan; some in Wisconsin. But we're really a Midwest regional chain.

**MG: What franchisee support does Fazoli's provide, and is that different from most other food franchisors?**

**CH:** The first thing that makes us different is the leadership team that supports the franchisees. They are all ex-franchisees. Doug Bostick, the vice president of franchise services, was a former franchisee of the Rally's brand. I was a former franchisee of the Damon's (Grill & Sports Bar) brand. We know what it's like to sit on the other side of the table and have skin in the game. Doug and I understand what the franchisees go through on a regular basis. These individuals have, in some cases, their net worth and their entire family assets on the line, and they've entrusted that in the leadership team of Fazoli's. And we take that extremely seriously. In the *Franchise Business Review*, we're always one of the top 20 franchise support companies in the United States.

It starts with our franchise business consultants. The average number of locations they oversee is roughly 20-25 units, and that is about 50 percent less than most franchise business consultants in our industry oversee. Their territory and span is much smaller, and that allows them to have much more interaction based upon what the franchisees need. We try to make a visit at least once a month and give our franchisees a fresh perspective of what they could be doing differently to drive sales or profit.

Our communication with our franchisees is very collaborative. We don't ever refer to the franchise agreement or have discussions like that. We have collaborative discussions of what we could do to outcompete and outperform in this industry. Franchisees have the exact same objectives we do. We want to be best in class; they want to be best in class. The fact that their priorities are aligned with ours makes it a great working relationship.

**MG: Is Fazoli's high company-owned-to-franchise ratio structure the result of a business strategy, or did it just evolve that way?**

**CH:** How it happened is, there was a fast-food company called Rax Roast Beef, and Rax went into Chapter 11 in 1992 and again in 1996. When that happened, Kuni Toyoda bought many of the Rax restaurants and converted them into company locations, some of which survived and are still around today. We found it that way when Sun bought it. Sun sold it in 2015,

and now Sentinel Capital Partners, a different private equity company, owns Fazoli's. The location structure just kind of came about.

**MG: Do your franchisees tend to have individual locations or multiple locations?**

**CH:** Probably 50 percent are single-restaurant operators and 50 percent have multiple locations. Our largest franchisee has roughly 20 locations in the Louisville and Nashville markets. Some of our smallest franchisees are beginning on a development deal of one of three. We have some legacy franchisees operating one unit who have been in the system for a long time.

**MG: What is a typical return on investment for a franchisee?**

**CH:** We try to model under three years. So cash-on-cash investment is pretty strong. We try to model a company restaurant that, when we put our cash into it, we receive our cash back in three years or under.

**MG: Fazoli's reports 13 consecutive quarters of same store sales growth and a 5.1 percent year-over-year increase through July – this is counter to the overall industry figures. Why are you doing better, or why are they doing worse?**

**CH:** I'll start with the second part: Why is the industry coming under pressure right now? We're in a very unique situation that we haven't been in for eight or nine years – last time it happened was around the Great Recession, and before that it was in the mid-'90s. Right now the dollar is so strong, and the commodity and cattle and chicken crops have been so strong; there's a supply-and-demand situation that has benefited everyone, but it's really benefited grocery stores.

When the dollar gets really strong, we stop exporting our commodities; countries stop buying our products. We have an influx of supply, but the demand really doesn't change much. So it's a fight for share between us and the grocery stores. In periods when the dollar is strong and crop growth and cattle are so strong, the grocery stores actually can be at negative inflation. Restaurants are never at negative inflation; every year, restaurants consistently take between 1.5 and 3 percent in price increases just to keep up with the cost of labor. Well, grocery stores have been operating at a negative inflation since the beginning of the year. You see grocery stores taking share away from restaurants and restaurants not performing.

Some restaurant groups – the two large ones, McDonald's and Wendy's – were ahead of this curve as they should be, and they rolled out significant deals, like two meals for \$5, or four for \$4.

They were very successful for several months, until the other brands jumped in. Now everybody's got a four for \$4 or a \$5 meal box. It's leveled out the playing field again, and none of those brands are being enriched from that.

Fazoli's, on the other hand, has our own unique positioning. No one can do what we do, as I said, at a \$7 price point. The brand's really right for the times. We can still provide a much better experience in our restaurants than you can get at the grocery store or replicate at home, and we're not done. We're constantly working on improvement. We're working on our facilities. At the end of the day, we're just different. We're better, and we're less expensive than our competitors. And it's a good business model. We'll be 14 consecutive quarters and 74 out of 78 months after September; it's off to a flying start.

**MG: Fazoli's is pursuing aggressive growth in 2016. Tell us about your current expansion plans and the strategy behind that. And why are you doing it now, versus, say, two years ago or two years from now?**

**CH:** I don't know that you would call it aggressive, but we're in expansion mode. We'll open 12 locations in this fiscal year. Our goal is 16 next year. We just signed nine new franchise groups in July with commitments to build 22 locations, which is a record for us – we haven't signed nine new franchise groups in several years, let alone in one month. And we're getting a lot of activity; our interest sheets are large. And because the brand's performing so well in this environment, we continue to get a lot of attention.

But the reason why now is the time to be a franchisee of Fazoli's is because the return on investment is strong, our positioning is great, we're unique – we're different from chicken, Mexican, burger-and-fries, so it complements your portfolio if you already have something like that. And in six months to a year from now, some of the things that we're going to be doing are really going to surprise people. We've got some major consumer upgrades in test and what we call "Fazoli's 3.0." And we're going to do it without having to charge.

**MG: When the company or a franchisee is looking to set up a location, what kind of location metrics does Fazoli's look for or require?**

**CH:** We use a site analytical company called Buxton (of Fort Worth, Texas), which has done a great deal of research on our brand. Buxton helps us determine whether a site is approved or not approved. We also have a director of real estate, Perry Pelton, who will tour the market and the city with the potential

franchisee or existing franchisee or for a company location. He will use that information and his 20-some years of experience at McDonald's along with the Buxton site analytical report, and we'll come to a conclusion on whether or not it's the right location for a Fazoli's. Type in the location, and Buxton's tool will type out what the performance of the location should be. It's based on the demographics of the neighborhood, traffic counts, how much retail is surrounding that site. It's a pretty in-depth site-selection process. It's more about demographics, but it's about the right demographics.

**MG: What are your company's current expectations for the economy, the broader economy, in the near term, say through 2017?**

**CH:** I don't see any dramatic changes occurring between now and the end of 2017, regardless of who gets elected. Unfortunately, wage policies promoted by the current Democratic leadership are making it very difficult for restaurants. The fight for a \$15 minimum wage – at first it was \$10.10, and some cities did that, and then let's get to \$15 – and the Department of Labor putting in a new overtime exemption threshold of \$47,470 really puts a lot of strain on the restaurant industry. We're one of America's largest employers. And we employ a lot of the people that really need work, whether it's your first job, during which we're giving you life-skills training, or people who can't find work in a different environment. The government has made it more difficult for us. But from an economy standpoint, I don't think anything we see through next year is going to change – there's no indicator out there that we're going to have some recession or anything else.

**MG: What is your perspective on the minimum wage increases being advocated and enacted in a growing number of communities including Lexington and Louisville?**

**CH:** It's going to push businesses to think differently about employment and technology. In the long term it will cause job reduction as some of the pieces our employees do today will be replaced by technology. This push for higher minimum wage at such a rapid pace – when you go from \$8 an hour to \$15, you are raising the rate almost 100 percent. You're going to see large brands make changes to keep their labor costs in line because they can't afford to pay everybody 100 percent more. They can't pass along that cost to the consumer and still be in business.

It's going to be really, really hard on these lower-volume restaurants and

small businesses that need it the most. Chains like us and larger will survive, but people who have one or two restaurants, who are barely getting by, the independent operator: It's going to be traumatic for them. It's just poorly thought out. The lobbyists of the restaurant association could have done a better job of trying to communicate this.

But when people are asked to vote, "Do you want to make it \$8 or \$15?" everybody's going to punch the \$15 button, and they won't realize what they're actually doing. Take a look at what McDonald's just rolled out in New Jersey – a kiosk system. It's an effort to get rid of cashiers. If you look at what's going on in casual themed restaurants, they've got little boxes at the table to place your orders and everything else, it's an effort to reduce the number of servers that they have to employ. This is all in response to the labor piece.

**MG: Wendy's is testing kiosks, too.**

**CH:** Of course. They have no choice.

**MG: What is the profit margin these days in the quick-serve, fast-casual, fast-premium sector?**

**CH:** The net profit at the end of the day? The majority of the restaurant chains out there are between a nickel and a dime for every dollar that they take in.

**MG: There's a lot of discussion in all business sectors about workforce development and skill levels. How would you describe the skill level of the workforce candidates Fazoli's is encountering and hiring currently?**

**CH:** I don't know that it's been dramatically different from one generation to the next. I love the employee group that we're hiring. I love working with the new kids who are coming up; they have great attitudes. And our older group that's coming in and working – maybe this wasn't what they planned 30 years ago when they started out in the workforce, but they're very appreciative of their position, and they're great to work with as well.

**MG: What are the broad trends in consumer preferences?**

**CH:** Consumers like customization. Customization, fresh, made-for-you are three really important pieces. The proliferation of fast-casual probably shows us that. They like to customize their food as they go through the line. It's fresh. It's made for them. "Feeling" is very important. You'll see artificial ingredients become a bigger and bigger deal. Farm-to-table is, I think, a niche. What's important is the feeling that the consumer's getting a healthy, fresh, made-for-them product that they have some ability to customize.

**MG: How does Fazoli's track these consumer preferences?**

**CH:** For a small company in Lexington, Ky., we have some really sophisticated executives on our team, constantly following the trends, participating in national boards or panels, and staying in the know. We're addressing the customization to healthy, fresh and made-for-you. We've added a build-your-own-pasta section. We make everything fresh-to-order; nothing is made ahead, and our pasta doesn't drop and start to cook until you place your order. We're working on other things to improve the freshness and healthiness and the wholesomeness of our menu items by next summer.

**MG: Does Fazoli's have its own test kitchen and recipe development department?**

**CH:** We do. We have completely redesigned our home office since I've gotten there. We have a test kitchen. We have a focus-group room to bring in people right there in our office. And we have a full, operating kitchen in the back. Rick, who is our R&D chef and director of R&D, does a great job. We're much more sophisticated than what people would realize.

**MG: You've added a couple of corporate positions recently. What is the size of the corporate staff?**

**CH:** We have roughly 100 corporate people, from field operators to home office to executive teams. The overall company has about 4,000 employees who work at Fazoli's throughout the country.

**MG: Of the hundreds of franchise food providers, who is Fazoli's primary competition?**

**CH:** We believe Olive Garden is a primary competitor of us. Of our current guests, if they would not go to Fazoli's, where would they go instead? Nowadays, that's the Olive Garden. You see Panera in that group, Chick-fil-A, Applebee's, Subway and McDonald's.

**MG: Do you have a closing statement?**

**CH:** Besides saying thank you for the opportunity, people should definitely keep an eye on Fazoli's. If they haven't been in for a long time, they should go in and give it another shot. I think they'll be really impressed with the food quality and service they get for a \$7 price point. We're not your old Fazoli's. We've put a lot of time and attention into quality, and you'll see that during your experience. ■



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# An Old Crop with a New Opportunity



With a long list of uses and applications, industrial hemp holds tremendous profit potential for Kentucky farmers

BY ABBY LAUB

**A**N increasing number of people are aware that before it was known for tobacco, Kentucky was prosperous because of industrial hemp, and today's generation of farmers and researchers are working to again unleash the crop's economic potential despite still being handcuffed by stiff federal regulations.

"I'm very excited about the potential if we can get through some of these regulatory hurdles," said Brent Burchett, Kentucky Department of Agriculture's (KDA) division director for the Division of Value-Added Plant Production. "There is so much potential, and there's consumer excitement for these products. Our farmers have shown they can grow this. Their granddaddies grew this."

But just because previous generations of Kentucky farmers successfully cultivated hemp, doesn't mean today's playing – or growing – field is the same as it was in hemp's pre-Prohibition heyday before being included in the Marijuana Tax Act in 1937. Kentucky hemp farmers from the 1800s through the early 1900s, including Henry Clay, pri-

marily cultivated the crop for fiber. It was long considered to produce the best rope, paper and durable fabric. Kentucky hemp supplied millions of pounds of fiber for the World War II effort.

These days, interest is weighted more heavily on the human consumption side – in the form of the nutraceutical cannabidiol (CBD) oil, and seeds that can be hulled, toasted or ground up into protein powder. The highly profitable CBD oil is the most valuable, but also is currently under threat from the Food and Drug Administration.

On the seed and fiber sides, the applications are endless and the harvest is ripe. Hemp is considered a superfood and many Kentucky chefs are experimenting with it. Unique Kentucky fiber interests include equine stall bedding, car parts and building material.

"We haven't even found all of the areas this can fill," said Tom Hutchens, chief research officer at Atalo, a Winchester company that specializes in the research, development and commercialization of industrial hemp. "Fiber has one of the greatest opportunities down the road because it's a totally new mindset."

*Atalo Holdings, a Winchester-based company specializing in research, development and commercialization of industrial hemp, has subsidiaries developing seed varieties, hemp protein-based foods, and cannabidiol extract products. Its management team is, from left, CEO & General Counsel William Hilliard; Contracting Officer David Spalding; Chairman Andrew Graves; Chief Financial Officer & Treasurer Ernest Sammons; Chief Research Officer Tom Hutchens; and Chief Commercial Officer Marcum King. Not pictured is Director of Corporate Relations Joseph Hickey Sr.*

Atalo CEO and General Counsel William Hilliard added, "This crop is today where corn and soybeans were about 50 years ago."

Ironically, more than 50 years ago, the "fall" of hemp production is what led to the rise of tobacco in Kentucky.

"It's a very unique, once in a lifetime opportunity for most farmers to be on the front end of a brand new crop that could maybe be the premier protein source in the United States in the not so distant future," Hilliard added. "And to apply our ingenuity and know-how and the Kentucky and American farmers' knowledge to an old crop with a brand new opportunity is very unique."

## Kentucky farmers leading the way

Hemp is legal to grow in the United States under the Farm Bill of 2014, only under the pretense of research. It is still considered a Schedule I drug by the federal government. Kentucky was the first state to allow private growers to participate in its hemp research. Most states keep it within universities. In Kentucky, farmers who want to grow hemp need to obtain a Mem-



Andrew Graves, CEO of Atalo Holdings, examines a row of hemp in a test grow in Fayette County.





*Kentucky Hempsters is testing varieties of hemp in Shelby County this year to help determine which grow fastest, develop the most useable fiber and produce volumes of seeds high in protein, cannabidiol and hemp oil.*

orandum of Understanding with the KDA. For the 2016 growing season, the state had approved 4,600 acres of hemp growth and approximately 2,600 acres were planted, which was up from the 30-acre range just two years ago.

Burchett said Kentucky has a major head start on other states in the growing, processing and production side of hemp, with Tennessee having the closest comparable program.

And though the Farm Bill has no sunset, there are still so many hurdles surrounding growing, supply chain issues and funding. The Farm Bill does not allow for the use of pesticides or herbicides, and also does not allow for crop insurance – a necessity for many farmers.

Hemp lobbyists and state lawmakers on both sides of the aisle are optimistic that industrial hemp will be fully legalized and permanently de-coupled from marijuana. Hemp contains virtually no THC (tetrahydrocannabinol, the chemical responsible for most of marijuana's psychological effects), but law enforcement is not able to quickly tell the difference between the two plants, and therefore they are both illegal.

This is a frustrating fact for Kentucky native Annie Rouse, who knows hemp better than almost anyone. Rouse is president and executive director of the Kentucky Hemp Research Foundation and earned a U.S. Fulbright Scholarship to study the environmental life cycle of hemp in Canada, which supplies the U.S. with most of its hemp. Last year, the U.S. imported approximately \$600 million in hemp products, according to Alex Huber of CV Sciences Inc., a California company that has a heavy footprint in Kentucky.

"I started getting mad about it, said Rouse, who almost decided to ditch a hemp career altogether. "I was so annoyed

by the fact that it was illegal for really stupid reasons. It really spurred this passion for me and lit a fire under me. I realized most don't know anything about hemp at all and I saw the need to educate people."

Rouse hopes to see hemp make an enormous impact in sustainable development and nutrition around the world.

"It is an industry with so much opportunity to really develop businesses and develop products," she said.

Lexington's AZUR Restaurant Group co-owner and executive chef Jeremy Ashby and AZUR co-owner Sylvia Lovely hope to see hemp legalized for many of the same reasons.

The duo work closely with farmers, policy makers and food consumers on a daily basis. Lovely called hemp an "indigenous industry" for Kentucky that can help keep the population healthier and help feed hungry people at home and abroad.

Ashby noted that the hemp he cooks with often has to travel thousands of miles, and he's bothered by that large carbon footprint. And also because local farmers are missing out.

"We've lost coal, we've lost tobacco. They're not coming back," he said. "Now we have this uniquely Kentucky thing and are in a position to corner that market ... I think that is where chefs can come in. There isn't a lot of practice or research behind it in the kitchen but that is changing."

He noted that hemp is an amazing supplement to any food, adding protein, fiber, amino acids and fatty acids. It is perhaps one of the most protein loaded and fat rich – with a perfect balance of Omega-6 and Omega-3 fatty acids – plant-based foods on the planet.

"But, currently it's not too economically or environmentally sound to cook with in large quantities," Ashby said, and



*Annie Rouse, President and Executive Director, Kentucky Hemp Research Foundation*

then compared it to the dramatic success that another uniquely Kentucky crop – bourbon – has done for the state. "People will associate hemp with Kentucky."

Through their weekly radio show, Food News and Chews, Ashby and Lovely hope to continue to educate people on the topic of hemp.

## Connecting the past to the future

Hemp activist and business owner Alyssa Erickson and her business partner Kirstin Bohnert co-founded Kentucky Hempsters, United Hemp Industries and Heritage Hemp.



*Alyssa Erickson, Co-founder, Kentucky Hempsters*

"I think farmers are eager for an alternative crop and the more they learn about the markets available with industrial hemp, they're putting the dots together and they're going, 'Why aren't we doing this?'," she said. "Our KDA has moved so aggressively and are doing a really good job. We have passion and momentum in government here in Kentucky."

Kentucky Agricultural Commissioner Ryan Quarles was raised on a farm and knows the plight of the state's farmers.

"Industrial hemp is a crop that connects our past to our future," he said. "My family used to grow industrial hemp. My great grandfather grew it for the [World War II] effort. Kentucky is well positioned in the U.S. In three short years we've gone from zero acres to over 4,000. It's attracted investment from across the country to Kentucky. I'm optimistic about it, along with other alternative crops the KDA is investing in right now."

He added, "Thomas Edison didn't make the lightbulb work on the first try. It requires management, input and a level of understanding to make it profitable to compete with other crops grown in Kentucky. It's been remarkable how much distance we have covered in three years."



*Chef Jeremy Ashby of AZUR Restaurant Group in Lexington is developing recipes that incorporate hemp such as this Hemp-Laced Tuna Poke with Hemp Hearts, Hemp Oil and Kentuckyachi Dressing.*



To make it profitable and fully legal, he believes Kentucky farmers and processors need to demonstrate that they can grow the crop well and turn it into a valuable product.

Thanks to research from farmers, processors like Atalo and major institutions like the University of Kentucky and other schools around the state, this is happening.

"It's important that we attract investment now so that Kentucky will be well positioned if and when Congress legalizes the crop," he said. "I believe they will. The U.S. is the only industrialized country that does not allow the crop to be grown, and consumers continue to demonstrate a demand for it. I want Kentucky to be on the forefront when the crop eventually is commercialized."

An applauded international reputation for agricultural research, ideal geographical location and ample water supply make Kentucky well positioned.

Still, the unknowns can be concerning and farmers won't make a lot of money yet. The regulation process is tedious, and there are still many factors to the growing marketing process.

"We haven't yet seen this market unleashed," Burchett said. "If it was full blown, you could make some assumptions. When every state can do it, we'll need a few years to do it, then we can make a true assumption about its capabilities."

Quarles added that hemp was never portrayed as a replacement for what tobacco used to be, and that proponents must keep in mind that farmers are business owners and hemp must be competitive with other commodities grown in Kentucky.

"That's why the research program is so farmer driven, to provide practical and pragmatic observations for how they envision industrial hemp as part of their farming operation," he said.

That is where Atalo – investing millions in harvesting, laboratory and processing equipment – comes in.

Atalo Chairman Andrew Graves, whose family farmed hemp for hundreds of years, said Atalo is solidifying its processes and becoming proficient in genetics, food, development and building the supply chain. They want to expand their presence to other farmers around the United States. He sees it as a major economic development driver for Kentucky, and one that is drawing in people of all ages and attracting worldwide attention.

"It never can be understated how valuable rural economic development is," Graves said. "That's what we're doing here in a large way. Tobacco was always the No. 1 player in my lifetime, but in my father's lifetime, it was hemp."

"We have very well-educated young farmers that are looking for opportunities," Hutchens said. "And they're not necessarily looking to do things that have been done

before. They are looking at these new crops, and that's where I think Kentucky has a huge opportunity in specialty crops."

Atalo Contracting Officer David Spalding called many of today's hemp farmers "progressive risk takers, and very bright." He added, "We're learning a lot from these guys, which is what the program is designed to do – to have everybody doing research."

And the entrepreneurial environment is wide open.

"Everybody is coming up with ideas, and then they take it from an idea to fruition and make it a product," Graves said. "That's

the beauty of what Kentucky's doing here. And from that, it will be some sort of creation of money. That's what we all measure everything by, how much money it created, tax growth and how much it elevates the standard of living."

Graves thinks when it is fully legalized, American farmers who are "competitive by nature" will blow away the rest of the world's hemp competition, especially since the state has already done it before. ■

*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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# Virtual Reality Changing the Project Design Game

Architecture, engineering and construction firms are the first Kentucky business sectors to adopt VR technology

BY MICHAEL AGIN

**B**EFORE the sledgehammers knocked down walls inside a Berea College campus housing structure, a handful of students “walked” through the finished, renovated building. Before any concrete poured for a Thornton’s Inc. service center in Louisville, a company project manager “saw” the building and expressed confidence it was exactly what they wanted. Months before a modern glass Mercedes Benz

showroom and blacktopped lot appeared in Fort Mitchell, the dealership owner presented community members with a 3D video of the site plans and won their support.

These are examples of Kentucky construction projects using the latest virtual reality technology, whose publicity to date tends to focus on its use in recreational video gaming. When construction customers don a VR headset, however, suddenly their eyes and brain experience a

360-degree view of their still-on-the-drawing-boards building. Before any dirt is disturbed, foundation is poured or walls are erected, they can discuss design changes with their architects, saving money and time as well as averting construction conflicts and change orders.

Architectural design and construction firms are Kentucky’s first large business sectors to adopt VR into their operations, according to the industry’s lead members. The state’s 136 architectural services establishments (as of 2014) and over 2,500 currently licensed architects say the technology creates opportunities to improve customer service and compete better in Kentucky’s nearly \$2 billion a year construction market as well as more than \$62 billion in revenue nationally for architectural and related services.



*Nika Nikitina and Greg Buccola at Luckett & Farley Architects, Engineers and Construction Managers of Louisville work with previous design presentation technology: physical models and print photography.*

Although VR is a 30-plus-year-old concept, business adoption of VR accelerated this year when lower-priced headsets (\$500-\$700) came on the market along with much cheaper new 3D viewers that use smartphones. Additionally, innovative new software plug-ins now enable push-button creation of VR and 3D visuals from existing architectural design modeling tools.

The competitive perspective has become adopt and manage these new tools now, or be trampled in the marketplace by those embracing the technology.

Luckett & Farley Architects, Engineers and Construction Managers Inc., a 163-year-old Kentucky firm, will use VR in 99 percent of this year's 350 projects in 24 states, said Gregory G. Buccola, vice president.

**'VR is growing exponentially fast'**

"It's a game-changer for the profession and how we interact with our clients,"



said Buccola, who also is a structural engineer. "The days of coming up with an architectural design and printing it out on a piece of paper and trying to show customers what a building could look like, those days are behind us. In 2016 and beyond, the new normal that we are seeing and we are helping to set, is



*Gregory G. Buccola, Vice President, Luckett & Farley*

allowing the customer/client to experience the space before it's ever built."

At stake for Luckett & Farley is staying competitive. It expects 2016 revenues will grow 35 percent over last year, Buccola said. The Louisville firm employs 102 people who work on projects in over 24 states. It is the largest and oldest architectural firm in the region.

TEG Architects, headquartered in Jeffersonville, Ind., also has fully committed to VR.

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## COVER STORY

*Wearing an Oculus VR viewer connected to a computer, Lane Report writer Michael Agin, seated, “looks around” at a virtual reality rendering of a project design at Luckett & Farley with the guidance of Nick Satterfield, left.*

President R. Wayne Estopinal said VR “allows our clients to collaborate with the design team and make excellent decisions, improving the value of their projects at every phase.” He featured VR in the firm’s recent spring newsletter.



**R. Wayne Estopinal,**  
President,  
TEG Architects

TEG contracted 287 projects in 2015 with a construction value of about \$1.6 billion. Kentucky accounted for 119 TEG projects totaling \$363 million, while Indiana had 34 projects valued at \$153 million. The firm employs 50.

TEG intends “to use VR on as many projects as possible going forward – whether as a marketing tool, or a collaborative tool used during the design development phase of a project,” said Brandi Jones, business development associate.



**Brandi Jones,**  
Business  
Development  
Associate,  
TEG Architects

Shad Sletto, director of project development for EGC Construction Corp. in Newport, also reports rapid adoption.



**Shad Sletto,**  
Director  
of Project  
Development,  
EGC  
Construction  
Corp.

“Within the network I am in, use of VR is growing exponentially fast,” Sletto said. “All the firms we work with, everybody is ramping up very fast.”

EGC employs over 175, including architectural design and structural engineers, and skilled trades. Its niche is industrial equipment installation, manufacturing-type assembly work and buildings that house those pro-

*The GearVR headset by Samsung is designed to use in conjunction with a Samsung smartphone.*



cesses. It bills \$40-\$50 million a year, and works on projects in Ohio, Kentucky, Indiana, West Virginia, and more.

### What exactly is VR?

VR is a major technological leap from the two-dimensional drawings of construction projects, and the tabletop scale models created to show customers their projects. Kentucky’s architectural design firms are rapidly adopting two types of the technology: 360-degree VR videos presented through a headset viewer (the most difficult to create), and 3D videos displayed on tablets, computers or phones.

With 360-degree VR, donning a headset display over your eyes suddenly immerses you in the rooms of your project building, seeing the space around you almost like you had just stepped into a newly constructed office headquarters, distribution warehouse or university student housing, for example. Look up and down, left and right by moving your head, and then “walk” through the room by using the levers on a game controller, gliding through the space, past tables and chairs, couches, desks, etc., and “walking” through doors or up stairways.

Light comes through the windows and makes shadows across the floor. Then you can feel how wide the room is, how high the walls are, and how a desk and other furniture, or maybe large manufacturing machines fit in that space. Although the view has a “cartoon” texture, it nonetheless gives clients a deeper insight about their unconstructed building, and they can give the architectural design engineers feedback, making changes at much less cost because construction hasn’t started.

Among the headsets tools are the Oculus Rift (\$599) from California-based Oculus VR, and HTC Vive (\$799) from

Taiwan-based HTC and Valve Corp. of Bellevue, Wash. They require hookups to a computer with software. There are specialized cameras to create 3D videos and photographs. Other required accessories are game controllers, and maybe a solid chair for clients to sit in to prevent them from falling when they are totally engrossed in the very realistic views they are watching in the headset.

The 3D video is less immersive, and is similar to viewing a movie. The clients can see how rooms are set up with furniture or equipment, the colors on walls, types of flooring, how buildings are placed on a site, etc. Other terms for these videos are “fly-through” presentations or virtual tours, which can easily be viewed on tablets or smart phones.

Another method to view 3D videos, similar to using 3D glasses at the theater, employs inserting a smart phone into a binocular-like headset, which then is used for the display. Such headset are Google Cardboard (\$15-\$20), or GearVR (\$99), which pairs only with the Samsung Galaxy.

Finally, another type of 3D view is where the viewer is looking at an image on a computer screen and uses the computer mouse’s cursor to go left and right, up and down. For these pseudo-3D views, the picture moves around a spot where, theoretically, you are standing.

### Around but little seen for years

While these new devices are helping trigger the rush to use them in architectural design, VR isn’t an overnight story. For 30 years, these firms have used automated computer-aided design tools, referred to as AutoCAD, which create accurate and detailed two-dimensional drawings.

Since 2007, larger firms have been investing in more robust architectural design software to implement Building



*As the designs for a \$6 million renovation of Dana Residence Hall at Berea College moved forward, school officials and students did virtual “walk throughs” of the proposed final product, which reopened in 2015.*

Information Modeling (BIM), in which various specialty disciplines design their elements of overall plans, such as engineers for structural, electrical, plumbing, heating and air conditioning, interior design, etc. (Revit® is often used). BIM software aids collaboration between all the construction disciplines. New processes are defined for them to work together while using the software. The results are saved as data for a more robust and detailed model of a project. A line drawn in this software is more than just a length and width dimension; it defines what a wall is made of, the materials, the electric, the plumbing, etc.

“We are working in three dimensions instead of two dimensions,” said Josue Tejeda, a senior designer for Luckett & Farley.

At TEG Architects, “We use it for in-house design collaboration as well as client design sessions,” said Charles Crochet, senior project illustrator.



“Being able to integrate VR into our workflow allows us to optimize collaboration in a truly unique and immersive experience.”

This type of design creates a lot of “big data,” which must be stored in computers that are equipped with the fastest processors. So these firms invested in large-capacity hard drives, super-processor computers, and two large computer

screens that sit on the engineers’ desks – while prices for such hardware have fallen substantially in the past five years. They also invested the time to train employees, hire new workers and define new workflows for all the disciplines.

Recently, plug-ins were introduced (Fuzor for Revit) that enabled push-button creation of the detailed visual modeling of buildings to show clients.

Donan Engineering Headquarters



Artistic Rendering Concept



Artistic Rendering Concept  
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## COVER STORY

*Virtual reality design software is able to generate detailed views from nearly any perspective for clients to preview, such as this aerial view created by TEG Architects of a \$27.8 million Thornton's Store Support Center that is now under construction off Old Henry Road in Louisville.*



"That was a game changer for us," said Nick Satterfield, senior designer at Luckett & Farley. "Translating our vision to the client had been very cumbersome and expensive for us to take our ideas and actually render them to where a client could see what we see in our heads. Now we don't have to gear up a whole team of people to develop the model to put into the Oculus Rift. It went from a two-week exercise to take a building and to bring it to where it could be viewed, to just a few minutes by using the plug-in."



**Nick Satterfield,**  
Senior  
Designer,  
Luckett  
& Farley

From the same software, printouts of the two-dimensional drawings, which are still needed for contracts and construction, show the robust details.

Sletto of EGC Construction said, "That's the real efficient thing that's come out of this. The same drawings you're using to tell me, the contractor, what to build, are the same drawings you show the owner."

### VR improves customer feedback

The customer is the main beneficiary of this new technology, and the key reason why these firms have spent several thousand dollars to implement it.

Customers are using the tools to give feedback to designers and make changes earlier in the design process.

When the Berea College students were exploring the VR views of the student housing design, they told Luckett & Farley designers some spaces were "interesting," discussed what they liked and didn't like, and then asked, "Where's the TV?"

Tejeda, the senior designer for Luckett & Farley, recalled that after a VR viewing session for the Woodford Reserve Distillery Restoration and New Visitor Center project in Versailles, the size of one room was

reduced when it "felt" too big after seeing the furniture in it. Other decisions made the lobby more open and impressive. He said, "it gave them the power of decisions," and eliminated some elements of surprise that might have happened after construction.

Thorntons Inc. of Louisville, used the VR headset to view their new store support center during the design phase.

"It helps me gain confidence we're building the right product," Rodney Lloyd, Thorntons chief development officer, told TEG Architects. "I know exactly what it should look like. You just cannot replace that."

Using VR and 3D greatly helps users visualize their project.

"For the design industry, it makes a lot of sense to be able to demonstrate the space to somebody. What we find in the industry is that it is hard for people who are not familiar with drawings to read a plan and understand what that plan represents," said Sletto of EGC Construction. "They can see it. It looks like TV."

Customers also are using the new technology for gaining community support or fundraising.



**Josue Tejeda,**  
Senior  
Designer,  
Luckett  
& Farley

In Fort Mitchell, EGC worked with Vocon architecture to create a concept design for the automobile dealership on the site of a dilapidated hotel. Prior to construction, Sletto said, the owner used a virtual model to tweak the design with the architectural firm, but after he was comfortable with how it looked, he presented the model to the community. The "fly-through" model showing the buildings on the site alleviated concerns.

"He really established his vision to show his community and got almost unanimous support," after showing the virtual video, said Sletto.

Louisville Visual Art (LVA), a community-based nonprofit organization that serves youth and teaches them about art, and showcases artistic works, needed to renovate a donated warehouse. Although the project still is in the bidding phase, Luckett & Farley created a VR movie of their proposed design that LVA could use in fund raising. For a showing of the video to LVA's community board members, tablets were passed out to each person.

Using this new technology with customers is a great tool, but the spokespersons for these firms all pointed out that there were risks to manage.

Customers need guidance as to what the virtual-reality images are and are not, Buccola said.

"The rendering and virtual technology makes it seemingly easy to do rather difficult things that require much more complex decision-making processes and coordination across all the different parties," Buccola said.

Sletto noted that "misinterpretations" between a design and customers' expectations when they see the actual building always have been issues in the industry.

*A virtual reality "fly through" video was presented at a public meeting in Fort Mitchell on a proposed modern Mercedes-Benz dealership being built on the site of an old hotel. The video was credited with alleviating community concerns about the change.*





"When you or I look at the same picture, we may see two different things," Sletto said, "so we have to make sure that the picture truly reflects what is generally accepted as the design."

The bottom line, the spokespersons say, is that the virtual images show a clearer explanation of the design, stimulate interaction and collaboration, and result in better decisions before money is spent on construction.

#### Investing in new technology

Nika Nikitina is the new architectural visualization artist for Luckett & Farley. Hiring new artists and engineers has happened in many firms as they invest in this new technology.

Nikitina graduated in 2012 with a masters of art in visual effects from the Savannah (Ga.) College of Art and Design (SCAD) which also has campuses in Atlanta, Hong Kong and Lacoste, France.

Instead of architecture, Nikitina concentrated her studies on courses that were "more focused on visual effects in films and animated movies," which gave her the skills for building environments to make them as real as



*Nika Nikitina,  
Architectural  
Visualization  
Artist, Luckett  
& Farley*

possible. "That's how I got most of the basic skills, and then I gained experience working at an architectural firm and making presentations."

Luckett & Farley has invested "seven figures" since 2007 in hiring and training employees, purchasing hardware and software, and creating a VR studio, Buccola said.

"Our biggest stress is getting the very best talent," he said, adding that investing in new technology is important to retain talented engineers and to recruit employees both in and outside of Kentucky.

With active projects in 24 states, the firm currently had 15 jobs opening as of mid-September so it must be able to compete for employees in any market.

TEG created Studioe, an in-house 3D department with three persons, and nine additional staffers who work with illustrators to create designs to be used in the VR presentations, Jones said. Since 2015, she said, TEG has invested approximately \$50,000 in VR, which includes equipment, computer hardware, software, upgrades, staff time, education and the construction of a dedicated VR studio space. Going forward, annual expenses for VR are expected to be minimal and will depend on the costs associated with hardware/software upgrades and staff training/time.

Sletto said EGC hired one person to handle virtual images, and has contracted with firms that provide these services.

#### The bottom line

Not all projects will need this new technology, and many firms will continue to use the AutoCAD and two-dimensional construction documents. Yet, staying competitive in the marketplace remains a top concern for architectural design and construction firms when faced with rapidly changing technology.

"The use of VR goggles and 360-degree, computer-generated images allows our design teams to refine designs to levels never experienced," said TEG President Estopinal.

For Luckett & Farley, "the reality is our clients are now demanding, and frankly they deserve, to have their spaces rendered in and shown to them in three dimensions in as photorealistic a manner as possible prior to the building actually being built," said Buccola. "That's part of the new normal for how our business is going as these new technologies are being adopted and utilized. We couldn't do our business without it." ■

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

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# TOP WOMEN IN BUSINESS



## Kentucky Women Worthy of Note

Women who are making a difference  
in the commercial life of Kentucky

BY LORIE HAILEY

OUR occasional feature, Top Women in Business, highlights some of the women around Kentucky who are making an impact in business, the professions, politics and economic development. The intent is to recognize not those who have achieved “household name” status, but those in key roles whose work ethic and body of work are mak-

ing important contributions to commerce in the commonwealth.

The seven women featured in this issue are among the many such women *The Lane Report* editorial board has identified. We welcome your suggestions for others around Kentucky who also are deserving of recognition for their efforts to boost Kentucky’s economy. Send your recommendations to [editorial@lanereport.com](mailto:editorial@lanereport.com).

### Carolyn W. Mounce



*Carolyn Mounce is a Kentucky native who currently lives in Nancy, Ky.*

**Title/Company:** Executive director, Somerset-Pulaski County Convention & Visitors Bureau

**How long at company/position:** 10.5 years

**Previous jobs/positions:** Manager of Todd Development Co., West Chester, Ohio; branch manager of Key Bank, West Chester, Ohio; branch administrator of Chase Bank of Ohio

**Top accomplishment:** My daughter, Ann Michele Duggan

**Education:** Some college; banking college; Southeast Tourism Society Marketing College

**Person(s) who most influenced or mentored me:** My parents, Cecil and Martha Wiles

**What inspires/drives me:** The opportunity to promote and live in the beautiful Lake Cumberland area

**Hobby/interests/volunteer work:** Reading; flower gardens; hummingbirds; local nonprofit boards and tourism boards

**Currently reading and/or recent movie/play/concert attended:** Currently reading “The Guardian” by Dee Henderson; attended the 24th year of the Master Musicians Festival in Somerset, Ky.

**My biggest challenge and how I overcame it:** Surviving breast cancer by the grace of God, awesome family, siblings, friends and doctors. I am an 11-year survivor.

**My advice to younger women in business:** Listen. Respect your peers and bosses. Don’t expect a handout. Learn the business from the ground up, and be willing to do whatever it takes to get the job done. Love what you do!



## Melinda Sunderland



*Mindy Sunderland is a native of Ashland, Ky., who currently lives in Louisville.*

**Title/Company:** Shareholder and attorney at Morgan & Pottinger PSC

**How long at company/position:** 13 years

**Top accomplishment:** Becoming the youngest female shareholder at my law firm.

**Education:** Bachelor of Arts in Spanish and History from Transylvania University (2000) and Juris Doctor from University of Kentucky College of Law (2003)

**Person(s) who most influenced or mentored me:** John McGarvey, chairperson of Morgan & Pottinger PSC, has had the greatest influence on my career. I was hired by M&P right out of law school and have spent the whole of my legal career there. John has taught me, encouraged me and supported me throughout my years of practice. I have served alongside him on the firm's management committee since 2014.

**What inspires/drives me:** My son is my greatest inspiration. He makes me want to be the best mother/person/citizen/attorney I can be.

**Hobby/interests/volunteer work:** I serve on the board of directors and as chair of the development committee for Family Scholar House, a Louisville nonprofit. Its mission is to end the cycle of poverty by assisting single parents to obtain a college degree. I also chair the board of trustees for the Eastwood Fire Protection District and am treasurer of the IOLTA Board of Trustees. I love traveling and recently visited Iceland.

**Currently reading and/or recent movie/play/concert attended:** I saw singer Ray LaMontagne at the Louisville Palace. So amazing!

**My advice to younger women in business:** I always advise women starting out in the legal profession to find a mentor, within their own firm or not. The benefits of having someone to talk to and to bounce ideas off of cannot be overstated.

## Becky Naugle



*Becky Naugle is a native of Salem, Ind., who currently lives in Richmond, Ky.*

**Title/Company:** State Director, Kentucky Small Business Development Center

**How long at company/position:** 18 years at KSBDC (17 years as director)

**Previous jobs/positions:** Owner of Cornucopia Caterers; treasurer of Salem Community Schools; performance designer for Charter Performance

**Top accomplishment:** Hall of Fame, Lexington Chapter National Association Women Business Owners

**Education:** Ph. D. and M.S. in instructional systems technology and business, bachelors in accounting, Indiana University

**Person(s) who most influenced or mentored me:** Zella Cauble and Sharon Elliott Fox, owners of Cauble's Florist, two of the smartest and hardest working business owners I have ever met; Kim Naugle, my husband, who helps me see the gifts everyone has to offer; and Richard Moser, my first boss out of college, who gave me a chance to learn from him and see how difficult – and rewarding – being a small-business owner could be.

**What inspires/drives me:** Seeing the people I work with succeed, and watching the businesses we work with grow and succeed.

**Hobby/interests/volunteer work:** I love the Humane Society and would like to do more for them. I love plants and have two orchids blooming in my office.

**Currently reading and/or recent movie/play/concert attended:** I am reading Stephen King's "11/22/63" and it's a great book. I saw Jerry Seinfeld live recently. I love comedies, so I don't know how I got involved with the "Game Of Thrones," but I love it.

**My biggest challenge and how I overcame it:** There have been lots of challenges; many seem much less important now. Many things you can overcome by remembering to just breathe.

**My advice to younger women in business:** Find a strong support network and use it. It can feel very lonely if you don't have friends and peers who get you. Learn how to be strong without being hard and how to be soft without being weak ... and it isn't easy, so laugh at yourself, a lot.

## Kelly King Bakehorn



*Kelly Bakehorn is a native of Danville, Ky., who currently resides in Lexington.*

**Title/Company:** Co-owner of Barrel House Events Center, The Barrel House Gardens, The Grand Reserve Events Center, The Speakeasy, Cocktails and Wedding Bells, The Distillery Market, Dipsie's Sweet Treats and, in spring 2017, Circa 1865.

**How long at company/position:** 6 years

**Previous jobs/positions:** Managed family nightclub business for eight years and my own for 15 years.

**Top accomplishment:** Receiving The Rising Star award from National Association of Women Business Owners in 2015. The award recognizes emerging entrepreneurial women who demonstrate strong growth and are expected to sustain long-term success.

**Education:** Bachelor of Science in comprehensive business, Eastern Kentucky University.

## TOP WOMEN IN BUSINESS

**Person(s) who most influenced or mentored me:** My entrepreneurial parents raised me with a strong work ethic that shaped my ambition for success.

**What inspires/drives me:** I love working with people. I love to see an event come together. I strive to make my product and my service better with every event.

**Hobby/interests/volunteer work:** Woodworking; Lexington Rotarian; fundraising chair for The Trees of Life, which benefits the Kidney Health Alliance of Kentucky; I am a visionary corporate partner of National Association of Women Business Owners.

**My biggest challenge and how I overcame it:** The biggest challenge was the initial purchase of a Manchester Street warehouse space located in downtown Lexington's historic distillery district. My family, although supportive, thought I had lost my mind. They questioned the location and the type of business: An upscale special events venue on a street that industrial trucks call home and once had junkyards as neighbors. If you can dream it, you can do it!

**My advice to younger women in business:** Make choices that magnify your possibilities, not restrict them.

### Judith A. Phillips



*Judith Phillips is a native of Greenup County, Ky., who now resides in Villa Hills, Ky.*

**Title/Company:** President of Stand Energy Corp.

**How long at company/position:** 32 years. I am one of two remaining original founders. President since 1998.

**Previous jobs/positions:** There were only two viable career paths open to me in the Greenup County, Ky./Portsmouth, Ohio area: become a teacher like my mother or a secretary. I became a secre-

tary at the Portsmouth (Ohio) Gaseous Diffusion Plant owned by the federal Department of Energy. I spent the next 22 years with the Columbia Gas System in a number of administrative positions. My determination to be successful was nurtured as I persevered in administrative positions to rise to the trusted, high level position of secretary to the president of three distinct Columbia Gas companies. I kept my ears open and learned the gas industry, which was extremely male-dominated during the '70s.

**Top accomplishment:** I was the first woman at the Columbia companies to be promoted to a management position, propane coordinator at Columbia Hydrocarbon. My sales territory included a six-state Appalachian region. In 1983, I was one of two statewide point persons for gubernatorial candidate Dr. Grady Stumbo. I supported and promoted "Propane for Fuel" as an alternative to diesel, one of Kentucky's first "green" initiatives.

**Education:** I graduated from public high school in rural Kentucky and married at 17 in 1954. My training was all "on-the-job" in the executive suites of the Columbia companies described above.

**Person(s) who most influenced or mentored me:** My mother instilled in me that I could accomplish and excel at anything with hard work.

**What inspires/drives me:** Helping to level the playing field for women and minorities.

**Hobby/interests/volunteer work:** Real estate development and investment; I am developing a Sonoma County, Calif., vineyard.

**My biggest challenge and how I overcame it:** Succeeding in a male-dominated industry, which I achieved with perseverance.

**My advice to younger women in business:** Move heaven and earth to get your message out there; build relationships; change with the industry; and never give up.

### Karen Finan

**Title/Company:** Partner, Gilman Partners

**How long at company/position:** 3 years

**Previous jobs/positions:** Senior vice president of the Northern Kentucky Tri-County Economic Development Corp. (Tri-ED); senior vice president of Duke Realty Corp.

**Education:** Bachelor of Arts, Northern Kentucky University; Industrial Asset



*Karen Finan is a native of Covington, Ky., who currently resides in Ft. Mitchell, Ky.*

Management Council Leadership fellow; economic development and CRE courses

**Person(s) who most influenced or mentored me:** Family, coaches, teammates, friends, business associates ... It continues to take a village with me!

**What inspires/drives me:** I am inspired by people who make things happen for the right reasons without fanfare or bureaucracy. I am driven by the opportunity to work on issues and projects that open doors for others by offering alternative and sometimes disruptive solutions.

**Hobby/interests/volunteer work:** Chair of Bad Girl Ventures, an organization that helps educate female entrepreneurs; chair of the Northern Kentucky Education Council; past chair of Redwood, which guides children and adults with severe and multiple disabilities to achieve independence; board member of the Notre Dame Academy; member of: Industrial Asset Management Council, Commercial Real Estate Women, University of Cincinnati Real Estate Roundtable.

**Currently reading and/or recent**

**movie/play/concert attended:** "The Boys in the Boat," the story of nine Americans and their epic quest for gold at the Berlin Olympics by Daniel James Brown; and "Sum It Up," the story of University of Tennessee basketball coach Pat Summitt.

**My advice to younger women in**

**business:** My advice is to younger women and men in business. Curiosity is one of the most important attributes you can have: It drives interest and opportunities within your career and life. Explore new roles, subjects and people. It will open up worlds unknown and through that a satisfying and challenging career, and a life well lived.



## Blanca Ramirez Gutierrez

**Title/Company:** Chief marketing officer of Lectordryer

**How long at company/position:**

12 years with Lectordryer, seven years in current position

**Previous jobs/positions:** International sales manager

**Top accomplishment:** One of my top accomplishments is the strong international sales growth of Lectordryer during my tenure. Lectordryer received the President's "E" Award, which recognizes organizations that contribute significantly in the effort to increase U.S. exports. However, I think my biggest challenge is also my top accomplishment: I believe in being the best I can be. I am constantly trying to beat my last best.

**Education:** International business degree and an MBA, Monterrey (Mexico) Institute of Technology and Higher Education; Wharton School executive development program

**Person(s) who most influenced or mentored me:** My parents and John



*Blanca Ramirez is a native of Guadalajara, Mexico, who resides in Richmond, Ky.*

McPhearson, Lectordryer's CEO. I look up to former Gov. Martha Layne Collins.

**What inspires/drives me:** I have a passion for improving every situation that I am involved with. It is my way of being grateful for all the blessings I have received.

**Hobby/interests/volunteer work:**

Travel, travel, travel. I also love to mentor other young women.

**Currently reading and/or recent movie/play/concert attended:**

I'm reading "Flashpoints: The Emerging Crisis in Europe" by George Friedman. I saw Miguel Bosé in concert at the wine country in Ensenada, Mexico.

**My biggest challenge and how I overcame it:**

One of my biggest challenges was to build a reputation for technical knowledge without a technical background because Lectordryer specializes in highly specific process equipment applications. I always had interest in technical/scientific topics, but I had to work hard on learning the technical side of our products. I studied, attended all the conferences related to the industry I could, and spent a lot of after-office hours with experts in the field.

**My advice to younger women in business:**

Focus on your strengths, manage your weaknesses. Be nice but bold. ■

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

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*Sunrise of Louisville is a 91,000-s.f. assisted/independent senior living facility built in east Jefferson County by Messer Construction for Virginia-based Sunrise Senior Living, which operates 440 facilities in the United States, Canada, Great Britain and Germany.*

# Assisted Living Sector Expands

Aging Boomer population generating growth for providers of senior care facilities

BY ROBERT HADLEY

**M**ASONIC Homes of Kentucky's groundbreaking last month on The Meadow, a 230,000-s.f., 122-unit apartment-style complex on its 82-acre Louisville campus is part of a move by the region's significant aging-care sector to fill an expanding need.

Waves of aging baby boomers are driving expansion of the aging-care industry both nationally and in especially in Louisville as the largest demographic group in U.S. history enters retirement. The number of men and women over age 60 in the commonwealth, according to a 2011 report from the Kentucky State Data Center, is in the midst of rising from 829,000 in 2010 to nearly 1.1 million by 2020.

In Louisville an even more dramatic increase is projected, with the report forecasting a 35 percent jump from 177,514 in 2010 to almost 240,000 by 2020 in the Louisville Metro area.

The rising elderly population is boosting demand for assisted living facilities, which often bridge the gap between full-on nursing homes and hospitals. These types of homes offer more independence, but with nursing care available when residents need it.

Overall construction figures are not readily available, but the state was issuing \$100 million in tax-free municipal bonds this month for Masonic Homes. Its amenities-rich The Meadows, 84 percent pre-sold at groundbreaking, will cost \$44 million, and

Masonic Homes early next year plans to begin construction of Grove Pointe, a \$14 million 48-unit assisted living community also on its 82-acre campus along Frankfort Avenue.

Healthcare, including senior facilities, plays a significant role in the Louisville Metro economy. Eight of the city's top 20 employers are healthcare related, employing approximately 85,000 workers with an annual payroll of \$3.5 billion, according to Alison Brotzge-Elder, spokesperson for Greater Louisville Inc.

Louisville considers its aging-care sector the world's largest, with \$50 billion in annual revenues.

Assisted living firms like Atria Senior Living, Elmcroft Senior Living, ResCare, Signature HealthCARE, Trilogy Health Services and others play a large role in making healthcare a vital contributor to the Metro's economy.

"The growth of this sector is occurring in the areas of pharmaceutical development, health technology and life sciences, making Louisville a center for innovation, thereby strengthening our economy," Brotzge-Elder said.

The state's largest city is home to a number of assisted living communities. Here's a roundup of some of the more prominent ones:

Headquartered in Louisville, Atria Senior Living operates 180 communities across 28 states, including three in Louisville. Its facilities are monthly rented, private-pay apartments with options for active seniors or those requiring help with daily living activities or Alzheimer's disease.

Signature HealthCARE LLC operates 143 facilities in 11 states, including 46 in Kentucky, 10 of which are in Louisville. It reports a range of services suited for short- and long-term stays, targeted toward urban and rural markets. These facilities are often paid for through Medicaid and Medicare, as many of their locations have earned five-star ratings from both insurers.

Trilogy Health Services LLC operates multiple communities in Kentucky, Indiana, Michigan and Ohio, its 102nd facility opening recently in Kendallville, Ind. In Louisville, their website lists six facilities, including the Franciscan Health Center and Glen Ridge Health Campus. These locations offer combinations of skilled nursing and temporary rehabilitative care, as well as assisted living.



*Oregon-based Holiday Retirement operates Ponder Creek Estates in southwest Jefferson County with rental units ranging from 341 to 1,056 s.f.*

Elmcroft Senior Living has 83 facilities in 18 states, servicing 6,000 senior adults. It operates Elmcroft of Mount Washington, a facility about 30 miles south of Louisville that offers assisted living and dementia care.

ResCare, a home-care provider, is the nation's largest supplier of services to people with disabilities.

#### **Boomers launch 'tsunami' of demand**

Retirement wasn't always as messy and complicated as it is today. A generation ago, the average life expectancy saw senior citizens living until around 70, nearly a decade less than currently.

That extra decade means people are living longer with chronic illnesses that occur late in life. Heart disease, dementia, strokes and diabetes formerly struck adults, but scientific advances are lengthening life. The downside, though, is the debilitating complications that accompany such ailments.

Alzheimer's disease or other forms of dementia are particularly devastating in terms of care requirements, and the effects are deeper than simple forgetfulness.

"Most people think of dementia as a cognitive problem, rather than a physical problem," said Jennifer L. FitzPatrick, MSW, author of "Cruising Through Caregiving: Reducing The Stress of Caring For Your Loved One." "But ultimately one of the reasons assisted living becomes so important is that this person can't get to the bathroom anymore or can't feed themselves."

Although diabetes and heart disease may bring less-debilitating complica-



tions, those with these conditions can still require various types of assistance. Diabetics may be unable to walk due to amputations. Heart medications can make users dizzy and unable to drive or take showers.

"There are so many seniors out there now who need some type of assistance," said Julie Hess, executive director of ACM Care, a St. Louis nonprofit that matches families to affordable care alternatives for senior adults. "Assisted living facilities are taking care of people who are a little more dependent than they would have been 10 years ago."

These communities have emerged to bridge the gap between less intensive in-home care and nursing homes providing 24/7 skilled nursing. Some offer "memory units" designed to treat dementia, while others supply physical

therapy for only a few weeks. The stay can be temporary for some, but other patients make the facilities their permanent homes.

According to a recent report by the Small Business Development Center Network, around 1 million people live in an assisted living facility.

The SBDC report pinpoints the cost for a typical assisted living community at \$3,000 to \$4,500 per month. Extra care can raise the bar closer to \$6,000 a month. Either way, it's a lot of money for the middle-income retiree to afford. These people fall into a gray area where financing options are limited.

"If you are destitute, then the state will help pay for the care," Hess said. "The problem is 80 percent of the people who are in between, who don't qualify for the help and can't afford it on their own and don't have long-term care insurance."

The issues surrounding the cost of care as more people require it in the next decade is likely to become a political debate, with no clear answers for those who can't afford care on their own but exceed the Medicaid threshold.

"If they don't get help in their homes, they'll end up with the state paying for a nursing home," Hess said. But "studies have shown it's typically less expensive to keep someone at home than to have them go into a nursing home." ■

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

*Oxmoor Lodge by Holiday Retirement just off Shelbyville Road in east Louisville is classified as an independent living retirement community. Its cottages and apartments rent for \$1,900 to \$4,000 monthly, depending on layout and square footage.*





*Panera Bread is among many quick serve and fast casual restaurants shifting to use of customer-operated kiosks, mobile apps and websites to take orders. Fast food giants McDonald's and Wendy's are introducing kiosks at increasing numbers of locations.*

# Will a Robot Take My Job?

Automation is replacing low-skilled jobs but creating higher-skilled – and higher-paying – opportunities

BY ROBERT HADLEY

**I**F you believe the hype, a robot might one day steal your job. That's according to some of the mythology perpetuated by futurists about the coming automation boom.

For example, in October 2015 "60 Minutes" ran a piece on a driverless Mercedes that responded to eye movements and gestures. If you carry this technology to its logical conclusion, could we one day have driverless freight trucks that in one fell swoop eliminate the need for a job that today employs 1.8 million workers?

Theoretically yes, according to experts, but there is more to the equation than meets the eye.

Chris Bollinger, director of UK's Center for Business and Economic Research, is quick to remind us that automation is nothing new.

"If you look at manufacturing employment as a percentage of total employment, it's been declining since 1954," he explained. "It's not something that's *going* to happen – it's *been* happening and is going to continue to happen."

Although it may be an ongoing trend, there also is a perception that more of it is coming in the next 10 to 20 years, and the impact of this acceleration is uncertain.

In a *Lane Report* interview earlier this year, Brian Papke, chairman of Florence, Ky.-based advanced machine tool maker Mazak Corp., said automation and internet-connected machinery are

rapidly transforming industry, especially manufacturing. He is sure the U.S. employment impact will be positive, both in skilled manufacturing positions to set up, oversee and manage advanced robotic devices and the three to 10 ancillary jobs each manufacturing job generates.

Lesser skilled areas, however, might fare more poorly.

Already, politicians and pundits warn of the threat of replacing minimum-wage, fast-food workers with self-service kiosks, rendering the national debate about wage increases a moot point. In June, *The Columbus (Ohio) Dispatch* reported Wendy's restaurant chain has announced a rollout of kiosks by year-end to its 6,000 U.S. stores.

The announcement came not long after New York and California announced minimum-wage increases to \$15 an hour by 2022.

The use of this technology could be blamed on rising wages. Todd Penegor, chief financial officer at Wendy's, said the chain's payroll cost is up 5 to 6 percent, blaming the increase on minimum-wage hikes and competition for workers.

The restaurant industry is not alone in using kiosks to automate tasks once reserved for human workers. We are all familiar with units in retail stores that check your weight and blood pressure, some also giving users an eye exam. Exactly how far this trend will go is uncertain.

Kevin Kirby, dean of Northern Kentucky University's College of Informatics, acknowledges the difficulty of predicting future technological advancements.



*Chris Bollinger,  
Director,  
Center for  
Business and  
Economic  
Research,  
University  
of Kentucky*



*Kevin Kirby,  
Dean, College  
of Informatics,  
Northern  
Kentucky  
University*





"I don't know if we are going to see kiosks where people get their blood drawn and lab work while they wait," he said. "I certainly think healthcare is going to continue to evolve and make more and more use of technology."

As an example of automation's impact on healthcare, consider a micro-chipped pill researchers at the University of Florida devised in 2010 that can alert doctors when it is swallowed. This could make a life-and-death difference, according to the American Heart Association, which blames noncompliance with doctors' medication orders for 125,000 deaths annually.

This is among many examples that challenge the persistent perception of robots being anthropomorphic devices with arms and legs reminiscent of 1950s science fiction films. While such automations are certainly in use at car factories and elsewhere, automation has evolved beyond performing repetitive tasks with precision, instead gathering data for someone — doctors, managers — to interpret.

Such strategic use of technology can actually benefit workers, rather than seizing their jobs, or they may create a job where none existed before. So it is with the SWAT-Bot, a rover robot used by the Newport (Ky.) Police Department for surveillance in risky or cramped conditions.

This is one instance where automation can keep an officer safe, said developer Steve Hinkel, an engineer with Duke Energy who also teaches a course in robotics in NKU's informatics program. Hinkel said his goal is to use student help and state grants to build up to one robot each semester.

As far as Duke Energy is concerned, he said the company is interested in

expanding the use of automation at its power plants to boost worker safety. One example is a traffic control rover that would replace a human flagger when a lane of highway must be shut down for maintenance.

"From there, things get interesting," Hinkel said, "because a robot can do things no human can do. For example, the rover is also outfitted with a traffic signal, to provide (oncoming) drivers with additional information. The potential is literally unlimited."

Hinkel assured that the idea was not to eliminate the human flagger altogether but to locate its remote operator out of harm's way. Other plans for the traffic rover include equipping the robot with speed-sensing capabilities to warn workers if an oncoming car is speeding and may crash into the work crew, Hinkel said.

The automation in place at United Parcel Service Inc.'s \$2.4 billion Worldport air hub, adjacent to Louisville International Airport, seems to be an application where automation has both eliminated and created jobs. Employing more than 9,000 workers, this 155-mile maze of conveyor belts spread out over 5.2 million s.f. uses a sophisticated network of intelligent sensors to route up to 416,000 packages per hour.

Company spokesman Jim Mayer demonstrated how the smart conveyor belts used throughout the hub can avoid collisions when packages from different areas attempt to navigate through the same pathway. They simply stop — thanks to an electric eye — to await their turns.

"Most of the packages only need to be touched twice by human hands while they're here," Mayer said.

Despite all the automation, an army of workers is still required to group packages with similar destinations into bags that then are placed on still other conveyor belts before they are loaded onto one of the company's 237 jet aircraft or its fleet of 5,600 familiar brown delivery trucks.



*Jim Mayer,  
Spokesperson,  
UPS*

Those vehicles still need maintenance mechanics, and so does the machinery in the hub itself, Mayer stressed, making the idea of automation being an automatic job killer less of a realistic threat.

Ironically, the spread of automation in business may ultimately create more jobs than it eliminates, and those new jobs may be higher skilled and higher paying, Bollinger said.

If driverless trucks were to become available, he argued, it could replace a moderately skilled job (the driver) with higher-skilled ones, such as a dispatcher and route programmers.

"Those are going to boom," he said. "Those will be jobs working with computers, requiring an associate's or bachelor's degree. Suddenly you're going to need to hire people who can do those things." ■

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



*United Parcel Service has 155 miles of conveyor belts at its Worldport hub in Louisville. UPS said low-skill handling jobs are being replaced by higher-skill positions such as computer programmer and operator, and dispatcher.*

## EMERGING LANE

Kentucky's young professionals and creatives



*Moving from New York City back to Kentucky, Jacob, Carolyn, Ellie and Finn Gahn are behind a new food startup.*

### Raised on the Farm

#### Berea couple's children inspire newest snack food business

THE health foods market is a crowded and competitive one, but one young Kentucky couple is carving out its own tasty niche in the saturated field.

"Health food encompasses so much these days," said Sweetgrass Natural Foods Co. co-founder Jacob Gahn. "It might refer to an up-jumped candy with a trendy superfood ingredient or a hard-to-love diet food."

In the case of Gahn and his wife, Carolyn Gahn, creating an all-new product that truly fits the bill of healthy was the No. 1 priority.

ages and contain a half cup of organic vegetables in one package.

The Gahns named the new business for their two small children, reinforcing the passion they feel for EllieFinn's and the impact they can have.

"Over 90 percent of all American children and adults don't eat the recommended amount of vegetables every day," Gahn said. "With all the focus on exotic superfoods these days, people overlook the simple healthfulness of organic veggies like spinach, carrots and beets. That vegetable nutrition is hard to get on-the-go,

though, so we wanted to make them available in a convenient, snackable form."

Flavors include apple cinnamon, chocolate sunflower and strawberry pomegranate. The simple ingredients include coconut, sesame seeds, Chia seeds, sea salt and dates.

The dream is to impact America's food culture, creating more nutrient-dense options.

Juggling the Sweetgrass business while looking after two young children, Ellie and Finn, is no small undertaking.

"The kids definitely influence our business quite a bit. While Ellie and Finn can certainly make business difficult at times, we wouldn't be in the specialty food business if it weren't for them," Gahn said. "We want our children to grow up witnessing and sharing in the hard work and responsibility of a home business."

Starting the business and moving to Kentucky was a big change for the family. Jacob is a Lexington native, while Carolyn hails from Florida. Both graduated from University of Kentucky before moving to New York City, where Jacob worked as a computer programmer and Carolyn in the theater scene.

"We decided we wanted to grow and create healthy foods and learned to farm organically before purchasing our farmstead a few years ago," Gahn said.

"That's where we began creating natural, healthful foods for retail as well."

Gahn said the family learned a lot from their first product launch, Sweetgrass Granola.

"The challenge and importance of relating high product quality to a real need of your customer base is one of the biggest takeaways that we've applied to EllieFinn's," he said.

The product heads into full production this month. For more information, visit [elliefinns.com](http://elliefinns.com).—Abby Laub

### Career Calculator Launched to Aid Job Exploration

LOUISVILLE college students and job seekers now have an online tool at their disposal with which they can find the latest jobs and salary information in the area.

Kentuckiana Works developed the Career Calculator ([CareerCalculator.org](http://CareerCalculator.org)) so anyone looking to launch, or change, a career has easy access to average salaries in their chosen field, and job availability in a particular field or major.

Insider Louisville's Melissa Chipman reports the calculator lists about 2,500 financial managers across Louisville making an average of \$100,000. English majors aren't making out as well.



The Career Calculator is "how I found out that in this region, philosophy majors make a little more than English majors," writes Chipman. "Who knew? English has fallen out of fashion – among my peers, you can't swing a dead cat without hitting an English major. Last year in Louisville, only 156 people graduated with an English degree."

The site uses statistics from the Bureau of Labor, Burning Glass job postings, EMSI Analyst, Kentucky Center for Education and Workforce Statistics and others.

—Kevin Gibson



## Former School Band Director Finds Same Skills Apply to Running Franchises

FROM a career in music, as an award-winning high school marching band director, to a franchise owner for multiple Jiffy Lube automotive service centers, Chris Yoo knows a thing or two about being in tune with his audience.

Born and raised in Murray, Ky., Yoo majored in music education at Murray State University. He plays “just about everything” in the wind and brass instrument families and wound up teaching music right out of college in 2006. He taught at Murray High School for five years then spent four years as the band director at George Rogers Clark High School in Winchester.



Chris Yoo

Yoo and his wife live in Lexington with their two small children. In 2013 he was ready for a career change.

“I looked at all my options,” he said, and found himself drawn to franchises. His first was a Sears Hometown Store in Frankfort. “I had success with it and started looking for other ventures.”

In November 2014 he saw Jiffy Lube centers on the market and decided to purchase them. Not one, or two, or even three, but seven at one time. Five centers are in Louisville, one is in Lexington and another in Winchester. Yes, he travels quite a bit, visiting the Lexington and Winchester stores every day and driving to Louisville two or three times a week. Yoo squeezes in an office day during the week to take care of paperwork and plan budgets for the following month.

Yoo has found similarities between teaching music and being a franchise owner.

“The biggest thing is holding people accountable,” he said. Teachers hold students accountable for their homework; business owners hold managers and employees accountable for their work. “I manage a lot of people, and at the same time I am dealing with customers, which I had a lot of experience with in dealing with students and their parents.”

Yoo has definite advice for anyone considering a franchise purchase: “Don’t be an absentee owner. It’s something you’ll have to be involved in. You’ve got to stay on top of everything.”

While the offerings at Jiffy Lube include oil changes, coolant flushes, cabin air replacements and other preventive maintenance, Yoo said, he knows he is really in the business of customer service.

Music was what he studied, but Yoo has always been interested in cars.

“I knew how to do an oil change by myself,” said Yoo. He is happy to have employees doing it now for all of the customers at his seven Jiffy Lube locations.

With last year being his first full year as a franchisee, Yoo’s goal is a 5 percent increase in business each year. So far this year, he said, “we were up about 10 percent in car counts and 8 percent revenue for the year.”

Headquartered in Houston, Texas, Jiffy Lube has more than 2,000 centers in North America, all independently owned and operated. Jiffy Lube created the drive-through service bay model in 1979.—Kathie Stamps



## A Simpler Way to Get Around Northern Ky.

MORE millennials are ditching cars in favor of bicycling or public transportation. In a time of remote offices and faster internet connections, the notion of abandoning car ownership outside of major metropolitan areas like New York, Chicago or Los Angeles is becoming more realistic.

Transit Authority of Northern Kentucky (TANK) is taking note and doing what it can to make public transit a major player in economic development efforts for suburban employers trying to attract and retain talent by making jobs more accessible to everyone.

According to Northern Kentucky Tri-County Economic Development Corp., the region’s main traffic arteries are more clogged than ever. Job seekers are looking for better solutions, and urban centers are adding streetcars and bikes to attract younger residents to their apartments and restaurants.

A group of Newport residents is looking to bring a spur of the Cincinnati Streetcar across the river as one more transit tool to drive economic development. TANK has vowed to follow where the Northern Kentucky community wants its public transportation system to go.

Nkythives.com and tankbus.org have more information on public transportation developments.

## Lundy to Open New Latin Concept in Lexington

When talented Lexington chef Jonathan Lundy closed up shop at Jonathan at Gratz Park, he bounced around at other stints but now announced plans to open an all-new concept at the corner of Short Street and North Limestone. Look for the affordable, innovative Latin-themed Corto Lima to open this winter.

## Old Louisville Earns High Marks

Old Louisville was recently named one of five Great Neighborhoods on its annual Great Places in America list. As one of the city’s first residential neighborhoods, Old Louisville won national recognition for its diversity, reliable transit and array of Victorian mansions. Dating back to the 1870s, it is the third largest such district in the U.S. and also boasts stellar urban planning and is very bike-friendly. Old Louisville is immediately south of the Central Business District.

# THE LANE LIST

## KENTUCKY'S LARGEST AUTOMOTIVE INDUSTRY OPERATIONS

Ranked by number of employees

### Assembly Plants

NAME	WEBSITE	CITY	YEAR EST.	EMPLOYEES (YEAR REPORTED)	PRODUCT
<b>Toyota Motor Manufacturing Kentucky</b>	toyotageorgetown.com	Georgetown	1988	7,600 (2015)	Automobiles: Avalon, Avalon-hybrid, Camry, Camry-hybrid, Venza, Lexus ES350. Engines, axles, steering components, blocks/cylinder heads/crankshafts, dies and North American Production Support Center Training Facility.
<b>Ford Motor Co. Kentucky Truck Plant</b>	ford.com	Louisville	1969	4,550 (2015)	Production of super duty pick-up trucks (F-250 through F-550), Ford Expedition, Lincoln Navigator
<b>Ford Motor Co. Louisville Assembly Plant</b>	ford.com	Louisville	1955	4,750 (2015)	Ford Escape and Lincoln MKC
<b>General Motors Corp.</b>	corvetteassembly.com	Bowling Green	1981	887 (2015)	Automobile assembly: Chevrolet Corvette; performance engines

### Suppliers

NAME	WEBSITE	CITY	YEAR EST.	EMPLOYEES (YEAR REPORTED)	PRODUCT
<b>Metalsa Structural Products Inc.</b>	metalsa.com	Elizabethtown	1994	1,836 (2016)	Stamping/forming, hydro forming, and assembly of the Ford F-150, Lincoln Navigator, Ford Expedition frames; Stampings for Toyota frame components plus e-coating systems
<b>Mubea Inc.</b>	mubea.com	Florence	1982	1,400 (2015)	Automotive component parts (springs, hose clamps, stabilizers)
<b>North American Stainless</b>	northamericanstainless.com	Ghent	1990	1,314 (2015)	Stainless steel flat products (coils, sheets, strips, plates) and stainless steel long products (bar, wire, rod, rebar, angles)
<b>Akebono Brake</b>	akebonobrakes.com	Elizabethtown	1987	1,300 (2015)	Manufacture automotive disc & drum brakes and brake components
<b>Hitachi Automotive Systems Americas Inc., Div Hitachi America Ltd.</b>	hitachi.us	Berea	1987	1,272 (2015)	Manufacture and assembly of brake and suspension systems
<b>Robert Bosch Automotive Steering LLC</b>	bosch-automotive-steering.com	Florence	2006	1,200 (2015)	Steering gears for car and light truck market; assemble steering columns, hydraulic steering gears, electric steering gears, and power steering pumps for auto industry
<b>Hitachi Automotive Systems Americas Inc., Div Hitachi America Ltd.</b>	hiams-am.com	Harrodsburg	1986	1,100 (2015)	Automotive electronic control units, sensors, actuators, fuel systems & components, lithium ion battery, machining, warehouse and distribution
<b>TG Kentucky LLC</b>	toyoda-gosei.com	Lebanon	1999	1,089 (2015)	Rubber molded & plastic interior automobile parts
<b>Bowling Green Metalforming LLC Division of Magna Corp.</b>	magna.com	Bowling Green	2004	1,064 (2015)	Automotive parts
<b>AK Steel Corp Ashland Works</b>	aksteel.com	Ashland	1921	950 (2015)	Steel slabs
<b>Martinrea Heavy Stamping</b>	martinrea.com	Shelbyville	1988	950 (2015)	Automobile parts stamping & assembly
<b>Akebono Brake – Glasgow</b>	akebonobrakes.com	Glasgow	1995	905 (2015)	Disc brake calipers and pads
<b>Gibbs Die Casting Corp. KOCH Enterprises Inc.</b>	gibbsdc.com	Henderson	1966	861 (2015)	Aluminum die castings & Gibbs headquarters
<b>Martinrea</b>	martinrea.com	Hopkinsville	1999	799 (2015)	Automotive assemblies & painting of chassis components & suspension systems
<b>Johnson Controls Inc. Georgetown Plant</b>	jci.com	Georgetown	1993	787 (2015)	Automotive seats and interior components. Foam pads for seating utilized within the automotive industry.
<b>Toyotetsu America Inc.</b>	ttna.com	Somerset	1995	778 (2015)	Structural automotive stampings and assemblies
<b>Montaplast of North America</b>	montaplast.com	Frankfort	1992	760 (2015)	Plastic injection molding automotive supplier of exterior trim parts, center caps, cloth molded interior trim parts, and air intake manifolds
<b>Aisin Automotive Casting LLC</b>	aisinauto.com	London	1996	714 (2015)	Aluminum automotive engine and transmission components for the automotive market
<b>YFAI – Yanfeng Automotive Interiors Ltd</b>	yfai.com	Louisville	2003	711 (2015)	Manufactures and assembles injection-molded plastic automotive parts
<b>Franklin Precision Industry Inc.</b>	fpik.com	Franklin	1989	686 (2015)	Manufacture and assemble automotive throttle bodies & charcoal canisters, injection molding, fuel delivery components.
<b>Metalsa Structural Products Inc.</b>	metalsa.com	Hopkinsville	1989	667 (2016)	Automobile frames
<b>Webasto Roof Systems Inc.</b>	webasto.com	Lexington	1998	656 (2016)	Automotive sunroofs
<b>Hyster-Yale Group Inc.</b>	nmhg.com	Berea	1973	618 (2015)	Manufacture lift trucks

Source: Self-reported to the Kentucky Cabinet for Economic Development



## SPOTLIGHT ON THE ARTS

### 20 Artists Receive Funding from New Foundation

A newly formed arts-granting organization has awarded funding to several Kentucky artists during its inaugural grant cycle.

The Louisville-based Great Meadows Foundation recognized 20 Kentucky artists, including four recipients of the Kentucky Arts Council's Al Smith Individual Artist Fellowship, with Artists Professional Development Grants. The grants allow artists to travel to conferences, major exhibitions and art fairs to network with professionals in the field whose expertise can help them develop their practice.



Al Shands

Great Meadows is a grant-giving organization, launched in 2016 by contemporary art collector and philanthropist Al Shands, a winner of the Governor's Awards in the Arts Milner Award. Its mission is to strengthen and support the visual arts in Kentucky by empowering the commonwealth's artists and other visual-arts professionals to research, connect and participate more actively in the broader contemporary art world.

"We received 36 very good applications for this inaugural program and are proud that with these 19 grants, we will be able to help 20 artists fulfill travel projects that will expand their horizons, help them build new connections and support their growth as artists," said Great Meadows Foundation Director Julien Robson.

The four Al Smith Fellowship recipients receiving Artists Professional Development Grants are Valerie Sullivan Fuchs of Shelbyville, Elizabeth Mesa-Gaido of Morehead, Letitia Quesenberry of Louisville and James Robert Southard of Lexington.

Recipient Dave Caudill of Louisville is an adjudicated member of the arts council's Kentucky Crafted program and Architectural Artists Directory.

Other artists receiving grants from Great Meadows Foundation include: Kayla Bischoff, Louisville; Mary Carothers, Louisville; Brian Harper, New Albany, Ind.; Kenneth Hayden, Louisville; Jacob Heustis, Louisville; Amira Karaoud, Louisville; Jonathan McFadden, Lexington; Neli Ouzounova, Bowling Green; a collaboration between Stacey Reason and Andrew Cozzens, Louisville; Kristin Richards, Louisville; Nathan G. Smith, Louisville; Skylar Smith, Louisville; Richard Sullivan, Louisville; and Sarah West, Mt. Sterling.

The Great Meadows Artists Professional Development Grant is another great opportunity for Kentucky artists to broaden their horizons and move their creative careers forward. The grant has three deadlines per year. The deadline for the foundation's next grant cycle is midnight, Nov. 20, for proposals that include travel carried out between Jan. 6 and June 30, 2017.

For more information, visit the Great Meadows Foundation website, [greatmeadowsfoundation.org](http://greatmeadowsfoundation.org).

### 2016 Governor's Awards in the Arts

G OV. Matt Bevin has selected five individuals and three organizations whose contributions have raised the level of quality and awareness of the arts in the state as recipients of the 2016 Governor's Awards in the Arts.

Among the recipients, who will be honored in a ceremony beginning 10 a.m., Oct. 21 at the Capitol Rotunda in Frankfort, are:

- Milner Award – Chester and Msiba Ann Grundy
- Artist Award – Guy Gerard Kemper, Versailles
- Business Award – Owensboro Health, Owensboro
- Education Award – Miles Osland, Lexington
- Folk Heritage Award – Hindman Dulcimer Project, Hindman
- Government Award – Kentucky Commission on the Deaf and Hard of Hearing, Frankfort
- Media Award – *Paducah Life* magazine, Paducah
- National Award – Wendy Whelan, Louisville native

Nominations for the Governor's Awards in the Arts are accepted annually from the public. The nomination deadline is Nov. 1 for the 2017 awards. Nominees who are not selected are retained in a file for future consideration. The Kentucky Arts Council coordinates the nomination and selection process for recommendation to the governor.



Kentucky Poet Laureate George Ella Lyons

### Still Time to Submit 'Where I'm From' Poem for Project

GEORGE Ella Lyon's term as Kentucky Poet Laureate has only a few months remaining, but the Harlan County native wants Kentuckians to continue submitting poems for the "Where I'm From": A Poetry of Place" project she started last September.

People interested in participating in the "Where I'm From" project can do so by emailing their county contact, which can be found at [www.bit.ly/2dzHqLm](http://www.bit.ly/2dzHqLm). If there is no contact listed for your county or you are interested in being the county contact, email Tamara Coffey, arts council individual artist director, at [tamara.coffey@ky.gov](mailto:tamara.coffey@ky.gov).

### Arts Council Is on the Move

AS of Oct. 3, the arts council has moved its office from Capital Plaza Tower to Capital Center East, 1025 Capital Center Drive in Frankfort. That's just off Versailles Road, about halfway between Interstate 64 and Leestown Road (US 421). The phone number, (502) 564-3757, remains the same.



Lori Meadows is executive director of the Kentucky Arts Council.





*The buffet at popular Shandie's Restaurant in Paducah is one of the many good options Kentuckians have to enjoy a fine Thanksgiving dinner without cooking.*

## Get Out of the Kitchen!

Kentucky restaurants have delectable offerings planned for Thanksgiving

BY KATHERINE TANDY BROWN

**T**HANKSGIVING is supposed to be a holiday, a time to enjoy family and/or friends, to be grateful and give thanks, to eat twice your normal daily intake of high-fat, high-carb goodies and to grow your belly as you sleep it off in the La-Z-Boy in front of a football game on TV. Unless, of course, you're the cook – in

which case you're simply grateful when the day is over.

Why not change that pattern this year? A number of eateries across the state will happily prepare your meal, so you can eat and enjoy a real holiday.

For starters, 14 resort parks in the Kentucky state park system offer a tradi-

tional Thanksgiving buffet: turkey and dressing, mashed potatoes and gravy, country-style green beans, candied yams, and pumpkin and pecan pie. Through the years, I've let Natural Bridge State Park in Slade fix my vittles, which are so tasty I swear a team of grandmothers must man the kitchen.

That park's bonuses include the gorgeous Daniel Boone National Forest and hiking trails that range from a half-mile to 7.5 miles. So you can hike to the top of the park's 65-foot-high namesake arch either before feasting to work up an appetite or after you're stuffed to work off a few calories. It's a win-win.

Dale Hollow State Resort Park in southern Kentucky's Burkesville offers a holiday buffet that will be superb, I guarantee, and again, you can exercise before you overeat or afterward.

With a 28-acre lake and lush forests, the park boasts the longest 18-hole golf course in the Kentucky park system. Open all year, these links are hilly and challenging, with a new driving range to get you going. There's also an 18-hole mini-golf course or hikers can check out 15 miles of trails on foot, horseback or mountain bike.

If you're up for adventure sans exercise, head to Bardstown for a Murder Mystery on My Old Kentucky Dinner Train.

**JOIN US** *This Fall*

**Machine Gun Shoot**  
and Military Gun Show at Knob Creek Gun Range  
Fri. Oct. 14th, 7am-6pm; Sat. Oct. 15th, 7am-10pm;  
Sun. Oct. 16th, 7am-4pm • knobcreekrange.com

**ColorFest**  
at Bernheim Arboretum & Research Forest  
Sat. Oct. 15th & Sun. Oct. 16th, 10am-5pm  
bernheim.org

**Bullitt County Tourist Commission**  
502-543-8656 • info@travelbullitt.org

Get your message before the most significant audience of Kentucky's decision makers available in the state.  
Get details by calling Curtiss Smith at (502) 548-0434.

**Saddlebred Capital of the World**  
**SHELBYKY TOURISM**  
For More Information:  
[VisitShelbyKY.com/events-calendar/](http://VisitShelbyKY.com/events-calendar/)

*Simpsonville & Shelbyville*

**October Events**

October 4, 2PM  
Bell House Afternoon Tea

October 8, 6-9PM  
Smith-Berry Winery Dinner Concert

October 15-16  
The "Highfalutin" Vintage and Antique Market

October 22 2PM  
Antique Tractor Pull

Saturdays 4-7PM  
Live Music at Talon Winery



All aboard for a four-course meal and the chance to become a sleuth. Thanksgiving dinner served in three historic rail cars can include prime rib, a Kentucky hot brown and bourbon pecan pie, plus vegetarian and vegan options.

Started in 1988, this cardinal-red choo-choo clackety-clacks along a 37-mile, 2.5-hour route past pure Kentucky – the only wooden trestle to survive the Civil War; Bernheim Forest; and the Jim Beam and Four Roses distilleries.

If the mention of bourbon got your attention, Proof on Main in Louisville's 21c Museum Hotel will blow your mind with a choice of 75 different bourbons. Reserving a room at the hotel might help so you can sample to your taste buds' delight. Don't be looking for traditional Turkey Day fare here. Just scrumptious sustenance. Everything's a la carte and diners are surrounded by art.

In Lexington, Wallace Station Deli on Old Frankfort Pike is surrounded by Thoroughbred horse farms. Listed on the National Register of Historic Places, the deli is housed in a refurbished turn-of-the-20th-century wooden building.

Expect real butter, Weisenberger Mill flour milled just spittin' distance away, local veggies and premium meats here.

The best news? You can order take-out traditional Thanksgiving dinner – the bird with dressing, taters'n'gravy and pumpkin pie. The deli also caters for crowds, private or corporate.

At another historic building – this one is in Paducah – you'll hear about a resident ghost as you scarf down that drumstick. With previous lives as a dry-goods store, liquor dealer and distillery, the circa 1865 C.C. Cohen Building houses popular Shandie's Restaurant and Bar. Its wide windows frame views of the city's hip downtown while its Thanksgiving buffet mixes up traditional holiday offerings with yummy dishes such as hot-brown casserole.

You'll probably be ogling the lovely English antiques and silver on a post-turkey stroll through Wakefield Scarce Gallery after stuffing yourself at the Science Hill Inn in Shelbyville.

Known for "Southern dining with a Kentucky focus," Science Hill prides itself in using fresh ingredients from local farms. A basket of hot water biscuits and Southern cornbread will keep you busy until the main course arrives. Be sure to save room for dessert, which – with any luck – may include biscuit pudding with bourbon sauce.

#### Leave the Cooking to Them

##### Kentucky State Parks

parks.ky.gov (502) 564-2172

##### My Old Kentucky Dinner Train

kydinnertrain.com (866) 801-3463

##### Proof on Main

proofonmain.com (502) 217-6360

##### Science Hill Inn

sciencehillinnky.com (502) 633-2825

##### Shandie's Restaurant and Bar

shandiesrestaurantandbar.com  
(270) 442-2552

##### Wallace Station

wallacestation.com (859) 846-5161

Science Hill is a step back in time to the kinder, gentler era of your grandparents, when manners mattered and customer service meant pure gentility. Dress accordingly. You'll look pretty – or handsome, as the case may be – even though your waistband may seem as if it's shrunk a size.

Wherever you decide to tuck in your napkin for Thanksgiving dinner, be sure to call early for a reservation. And maybe wear those buffet pants with the elastic waist. ■

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



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## New Travel Webpage Launched for the 2017 Great American Eclipse



WITH less than one year left before much of western Kentucky becomes the epicenter of the Aug. 21, 2017 total solar eclipse, the Kentucky Department of Travel and Tourism has created a webpage to enhance the visitor experience and inform guests of what to expect during the astronomical phenomenon.

The web page, found at [kentucky-tourism.com/eclipse](http://kentucky-tourism.com/eclipse), provides direct links to tourism offices in communities that feature prominently in the total eclipse path and has information on lodging, restaurants and events. It also has a map of the path of the total eclipse as well as optimal viewing locations and times.

"With thousands of visitors expected from all over the world, we wanted to create a clearinghouse of traveler information not only for the area most directly impacted, but also for the rest of the state," said Kristen Branscum, commissioner of the Kentucky Department of Travel and Tourism. "This webpage cre-

ates an opportunity to not only promote the main event, but also gives visitors an opportunity to learn about all the wonderful places to see in Kentucky."

Areas in western Kentucky will have the longest view of the total eclipse, while other parts of the state will see a partial eclipse. According to NASA, Hopkinsville will have the greatest viewing time, estimated at two minutes and 40 seconds. The eclipse is dubbed "The Great American Eclipse" because of its path from the Pacific to Atlantic coasts. A total eclipse won't occur again over the continental United States until 2024. Many of the featured western Kentucky communities are planning organized viewing opportunities and special events.

Kentucky communities in the path of the total eclipse and featured on the webpage include Hopkinsville, Paducah, Eddyville, Princeton, Madisonville, Crofton, Kelly, Russellville, Bowling Green, Marion, Cadiz, Dawson Springs, Oak Grove, Scottsville, Kentucky Lake, Grand Rivers and Franklin.

## Drug Positivity in Workforce Rises to Highest Level in Decade

FOLLOWING years of declines, the percentage of employees in the combined U.S. workforce testing positive for drugs has steadily increased over the last three years to a 10-year high, according to an analysis of nearly 11 million workforce drug test results released by Quest Diagnostics.

The Quest Diagnostics Drug Testing Index examined illicit drug use by America's workforce based on an analysis of de-identified results of more than 9.5 million urine, 900,000 oral fluid, and 200,000 hair laboratory-based tests performed nationally by the company for employers in 2015.

Insights from the 2015 data show that the positivity rate for 9.5 million urine drug tests in the combined U.S. workforce increased 4 percent, up 2.6 percent over 2014 and a 14 percent increase over the 2010-2011 figures.

In oral fluid drug testing, the overall positivity rate increased 47 percent over the last three years in the general U.S. workforce to 9.1 percent in 2015 from 6.7 percent in 2013. The increase was largely driven by double-digit increases in marijuana positivity during this time period. Slightly more than nine percent of oral fluid test results were positive for one or more drugs, suggesting that nearly one in 11 job applicants were unable to pass an oral fluid drug screen.

Among drug testing methods, overall positivity in the general U.S. workforce was highest in hair drug tests, with 10.3 percent testing positive. Because hair testing shows repetitive drug use as far back as 90 days, it can give a more complete drug-use history. By comparison, urine detects recent or new drug use, typically in one to three days, and oral fluid detects recent drug use in the previous 24-48 hours.

In the general U.S. workforce, the rate of amphetamine, marijuana, and heroin detection have increased annually for the past five years in urine testing. Amphetamine positivity has increased 44 percent and marijuana positivity increased 26 percent since 2011. Almost half (45 percent) of individuals in



the general U.S. workforce with a positive drug test for any substance in 2015 showed evidence of marijuana use.

Heroin positivity in that period, indicated by the presence of the 6-acetylmorphine marker (6-AM), increased 146 percent. The oxycodone positivity rate has declined annually since 2011, confirming previous research showing that opioid prescriptions have declined in 49 states since 2012.

"The DTI statistics for the last five years underscore the threat to employers – and employees – from drug abusers in our workplace. The numbers on hair testing – the methodology with the longest look-back and therefore a more telling measurement of regular use – show a 34-percent positive-rate increase for illegal drug use by the general workforce in the last five years," said Mark de Bernardo, executive director, Institute for a Drug-Free Workplace. "However, all the numbers for various testing methodologies confirm this disturbing trend and should provide a wake-up call to employers to do more to combat workplace substance abuse and to do it more effectively."

U.S. Customs and Border Protection via Wikimedia Commons photo





UK's academic science building, which just opened in August, will be named the Don & Cathy Jacobs Science Building in honor of the \$10 million gift committed to the university.

## UK Receives \$10 Million Gift from Don Jacobs Foundation

**T**HE University of Kentucky has received a \$10 million gift from the Don Jacobs Sr. Charitable Foundation to further invest in undergraduate science education.

The majority of the gift — \$8 million — will go toward a new academic science building that opened in August and will now be named the Don & Cathy Jacobs Science Building. Another \$2 million will fund future academic and research investments that are yet to be determined.

In total, the Jacobs have now donated funds in excess of \$20 million to UK in areas ranging from science and health to the Gatton College of Business and Economics, where the couple established the Don and Cathy Jacobs Executive Education Center. The center serves as a university resource to expand executive education and leadership development in small businesses and nonprofit organizations.

The Jacobs also established the Health Education Center at the UK Albert B. Chandler Hospital, which serves as a central resource to help patients, families and caregivers research their medical questions and provides other services and outreach. The Jacobs have been major supporters of UK's Markey Cancer Center and the UK College of Medicine.

Growing up as the son of a general store owner in Bennettsville, S.C., Jacobs, who passed away April 15, 2015, went on to become a highly successful automobile dealer and entrepreneur. He began selling cars at a Ford dealership in Nashville and eventually become the No. 1 retail salesperson for automobiles in the entire nation for two consecutive years. He later applied to General Motors to acquire his own dealership and was offered an Oldsmobile franchise in Lexington. Through the years, Jacobs added Honda, Volkswagen and BMW to his lineup of new car offerings, while simultaneously opening dealerships in other markets in Kentucky, Tennessee and Florida.

Cathy Jacobs is also an accomplished entrepreneur, having founded and operated a successful advertising agency for many years. After its sale, she and her husband focused attention on their community-minded philanthropy.

"Don and I always believed that to whom much is given, much is required," Cathy Jacobs said. "I am grateful that we have been blessed so that we can help others."

## Elk Tours Offered at Two Kentucky State Parks

**A**FTER being absent from the Kentucky landscape for 150 years, elk were returned to the commonwealth in 1997 — representing what has become one of Kentucky's greatest wildlife management success stories. The state is now home to around 10,000 of these massive animals.

Those who enjoy viewing wildlife in a natural habitat can now book elk-viewing tours through two Kentucky state parks, Jenny Wiley State Resort Park in Prestonsburg and Buckhorn Lake State Resort Park in Buckhorn.

The largest elk herds are located on privately owned lands near the parks that are normally closed to the public. The tours are one of the few opportunities for the public to see the greatest number of elk.

### Jenny Wiley State Resort Park, Prestonsburg

(800) 325-0142

Fall 2016 dates: Oct. 15, 16, 29; Nov. 5, 26; Dec. 3.

Winter 2017 dates: Jan. 21; Feb. 4, 18, 25; March 4, 11.

\$30 per adult and \$15 per child (age 12 and under). The fee includes transportation to the viewing sites and a continental breakfast. The park also offers packages for \$160 for two people and includes lodging and breakfast. Special group and business tours are also available. Tours fill up quickly; registration is suggested.

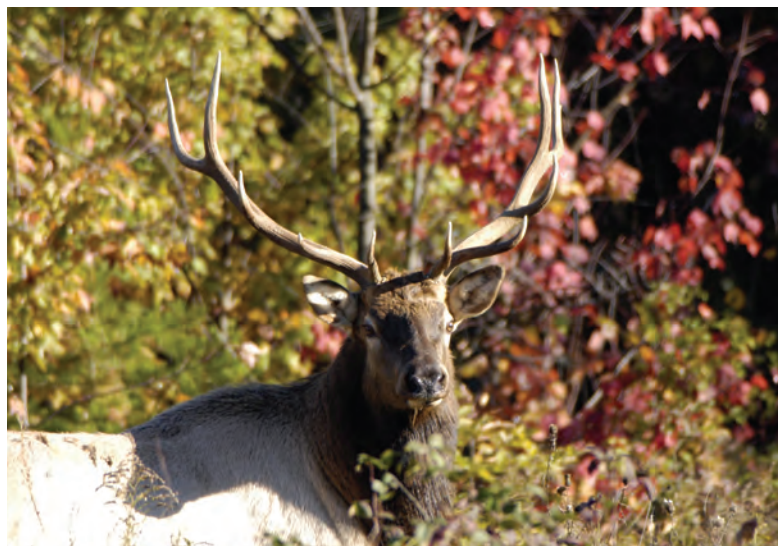
### Buckhorn Lake State Resort Park, Buckhorn

(800) 325-0058

Fall 2016 dates: Oct. 29; Nov. 5, 19

Winter 2017 dates: March 4, 11, 18, 25

\$120 per couple (\$90 per single). The fee includes one night's lodging, continental breakfast and transportation to and from the elk preserve the following morning. Guests may also stay the night before or after for an extra \$50. A tour without lodging can also be arranged. Participants must register by calling (800) 325-0058. Participation in the natural history program the evening prior to the trip at 7 p.m. is strongly recommended. Tour participants are encouraged to bring binoculars, camera, water and snacks. The tour van leaves the park between 5:30 a.m. and 6:30 a.m. depending on the date, and usually returns to the park around 10:30 a.m. to noon.





## KENTUCKY PEOPLE

### LOUISVILLE: BOURBON MIXER RAISES MONEY FOR HOMELESS COALITION



Two of Louisville's most spirited social groups, the Whisky Chicks and the Bourbon Brotherhood, joined forces on Aug. 13 to host the 3rd annual Bourbon Mixer. The sold-out event raised approximately \$36,000 for the Coalition for the Homeless, more than double the amount raised last year. Guests were able to taste samples from 13 distilleries and then vote for their favorite cocktails and bourbons. Rabbit Hole Distillery swept the Fan Favorite Awards for their moonshine cocktails and bourbons. Pictured here at the event are (left to right) Linda Ruffenach, Whisky Chicks; Kaveh Zamanian, Heather Hole and Michael Motamedi, all with Rabbit Hole Distillery; and Bruce Corwin, Bourbon Brotherhood.

### WINCHESTER: EKPC, CLARK REGIONAL LAUNCH WELLNESS 'WALKING WAR'



On Sept. 21, East Kentucky Power Cooperative and Clark Regional Medical Center launched "Walking War II," a friendly competition between the two organizations to promote health and wellness. Employees at both of the Winchester-based organizations will keep track of the distance they walk or run over the six-week competition. Pictured here (left to right) at the kick-off are Barry Lindeman, EKPC director of human resources and support services; Rodney Hitch, EKPC manager of economic development; and Brad Thomas, EKPC associate manager of economic development. Thomas gave a motivational presentation as "general" to kick off the second Walking War between the organizations.

### BARDSTOWN: 5 NEW MEMBERS INDUCTED INTO KENTUCKY BOURBON HALL OF FAME



The Kentucky Bourbon Hall of Fame inducted five new members on Sept. 14, honoring them for their service and support of the Kentucky bourbon industry. Pictured here (left to right) are Chris Morris, master distiller at Brown-Forman and chairman of the Kentucky Distillers' Association board of directors and KDA president with new inductees Barry Becton, Diageo North America; Paul Varga, president and chief executive of Brown-Forman, accepting on behalf of Bill Street; John Rhea, retired chief operating officer of Four Roses Distillery; and Jimmy Russell, master distiller at Wild Turkey and recipient of the Parker Beam Lifetime Achievement Award. Not pictured is inductee Joy Perrine, author and award-winning bartender at Equus Restaurant and Jack's Lounge in Louisville.

### PADUCAH: LAW ENFORCEMENT OFFICERS COMPLETE DIVERSITY TRAINING PROGRAM



The Paducah Police Department recently partnered with Murray State University's College of Education and Human Services to provide officers with an advanced training opportunity centered around diversity awareness. This partnership, entitled the Cultural Leadership Academy, saw the conclusion of its pilot session on Sept. 16, as the first seven officers to complete the program received their certificates at the Murray State University Paducah regional campus. Pictured here (left to right) is Paducah Police Chief Brandon Barnhill with some of the officers who completed the program, including Assistant Police Chief Brian Krueger, Captain Anthony Copeland, Sergeant Christopher Baxter, Officer Shawn Craven, and Officer Austin Guill. Officers Steven Thompson and Travis Watson also successfully completed the Cultural Leadership Academy but were not able to attend the ceremony.





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