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KENTUCKY'S BUSINESS NEWS

APRIL 2017

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AMAZON FULFILLS KENTUCKY'S GOAL TO BE WORLD'S LOGISTICS LEADER

Fulfillment kingpi's decision to build \$1.5 billion Prime Air
hub at CVG could shift retail industry's center of gravity

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dis.rup.tion

[dis-'rəpt-shən] *noun* :
a radical change in an industry,
business strategy, etc., especially
involving the introduction of
a new product or service that
creates a new market.

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When Amazon, the world's largest retail channel, locates its first Air Prime hub at Cincinnati-Northern Kentucky International Airport, that \$1.5 billion facility will be Kentucky's third global shipping hub, joining the UPS's massive Worldport in Louisville and the DHL Express Americas Hub at CVG.

Photo illustration by
Paul Blodgett/pjb-marketing



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PERSPECTIVE

FREE PRESS SHOULD NOT TAKE SIDES

Politicizing reporting will sully history of dedicated journalists

BY PAT FREIBERT

OUR country's founders recognized the value of a "free press" and memorialized it with constitutional protection – and hurrah for that. That guarantee carries with it an expectation that a free press, both print and electronic, report responsibly by informing citizens rather than propagandizing. In some cases, today's media yields to the temptation to "take sides" in political matters. A recent example was a three-day period in mid-March when nearly every mainstream network was dominated by reports that President Trump "abruptly" dismissed 46 federal U.S. attorneys.

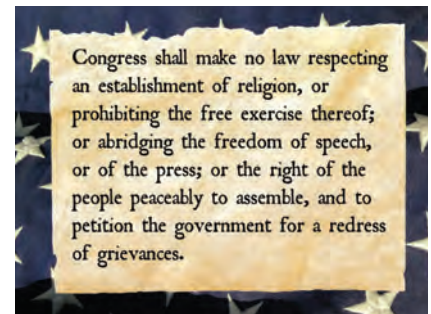
Federal attorneys are appointed by the currently serving president through his/her attorney general. Releasing those U.S. attorneys could hardly be considered "abrupt" since it occurred 53 days into the new presidency. The attorneys released had been appointed by the previous president and, since they are not appointed for lifetime positions but rather serve at the pleasure of the current president, their service concluded when the president who appointed them was no longer in office.

When a new administration takes office, federal attorneys – like ambassadors and many other presidential appointees – have traditionally submitted their resignations as a matter of procedure. If they do not submit their resignations, the president may release them and appoint his/her choices as replacements. Only one U.S. attorney failed to resign, so he was released. Reporters surely must know the procedure that presidential appointments end when a president is no longer in office. Yet, the event was depicted as some sort of wild departure from historic protocol by President Trump.

In the early '90s, President Clinton's clean sweep of federal prosecutors resulted in releasing more than 90 attorneys – nearly twice the number released by President Trump in March. There was little attention or criticism from most of the media at that time. One of the federal attorneys "fired" by the Clinton Administration was Kentucky's own fearless U.S. Attorney Karen Caldwell, who was wrapping up her prosecution of 21 legislators and

lobbyists found guilty of bribery and fraud in the wake of the "Boptrot" investigation. One of those ultimately convicted was the speaker of the Kentucky House of Representatives.

I was in my seat on the floor of the House of Representatives on March 31, 1992, when FBI agents with subpoenas in hand started peeling off certain legislators and escorting them to adjacent offices for interviews. That was not a proud day for Kentucky, but it brought about the birth of a strict Code of Ethics for legislators, overseen by the Kentucky Legislative Ethics Commission. The Task Force that recommended and developed this code did so without the approval of legislative leadership, some of whom were targets of the investigation. Today Kentucky's ethics laws serve as the model for many other states that have followed Kentucky's example.



Do you remember the days when Americans considered "news reporting" publications in places like South American countries and Russia as propaganda organs? Our hope is that our media in the United States never deteriorates to the level that it "take sides" in political reporting. Media needs to inform, not manipulate, misrepresent or "take sides" in its political coverage.

Many journalists of an earlier era, like Ernie Pyle and Edward R. Murrow, were considered patriots and straight shooters. They consistently reported to Americans hard-nosed, fact-based news and not personal opinions. Personal opinions belong in editorials, but not reported as news. Any attempts to misrepresent information do not bring credit to the noble field of journalism. Politicizing reporting will sully the history of so many dedicated journalists, some of whom lost their lives reporting from warfronts and untold disasters. Keep the good names sacred of those who practiced their craft with dedication and with honor. ■



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

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FAST LANE

A compilation of economic news from across Kentucky

ERLANGER: TOYOTA DONATES 183,000-S.F. LAB FOR USE AS BOONE PUBLIC SCHOOLS ADVANCED SKILLS INSTITUTE



Toyota photo

The name of the new Ignite Institute at Roebling Innovation Center is inspired by John A. Roebling, an internationally known engineer and businessman who designed the distinctive suspension bridge that spans the nearby Ohio River.

TOYOTA is donating its 183,000-s.f. quality and production engineering laboratory in Erlanger to the **Boone County School System**, which plans to develop a STEAM (science, technology, education, arts and math)-focused education center to serve the Northern Kentucky/Greater Cincinnati region. The new school, scheduled to be ready for students in the fall of 2019, will be called the **Ignite Institute at Roebling Innovation Center**.

The public school will be managed by the Boone County School System and will initially be open for grades 9 through 12, with a capacity to serve 1,000 students. The district will own and operate the building, the grounds and all facilities.

The school will be funded with both public school dollars and, it is hoped, private support in order to serve

students from a diverse range of socioeconomic, demographic and geographic areas. Admission will be based on a student's desire to learn in an environment where the unique skill sets required for 21st-century employment opportunities are the focus.

The facility will support other activities and is envisioned to be a collaborative space for educators, a center for business engagement, a potential national hub for STEAM teacher training, and an early childhood education center.

Toyota is in the process of transitioning its North American headquarters from Erlanger to Texas. The company's final team member groups are scheduled to move from the lab building by the end of 2017.

STATE: NEW APPRENTICESHIP PROGRAM PUTS KENTUCKY INMATES ON THE PATH TO LEARNING A SKILLED TRADE

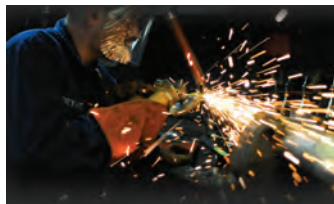
THE **Kentucky Labor Cabinet** and the **Kentucky Justice and Public Safety Cabinet** have collaborated on a new apprenticeship pilot project that works to match prison inmates and juvenile offenders with skilled jobs as they re-enter society.

The **Justice to Journeyman** program will place inmates on track to earn a nationally recognized journeyman credential in a skilled trade, starting with training they receive inside Kentucky prisons. The pilot project will initially offer apprenticeship opportunities in three adult prisons and four juvenile justice facilities, with current programs including: an electrical program, welding, carpentry, telecommunications, masonry and building maintenance, depending on the facility. To receive a journeyman certificate, inmates and youth must complete 2,000 to 8,000 hours of on-the-job training and 144 annual classroom hours of instruction, dependent on the type of trade.

The program will also network inmates with employers in the private sector who have agreed to consider former felons when hiring for jobs. So far, three organizations have agreed to participate in the initiative, including **Amteck**, an electrical contracting firm headquartered in Lexington; the **United Association of Plumbers, Pipefitters & Service Technicians** (Local 502) in Louisville; and the **Associated Builders & Contractors** Chapter of Indiana/Kentucky.

Although the Kentucky Department of Corrections and the Kentucky Department of Juvenile Justice have provided skills training for years, Justice to Journeyman offers a more tailored career pathway for inmates and juvenile offenders while also addressing the need for skilled labor.

Studies show that steady employment remains a key factor in helping felons avoid new crimes and transition back into the community. A 2008 study from the Safer Foundation, a national not-for-profit that specializes in reentry, found that one year of employment decreases the three-year recidivism rate to 16 percent, far lower than the 52 percent rate for all inmates in the study.



The new Justice to Journeyman program will give Kentucky inmates the opportunity to learn a skilled trade such as welding, so that they have a marketable skill when they are released from prison.

STATE: KY PLACES 2ND IN NATIONAL RANKINGS FOR ECONOMIC DEVELOPMENT

KENTUCKY placed second nationally in economic development projects per capita last year and first in the South-Central region in *Site Selection* magazine's annual **Governor's Cup awards**.

It is the third consecutive year in which Kentucky has placed first or second in the per-capita competition. Numerous Kentucky metropolitan and micropolitan regions also placed on top-10 lists for their economic development achievements, including: the Northern Kentucky/Cincinnati region, which ranked fifth among areas with populations exceeding 1 million; Lexington, which ranked fourth for communities with populations between 200,000 and 1 million; and Bowling Green, Owensboro and Elizabethtown, which placed second, seventh and ninth, respectively, among metropolitan areas with fewer than 200,000 people.

Site Selection, an Atlanta-based publication, has awarded the Governor's Cup annually since 1988 to the U.S. state with the most new and expanded corporate facilities as tracked by the Conway Projects Database. Corporate real estate analysts regard the rankings as an industry scorecard. The magazine's circulation reaches 48,000 corporate site-selection executives.

For inclusion in the magazine's database, qualifying projects must meet one or more of the following criteria: a minimum capital investment of \$1 million; 20 or more new jobs created; and 20,000 or more square feet of new space.

Last year, Kentucky announced more than 310 new location and expansion projects that are expected to create more than 16,000 jobs and over \$3.1 billion in investment.



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STATE: TEACHERS WILL LEARN TO LINK CLASSWORK TO MANUFACTURING SKILLS

A new pilot program is being rolled out that offers teachers throughout Kentucky the opportunity to learn how to connect classroom learning to what takes place in a modern manufacturing environment.

The statewide pilot program developed by **Lightweight Innovations for Tomorrow (LIFT)** and the **Kentucky Federation for Advanced Manufacturing Education (KY FAME)** will provide externships that link up to



135 teachers and instructors with local manufacturers, giving them with the opportunity to learn how technical and academic course content is used in a real-world manufacturing setting. The teacher teams – consisting of both technical and academic instructors – spend up to five days in partnership with an area manufacturing business, learning about job and career opportunities and requirements; how classroom learning is applied in the workplace; and how to apply the manufacturing experience back into the classroom. The business partners then assist teachers in understanding how to connect manufacturing practices to the content standards they are required to teach students in their respective courses.

“Connecting educators to industry is essential to our efforts to ensure the workforce has the skills and abilities to work on the advanced lightweighting technologies and processes in use today,” said LIFT Education and Workforce Development Director Emily DeRocco. “KYFAME, its partners and the University of Kentucky Department of Education have the necessary tools and broad reach across the state to help us engage teachers and touch as many students as possible, who become better prepared to pursue a career in advanced manufacturing.”

COVINGTON: WORK STARTS IN MAY THAT WILL REOPEN RIVERFRONT TO PUBLIC



Artist rendering of Northern Kentucky's Riverfront Commons Project.

THE City of Covington has approved an order awarding the **Riverfront Commons** Project construction bid to **Sunesis Construction**.

The bid awards \$1,280,480 to Ohio-based Sunesis to begin the construction of pieces of the Riverfront Commons project in the Northern Kentucky river cities of Ludlow, Newport and Covington.

Covington's current plan for Riverfront Commons is divided into two phases. Phase 1 includes the construction of the West Walk, an 8-foot-wide multimodal path located along the river side of the levee. Phase 2 will feature the plaza portion of the Riverfront Commons project and will allow convenient riverfront access to the public.

The city worked with **Human Nature** and **Woolpert Inc.** to develop a variety of amenity enhancements for the project that will attract visitors to the Riverfront and create a regional hub for civic gatherings. Potential enhancements include recreational amenities, water features, zip lines, river access for water sports and activities, event and gathering areas, and artistic features.

Construction is expected to start as early as May and be completed within the year.

BUSINESS BRIEFS

CYNTHIANA

■ **Harrison Memorial Hospital** has become the first hospital in the state to completely implement **Purgenix** technology in all areas of its facility. Purgenix is a Kentucky-based company that specializes in technology to disinfect the air, which significantly reduces the risk of airborne hospital-acquired infections. The Purgenix technology installment is part of a multi-million dollar expansion and renovation at HMH that also included the addition of a new 20-bed medical/surgical floor featuring private patient rooms and bathrooms and a new specialty clinic area.

ERLANGER

■ The **Cincinnati/Northern Kentucky International Airport (CVG)** has been named as the World's Best Airport Serving 5-10 Million Passengers and as the Best Regional Airport in North America in the World Airport Awards. The World Airport



Awards are determined by customers voting in the industry's largest annual global airport customer satisfaction survey. The **Skytrax** World Airport Survey is produced independent of any airport control or input, thereby producing an impartial benchmark of quality.

FLORENCE

■ Cincinnati-based **Kroger Inc.** has purchased **Park 536**, a speculative industrial building in Florence, for \$34 million and plans to invest another \$26 million to develop the 674,000-s.f. space into an ambient distribution center. The new center, which is slated to open later this year, will primarily be used as a replenishment center servicing Kroger's direct-to-store distribution centers across the eastern half of the country. The facility will create nearly 100 new jobs.

FRANKFORT

■ **Kentucky State University** and the **University of Louisville** have collaborated on a new degree program that allows KSU undergraduates majoring in math to study seven semesters at KSU and three semesters at UofL, earning a bachelor of arts or bachelor of science (BA/BS) in math at KSU and a master of science (MS) in biostatistics from UofL. Students benefit by completing six years of study in five years. “The degree collaborative helps to fulfill the need of quantitatively trained professionals who are always in demand in the pharmaceutical, biomedical and insurance industries, as well as in government and academia,” said Craig Blakely, dean of the UofL School of Public Health and Information Sciences. “We plan to connect these students to state industries via practicum and internship opportunities.”

HEBRON

■ **NetRush**, a Washington-based digital retail agency that manages over 30 brands on the **Amazon** marketplace, is moving its processing facility to a 70,000-s.f. location in Hebron. The new space will give the company five times the floor space of its current location in Erlanger, allowing the company to significantly increase the volume and rate of processing goods.

HIGHLAND HEIGHTS

■ **General Cable Corp.**, a Highland Heights-based company that is one of the world's largest wire and cable manufacturers, has expanded its **Highland Heights Technology Center** with a new fiber-optic cable-testing lab. With the expansion, the center now has the capability to test cables from each of the company's core businesses, which include industrial, construction and specialty, utility and communications. The Highland Heights center, one of General Cable's four research and development labs in the United States, also features an analytical lab used for product support, including chemical analysis and microscopy.



BUSINESS BRIEFS

JACKSON

■ The **Appalachian Regional Commission** has awarded \$1.5 million grant to **Hazard Community and Technical College** that will be used to construct a 14,700-s.f. intergenerational training center at HCTC's Lees College Campus in Jackson. The facility will provide job training and credentialing courses focused around four emerging regional career clusters: information technology, telemedicine and health sciences, mechatronics, and eco-tourism/small business development. **Eastern Kentucky Concentrated Employment Inc.** and the Kentucky Career Center will promote and market the program to out-of-school youth and displaced and underemployed workers impacted by the decline in the coal industry. The project will serve a seven-county area in southeastern Kentucky, and will train 295 dislocated workers and credential 228 students over the life of the award.



LAGRANGE

■ **Cedar Lake Inc.**, one of the region's largest nonprofit care providers for adults with intellectual and development disabilities, has opened two homes in LaGrange that offer high-intensity medical care in a neighborhood setting. The new homes, located in LaGrange's Sycamore Run neighborhood, are the first of their kind in Kentucky. Each home houses four adults and provides 24-hour nursing care, therapeutic services, and behavior and psychological support in a home environment rather than an institutional setting.

LEXINGTON

■ **KentuckyOne Health** Cancer Care at **Saint Joseph Hospital** in Lexington has invested \$3 million in radiation oncology technology to shorten cancer treatment time, improve patient comfort and reduce side effects. The centerpiece of the investment is a Versa HD accelerator, which provides increased flexibility to treat a broad spectrum of tumors throughout the body and enables the treatment of highly complex cases that require extreme precision to protect other critical organs and tissue. The result is faster treatments and potentially shorter treatment schedules.

■ A new event venue has opened in the **Venues of The Grand Reserve**, located in Lexington's historic downtown Distillery District. **Distillery Square** offers 15,000 s.f. of space that can accommodate groups of 200 on up to 1,600 guests. The space – which has a rustic feel, with an abundance of exposed brick, oak wood and corrugated metal – is also home to the **Distillery Market**, an indoor market warehouse held the third Friday of every month. The Venues of The Grand Reserve also has four other event spaces designed to hold groups of varying sizes.



Neil Sullivan/Ron Morrow photo

LEXINGTON/LOUISVILLE

■ **Malone Workforce Solutions**, a recruiting company headquartered in Louisville, has acquired **OmniSource Staffing** of Lexington for an undisclosed sum. With the addition of OmniSource, Malone will have 47 offices throughout 14 states, servicing clients in more than 40 states. According to Tim Malone, co-owner of Malone Solutions, the acquisition will grow Malone's estimated annual revenue to over \$170 million.



Creation Gardens photo

LOUISVILLE

■ **Creation Gardens Inc.**, a Louisville-based food distributor, has expanded its operations in Ohio with the acquisition of **Lasita & Sons Produce**, a Cincinnati company that has been in operation for nearly a century. The acquisition provides Creation Gardens with a distribution hub in Ohio and expands its footprint there. Creation Gardens serves more than 2,500 restaurants, hotels and other food-service companies throughout Kentucky, Ohio, Indiana and Tennessee.

LOUISVILLE: CITY-SPONSORED PROGRAM TO HELP COMPANIES TRAIN, RETAIN TALENT

LOUISVILLE has launched a program that is working directly with the city's companies and organizations to encourage their employees to return to college and complete a degree.

"With today's low unemployment rates, companies are in a fierce battle to attract and retain talented employees," said Louisville Mayor Greg Fischer. "**Degrees Work** offers those companies an affordable way to help more of their employees go back to college to earn two-year and four-year degrees – increasing retention and employee engagement while adding skills to their teams."

The Degrees Work program brings "college coaches" to an employer's workplace. The coaches provide one-to-one support for employees, helping them find and enroll in a flexible degree program that matches their lifestyle, finances and career goals; find ways to pay for college; and ensure they receive credit for prior learning, including credit transfers.

The program has a formal partnership with seven area colleges and universities: **Bellarmine University, Indiana University Southeast, Ivy Tech Community College, Jefferson Community & Technical College, Spalding University, Sullivan University** and the **University of Louisville**. Each of the schools have assigned a staff member to work with Degrees Work clients to make sure the returning-to-college process is as smooth as possible, including priority admission and waived application fees.

"Companies in today's increasingly competitive global marketplace are looking for higher-skilled and educated workers as never before," said Michael Gritton, executive director of KentuckianaWorks, the workforce development board for the Louisville area. "There's no better way to compete than to take an existing employee who knows your company and give them the knowledge and confidence boost that comes with moving up educationally."



LOUISVILLE: OUR LADY OF PEACE OPENS CLINIC TO ADDRESS OPIOID ADDICTION

OUR Lady of Peace, part of the **KentuckyOne Health** system, has opened a new clinic aimed at addressing the growing number of people dealing with opioid addiction.

The clinic will dispense Vivitrol (naltrexone) to those addicted to heroin, other opioid drugs and alcohol. Vivitrol blocks the pleasurable effects of alcohol and opioids, reduces cravings and eliminates the ability to get drunk or high rather than only alleviating withdrawing symptoms. The treatment can help prevent relapse to opioid dependence, allowing patients to focus on counseling.

The injection clinic will also help patients who suffer from schizoaffective disorders who are not compliant with their medication therapy.

According to KentuckyOne Health, the Our Lady of Peace clinic is the first licensed retail pharmacy located in a behavioral health care institute. The clinic is intended to integrate pharmacy practice with behavioral health specialists, and will be staffed with two pharmacists and a medication access coordinator.



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BUSINESS BRIEFS

LOUISVILLE

■ Appliance manufacturer **Electrolux** has acquired **Grindmaster-Cecilware**, a Louisville-based company that is a leading manufacturer of hot, cold and frozen-beverage dispensing equipment sold under the brands of Grindmaster, Cecilware, **Crathco** and **American Metal Ware**. The acquisition of Grindmaster-Cecilware, which reported net 2016 sales of more than \$65 million, broadens Electrolux's offering in its food service business and will increase access to the U.S. market for Sweden-based Electrolux. Grindmaster-Cecilware currently has approximately 200 employees between its two manufacturing facilities in Louisville and Rayong, Thailand. The cash consideration for the transaction totaled approximately \$108 million.



Grindmaster-Cecilware photo

■ **Arvato**, a Germany-based business-process outsourcing company, has expanded its presence in Louisville with the opening of a new 650,000-s.f. distribution center. The new facility is expected to have approximately 225 employees in its first year. Arvato currently employs approximately 150 at its 160,000-s.f. multi-industry distribution center near the I-65/I-265 interchange on Louisville's south side.

■ The **University of Louisville**, **Indiana University** and **Missouri University of Science and Technology** have been awarded \$225,000 from the National Science Foundation for a pilot program aimed at helping women and minority innovators improve their success in securing money to commercialize their inventions. Roy Keynton, UofL's director of research initiatives, will serve as lead investigator of the program, called AWARE: ACCESS: Building Innovation Capacity through Diversity. According to the **U.S. Small Business Administration**, woman- and minority-owned small businesses receive less than 16 percent of federal grants (SBIR/STTR) to move their research and technology to the marketplace.



■ Louisville-based **Yum! Brands**, the parent company of **KFC**, **Pizza Hut** and **Taco Bell**, has announced an expanded parental time-off policy that gives birth mothers 18 weeks of fully paid time away from work as well as six weeks of fully paid "baby bonding" time away from work to fathers, partners, adoptive and foster parents. Yum! Chief Transformation and People Officer Tracey Skeans said the new policy builds on the company's legacy of

investing in its people to help them be their best at work and at home. In addition to the expanded parental time-off, Yum! recently started offering increased flexibility to corporate employees, with year-round half-day Fridays and a minimum of four weeks paid vacation.

■ Louisville-based **PharMerica Corp.**, a national provider of institutional and specialty pharmacy services, has acquired **CareMed Specialty Pharmacy** for an undisclosed amount. CareMed, headquartered in New Hyde Park, N.Y., provides comprehensive specialty pharmacy services nationally and is licensed in all 50 states. PharMerica CEO Greg Weishar said the acquisition further bolsters the company's position in the rapidly growing specialty pharmacy market.

■ The **Belle of Louisville**, a historic steamer that offers sightseeing and meal excursions along the Ohio River, has agreed to pay \$750,000 to acquire **The Georgia Queen**, a three-deck vessel with traditional riverboat styling that will replace the **Spirit of Jefferson**. The Spirit of Jefferson, a 260-passenger vessel, is in need of major restorative repairs that could cost significantly more than the boat's appraised value. The Georgia Queen can host 565 passengers for casual gatherings or cocktail parties or 260 passengers for a seated lunch or dinner service. The Spirit of Jefferson will be sold after The Georgia Queen acquisition is complete.



MURRAY: INNOVATIVE PROGRAM HELPS MSU MEET DEMAND FOR STEM GRADS

MURRAY State University is seeing a tremendous response to an innovative engineering program that brings together the university's engineering, engineering technology, engineering graphics and design, physics and telecommunications programs into a single academic unit.



Murray State University is celebrating the success of its innovative Institute of Engineering, which was launched as a pilot project in 2014. The announcement comes just as a new \$35 million, 85,000-s.f. facility to house the Institute of Engineering nears completion.

Launched as a pilot project in 2014, MSU's **Institute of Engineering** is the first in the commonwealth to offer such a broad spectrum of engineering and related STEM (science, technology, engineering and math) programs under a cooperative umbrella.

Over the three-year pilot period, the total enrollments for programs in the Institute of Engineering have increased by 24 percent. Engineering enrollment has grown by an impressive 65 percent, with engineering technology enrollments increasing by 27 percent. Engineering graphics and design has increased by 29 percent, while the statewide Program of Distinction in telecommunication systems management has shown strong student subscription as well.

The growth of these high-demand STEM programs comes just as a new \$35 million, 85,000-s.f. facility to house the Institute of Engineering nears completion. Classes will begin in the new facility this summer.

New initiatives planned to begin as early as this fall include a new track in aerospace engineering, expansion of opportunities in civil, construction, electromechanical and manufacturing engineering technology, enhanced partnerships with the university's business and agriculture programs, summer engineering academies, dual-credit partnerships with regional high schools, dedicated study abroad opportunities for STEM, streamlined transfer agreements with community colleges and targeted web-based course delivery.

SEBREE: SPECIALTY CONCRETE COMPANY EXPANDING PRODUCT LINE, WORKFORCE

DARCOLE Products, a Henderson-based producer of specialty concrete additives, has purchased a 42,500-s.f. spec building in the South Sebree Industrial Park that will give the company the space it needs to expand into new product lines, upgrade equipment, streamline production and increase its workforce over the next several years.

The new space will also include a laboratory that will allow DarCole to conduct its own in-house research and development. Since its founding in 1983, the company has focused on innovation, developing more than 30 specialty concrete additives. One such innovation is stand-alone floating concrete, which is used in the construction of concrete boat docks, eliminating the need for Styrofoam or other flotation aids.

The company historically has concentrated on providing concrete additives used by customers to work with mobile concrete mixers that produce concrete at a job site as opposed to hauling in concrete from a stationary ready-mix plant. While DarCole will continue to serve mobile-mix customers, the company plans to expand into new markets, such as providing additives for the larger ready-mix market and creating a line of pre-cast concrete products like parking bumpers and retaining wall blocks.

Ashland / Boyd County KENTUCKY



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BUSINESS BRIEFS

MAYSVILLE

■ **Maysville Community and Technical College** has been awarded a \$1.3 million grant from the **Appalachian Regional Commission** that will be used to develop a **drone technology project**. MCTC will partner with Southern West Virginia Community and Technical College to deliver comprehensive training courses in small-air drone operation to a seven-county area in southern West Virginia and a 13-county area in northeastern Kentucky. The training activities will enable graduates to operate drones and drone sensors to provide in-demand commercial services such as the close-up inspection of fixed structures like power lines, utility poles and cell phone towers.

MERCER COUNTY

■ **Louisville Gas and Electric Co. (LG&E)** and **Kentucky Utilities Co. (KU)** have launched a new energy storage research and demonstrate site at their E.W. Brown Generating Station near Harrodsburg. The project, which was developed in collaboration with the Electric Power Research Institute, became operational in January and will allow the utilities to develop, test and evaluate the potential benefits of utility-scale battery technologies, and investigate operating needs and associated costs.

PRESTONSBURG

■ **Big Sandy Community and Technical College** is one of seven schools to participate in an entrepreneurial education grant awarded by the Appalachian Regional Commission's Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) program. BSCTC will receive \$12,000 annually through 2019 to deliver comprehensive entrepreneurship training to secondary schools in Pike, Martin and Magoffin counties. This is the second POWER grant BSCTC has been awarded this year. In January, the college was the recipient of a \$3.5 million POWER grant to deliver rapidly deployed, employer-led training.

RUSSELL SPRINGS

■ The **French Valley Industrial Park** in Russell Springs has been certified as a shovel-ready site for food- and beverage-processing facilities. "When **Fruit of the Loom** closed, we felt the impact on a number of levels," **Russell County Industrial Development Authority** Executive Director Bennie Garland said, noting that the county was left with excess water and wastewater capacity that was built specifically for Fruit of the Loom and now needs to be utilized. "Recruiting the appropriate industry to our county will hopefully keep us from continuing to pass along utility costs to consumers by raising rates."

SHELBYVILLE

■ **Bulleit Distilling Co.** held an official ribbon-cutting ceremony on March 14 for its new Shelbyville distillery, part of a \$130 million-plus investment that will create approximately 30 full-time jobs. The 300-acre campus includes four barrel houses (each capable of holding 55,000 barrels), a 52-foot still crafted by Vendome Copper and Brass Works in Louisville and the first industrial solar array in Shelby County, which will collect enough energy to run all on-site mobile equipment.

Bulleit Bourbon photo



WHITESBURG

■ Whitesburg has received a \$500,000 grant from the **Appalachian Regional Commission** that will be used to make repairs to the historic **Daniel Boone Hotel**, which is a central component of the city's economic revitalization plans. The hotel was built around 1920 and was a vital part of the community until it closed in 1970. It was later used for office space until the early 1980s and has been permanently closed since that time. Once the structure is stabilized and renovated, city officials hope to see the hotel serve as a regional destination and economic driver. Once complete, the project is expected to attract an estimated 9,900 annual visitors to the area.

STATE

■ Emphasizing that the state intends "to take care of those who take care of us," Gov. Matt Bevin announced a 20 percent pay raise for entry-level youth workers at the **Department of Juvenile Justice**. A grade increase for other positions has also been implemented in order to provide a career ladder for employees within the department and stem staff turnover. The increases go into effect this month.

LOUISVILLE: BAPTIST HEALTH CUTS 288 JOBS, CHANGES ITS TOP MANAGEMENT

ON the heels of operating losses for the last five quarters, **Baptist Health** announced on March 15 that it was laying off 288 employees across its healthcare system. Of the 288 affected employees, 149 are at the system's corporate headquarters in Louisville and are primarily administrative roles.

The cuts represent approximately 1 percent of the company's total workforce. According to a company spokesperson, none of the affected jobs are bedside positions at hospitals.

In a statement from Baptist Health announcing the layoffs, company officials said, "This continues to be a time of both transformation and great uncertainty in the healthcare industry. Baptist Health is realigning its structure to best meet the needs of our patients and communities within a challenging financial environment."

Affected employees will be offered severance and outplacement job assistance if they are unable to fill other jobs with the system.

In another significant development, the company announced on March 21 that Chief Executive Officer Steve Hanson was leaving the organization, effective immediately. Hanson was appointed CEO in March 2013.

The Baptist Health board of directors has appointed Janet Norton and Steve Oglesby as co-interim leaders. Norton, a 29-year employee, is vice president and chief legal and regulatory affairs officer. Oglesby, a 24-year employee, was named chief financial officer in September 2016.

A nationwide search for a successor is now underway.



Steve Hanson



Janet Norton



Steve Oglesby

STATE: NEARLY 50% OF COUNTIES HAVE ONLY ONE HEALTH INSURANCE CARRIER

Marketplace Health Insurers

STATE	NO. OF INSURERS 2016	NO. OF INSURERS 2017
Kentucky	7	3
Arkansas	5	4
Illinois	9	5
Missouri	7	4
Ohio	16	11
Tennessee	4	3
Virginia	11	11
West Virginia	2	2

KENTUCKIANS in 59 counties who were looking for coverage through the health insurance marketplace during the recent open enrollment period could choose plans from only one company, according to a report released by the **Foundation for a Healthy Kentucky**.

The rest of the state fared little better; 52 counties had only two companies' plans from which to choose, leaving just nine of the state's 120 counties with the option to select between three health insurance companies.

"One of the concerns about the uncertainty surrounding the Affordable Care Act is that the number of insurers offering plans is dwindling in many markets, and that's exactly what happened in Kentucky," said Ben Chandler, president and CEO of the Foundation for a Healthy Kentucky. "And the choices were most limited in the lower-income, less-healthy areas of the commonwealth. Fewer carriers leads to higher premiums, less competition to exceed minimum coverage requirements, and higher costs to taxpayers for tax credits to buy those premiums down."

FRANKLIN: PURACAP EXPANSION CREATES GLOBAL PACKAGING/DISTRIBUTION HUB



PuraCap Laboratories' Franklin plant repackages and distributes pharmaceutical products produced by PuraCap manufacturers in Puerto Rico, New Jersey and New York.

PURACAP Laboratories is investing \$2.5 million to expand its operations in Franklin, transforming the facility into the company's global pharmaceutical packaging and distribution hub and creating 30 full-time jobs.

The project comes nearly a year after PuraCap purchased **Blu Pharmaceuticals**, a privately held generic pharmaceutical company that located in Franklin in 2007. Since the acquisition, PuraCap has added packaging operations, increased distribution capacities, purchased new equipment and nearly doubled employment. The

Franklin site currently consists of two packaging lines with three pouching lines expected be operational in the coming weeks. As part of the expansion project, the company plans to add two more packaging suites to support new and existing business and expand the warehouse into the existing 180,000-s.f. facility.

PuraCap Laboratories' Franklin operation repackages and distributes products from PuraCap manufacturers in Puerto Rico, New Jersey and New York. Products include non-controlled prescription drugs, over-the-counter drugs and a medical device.

BUSINESS BRIEFS

STATE

■ Sales at the 31st annual **Kentucky Farm Bureau Beef Expo** in March

exceeded \$1 million for the sixth consecutive year. "At a time when beef cattle prices are well below their peak of recent years, these numbers say something about the Beef Expo's position as an elite beef cattle show and sale,"

Agriculture Commissioner Ryan Quarles said. "This event continues to prove that Kentucky has earned a national reputation for top-quality beef cattle genetics."



■ State officials reported in early March that the transition from **kynect**, the state-operated healthcare enrollment system, to the federal health insurance marketplace was successful, with enrollment figures for 2017 on par with coverage obtained via kynect. Once the transition is fully complete, state officials anticipate saving more than \$10 million annually by not operating a separate healthcare exchange.

■ The Kentucky Public Services Commission is revamping the state program that provides assistance to low-income telephone customers and refocusing it on meeting the needs of the mostly elderly and rural customers who rely on landline phones. The PSC initiated a review of the program last year, when it became clear that the **Kentucky Universal Service Fund**, the source of the Lifeline subsidies, was on the verge of running out of funds due to an increased number of wireless customers qualifying for the Lifeline subsidy. The PSC said removing the state subsidy for wireless Lifeline service should have little effect on those wireless customers, as there is intense competition in the wireless market, which will tend to keep rates low. Competition in the landline market, however, is nearly nonexistent, particularly in rural areas, according to the PSC.



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INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Faurecia Clean Mobility**, a global manufacturer of automotive emissions control systems, is investing \$4 million to establish and equip a new 137,500-s.f. facility in Fort Wayne, Ind., that will create 144 new jobs by 2018. FCM currently employs more than 1,800 people at three locations in Columbus, Ind., which serves as the company's North American headquarters.

OHIO

■ Fifth Third Insurance

Agency, a wholly owned subsidiary of Cincinnati-based **Fifth Third Bancorp.** has expanded its insurance capabilities with the acquisition of the **R. G. McGraw Insurance Agency**, another Cincinnati company that has been in business since 1955. McGraw serves a broad mix of public and private companies, nonprofit institutions and high-net-worth individuals. Its key service areas include property and casualty insurance, and risk management analysis for both personal lines and commercial lines across a range of industries.



■ **LGSTX Services Inc.** has notified Ohio state officials that it is closing its air cargo operations at the **Wilmington Air Park** effective April 30, a move that will eliminate 335 jobs. The closure is tied to the recent decision by **Amazon** to develop a \$1.5 billion air services hub at the **Cincinnati/Northern Kentucky International Airport**. LGSTX has been handling air cargo operations for Amazon at the Wilmington Air Park.

■ **Cintas Corp.**, a Cincinnati-based company that provides specialized business services to companies, has acquired **G&K Services Inc.** in a \$2.2 billion deal. G&K, a uniform rental and facility products company headquartered in Minnesota, has 8,000 employees across 160 facilities in North America. The combined company is expected to have annual revenues of more than \$6 billion and will service over 1 million customers.



TENNESSEE

■ **Captain D's**, a Nashville-based fast casual seafood restaurant chain, has signed agreements to expand its presence in Illinois, Texas, Virginia, North Carolina and Kentucky. The expansion is propelled by Captain D's recent success, with six consecutive years of same-store sales increases.

■ Orthodontics company **SmileDirectClub** is investing \$4.5 million to expand two locations in Nashville, a move that will create some 440 new jobs over the next five years. The company is adding office and customer service personnel in its new downtown Nashville headquarters and is also adding jobs at a new manufacturing and distribution center in nearby Antioch. Founded in 2014, SmileDirectClub specializes in teledentistry, using cloud-based technology to connect patients with a network of state-licensed dental professionals who provide ongoing, remote orthodontic treatment. SmileDirectClub works with an orthodontic lab to custom-make a series of clear plastic aligners that gradually shift patients' teeth into the desired position without in-office visits.

■ Furniture manufacturer **La-Z-Boy** is expanding its operations in Dayton, Tenn., where it has operated a plant since 1973. The facility, which currently employs approximately 1,400 people, is already the company's largest plant and will be expanding to add a new innovation center and logistics facility. The \$26 million expansion will create 115 new jobs.



La-Z-Boy photo

■ **Forrester Research Inc.** plans to locate its newest office in Nashville, where it will add 120 new jobs over the next three years. The research and advisory firm is investing \$2.8 million in the expansion to grow its inside sales and support team, using Nashville as a strategic hub.

TENNESSEE: NEW LG APPLIANCE PLANT BRINGING 600 JOBS TO CLARKSVILLE

LG Electronics Inc. plans to build a new home appliance manufacturing facility in Clarksville, Tenn., that will create at least 600 new jobs.

The company is investing \$250 million in the new plant, which will be the company's first washing machine manufacturing operation in the United States. Dan Song, president of the LG Home Appliance and Air Solutions Co., said the company had studied eight states over the course of six years before selecting the Clarksville site. Song cited Tennessee's "excellent business climate, quality workforce and central location for distribution to our U.S. customers" as the primary drivers behind the company's decision.

A statement announcing the new plant said the new Tennessee facility "is expected to be the world's most advanced production plant for washing machines." The plant will initially produce both front- and top-load washing machines.



LG's new plant in Clarksville will produce both front-load and top-load washing machines.

Construction on the 829,000-s.f. facility will begin later this year and is expected to be operational by 2019. The plant will be built on a 310-acre site that offers the potential to expand for production of other home appliances.

Under agreements with the State of Tennessee and Montgomery County, LG will receive support for construction, infrastructure improvements, job training and veteran recruitment. The project also includes incentives from the Tennessee Valley Authority.

The announcement of the new home appliance factory in Tennessee comes on the heels of the start of construction of the LG North American headquarters in Englewood Cliffs, N.J., where LG broke ground in February.

INDIANA: AUTO PARTS SUPPLIER NTK TO HIRE 200 FOR NEW ANDERSON PLANT

NTK Precision Axle Corp., a global automotive supplier, has announced plans to establish a new manufacturing facility in Anderson, Ind., that will create nearly 200 new jobs over the next five years.

The Japan-based company, which manufactures wheel hubs and constant velocity joint (CVJ) axles for both two-wheel and four-wheel-drive vehicles, plans to invest more than \$100 million to build and equip a new 300,000-s.f. manufacturing plant in Anderson. Construction is expected to get underway this spring and the company hopes to launch production in Anderson in October 2018.

NTK is a subsidiary of Japan-based NTN Corp., a global manufacturer of mechanical parts and equipment that employs more than 4,500 people in the U.S., including nearly 2,000 Indiana employees. NTK also operates a manufacturing facility in Frankfort, Ind. With the additional plant in Anderson, NTK expects to produce 130,000 products per month in 2018, increasing production to 1 million products per month in 2021.

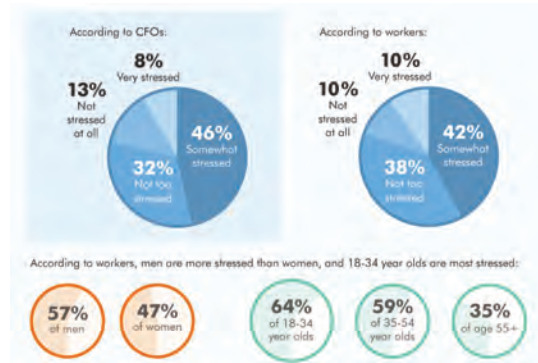
ON-THE-JOB STRESS

If you are feeling more stressed at work lately, it turns out you're not alone. A recent study found that 52 percent of workers say they are stressed on a day-to-day basis and 60 percent report that work-related stress has increased in the last five years.

THE PRESSURE IS ON AT WORK 6 IN 10 EMPLOYEES REPORT INCREASED WORK STRESS

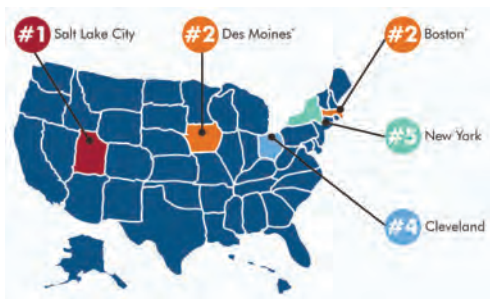
STRESS ON THE JOB IS COMMON:

How stressed are employees?



TOP 5 MOST STRESSED CITIES:

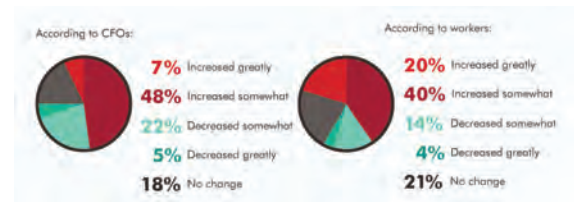
CFOs reported the most stressed staff in:



*Boston and Des Moines were tied for second.

WORKPLACE STRESS IS ON THE RISE:

Have employees' work-related stress levels increased or decreased in the last five years?



Workers' top workplace stressors:



HOW PROFESSIONALS COMBAT STRESS:

- Exercise daily (e.g., yoga, walking, running)
- Enjoy time with friends or a significant other after work
- Engage in a hobby (e.g., gardening, reading)
- Listen to music
- Take vacation time to recharge



Source: Accountemps

KENTUCKY'S TOP FIELDS FOR NEW COLLEGE GRADS

Career website Zippia recently released its listing of the top entry-level jobs for recent college graduates. In compiling the list, Zippia used data from the Bureau of Labor Statistics to determine the availability of jobs, the average salary and the projected growth over the next 10 years.

BEST ENTRY-LEVEL JOBS IN KENTUCKY FOR RECENT COLLEGE GRADS

Rank	Job	Growth %	Entry Wage	Jobs in 2024
1	Tax Examiner	41.56%	\$31,320	1,090
2	Cytotechnologist	30.77%	\$41,150	2,890
3	Counselor	42.77%	\$24,750	2,470
4	Process Engineer	15.34%	\$53,760	6,390
5	Kindergarten Teacher	18.6%	\$37,810	2,550
6	Laboratory Technician	30.37%	\$27,080	2,790
7	Epic Consultant	25.13%	\$44,700	4,880
8	Resident Advisor	36.36%	\$16,640	4,650
9	Database Administrator	19.46%	\$36,530	2,210
10	Estimator	20.11%	\$33,660	2,210
11	Web Developer	31.93%	\$31,160	1,570
12	Sales Representative	18.45%	\$25,670	21,190
13	Recruiter	16.18%	\$29,440	6,820
14	Pastor	19.55%	\$29,680	2,140
15	Systems Administrator	14.81%	\$38,740	5,270
16	Job Coach	21.48%	\$23,200	1,640
17	Business Analyst	19.39%	\$39,280	5,110
18	Case Manager	3.75%	\$17,600	9,430
19	Surveyor	5.26%	\$29,000	1,000
20	Technician Writer	15.18%	\$41,390	1,290

Source: Zippia

CORPORATE MOVES

New leadership for Kentucky businesses

BANKING/FINANCE

■ Frankfort-based United Bank & Capital Trust Co. – the new bank resulting from the consolidation of the Farmers Bank & Capital Trust Co., United Bank & Trust Co., First Citizens Bank and Citizens Bank of Northern Kentucky – has announced its senior management team: Chairman and CEO – **Lloyd C. Hillard Jr.**; President – **J. David Smith**; Executive Vice President, Chief Financial Officer – **Mark A. Hampton**; Executive Vice President, Chief Credit Officer – **James Barsotti**; Executive Vice President, Chief Operations Officer – **Allison R. Burkholder**; Executive Vice President, Chief Retail Banking Officer and Heartland Region Market President – **Marilyn B. Ford**; Executive Vice President, Chief Commercial Banking Officer – **James L. Grubbs**; Executive Vice President, Chief Risk Officer – **Kaye Bentley Hall**; Executive Vice President, Chief Trust Officer and Bourbon Region Market President – **Rickey D. Harp**; Executive Vice President, Chief Market Lender and Riverfront Region Market President – **Michael G. Hill**; Executive Vice President, Chief Market Lender and Bluegrass Region Market President – **Michael E. Schornick Jr.**; Senior Vice President, Chief Investment Officer – **Fontaine Banks III**; Senior Vice President, Controller – **Lawrence H. (Hobbs) Cheek**; Senior Vice President, Retail Delivery, Remote Banking – **Elizabeth Hardy**; Senior Vice President, Director of Accounting – **Tina M. Johnston**; Senior Vice President, Chief People Officer – **Carla Miles**; and Senior Vice President, Chief Marketing Officer – **Janelda R. Mitchell**.



David Smith



Marilyn Ford



Rickey Harp



Michael Hill



Michael Schornick

■ **Jeffery Zinger** has joined the Lexington office of WealthSouth as senior vice president, lending manager, growth markets. **Gordon Mullis** has joined the office as vice president, trust officer.



Jeffery Zinger



Gordon Mullis

CONSTRUCTION

■ **Michael Patterson** has been named vice president of South Carolina operations for Denham-Blythe Co., a Lexington-based construction and design company.



Michael Patterson

EDUCATION

■ **Joseph A. (Jay) Morgan** has been named as the 14th president of Morehead State University. Morgan succeeds **Wayne D. Andrews**, who is retiring effective June 30.



Jay Morgan

■ **M. Christopher Brown** has been named president of Kentucky State University.



Rusty Watkins

■ **Rusty Watkins** has been named dean of student services at Campbellsville University.

■ **Gina Rittinger** has been named assistant vice president for marketing and communications at Northern Kentucky University.

FOOD/SPIRITS/HOSPITALITY

■ Louisville-based Long John Silver's has announced the following promotions: **Brian Unger** – president, LJS Operating Co. and senior vice president of U.S. franchising and development; **Toni Bianco** – chief operating officer, LJS U.S. and international; **Krista Foster** – vice president, human resources; and **Katie Rooprai** – vice president, brand marketing.



Brian Unger



Toni Bianco



Krista Foster



Katie Rooprai

■ **Kevin Hochman** has been named president and chief concept officer of KFC U.S. Hochman succeeds **Jason Marker**, who has resigned from the company to pursue other opportunities.



Kevin Hochman

GOVERNMENT

■ **Dr. Jonathan Ballard** has been appointed as Kentucky's public health epidemiologist and director of the Division of Epidemiology and Health Planning in the Department for Public Health.

■ **Robert G. Johnson** has been appointed court of appeals judge for Kentucky's 5th Appellate District, Division 1.

LEGAL

■ **Kerry B. Harvey** has joined the Lexington office of Dickinson Wright as a member of the firm.

■ **Bingham Greenebaum Doll** has announced the following new department and group chairs and co-chairs: **William J. Kaiser Jr.** and **Jeffrey A. McKenzie**, Corporate Service Department; **Philip Sicuso**, Economic Development

DEPARTURES

■ **Skip Miller**, executive director of the Louisville Regional Airport Authority, has announced that he will retire by March 31, 2018.

■ **Steve Hanson** has left Baptist Healthcare, where he has served as chief executive officer since March 2013.

Department; **John S. Lueken**, Estate Planning Department; **John K. Bush** and **James M. Hinshaw**, Litigation Department; **Mark A. Loyd**, Tax and Employee Benefits Department; **Christopher W. D. Jones**, Private Equity/Mergers and Acquisitions Practice Group; **Brian W. Chellgren**, Intellectual Property Practice Group; **John E. Rhine**, Mineral Practice Group; **Daniel E. Fisher**, Healthcare Practice Group; **D. Bryan Weese**, Real Estate Practice Group; **James R. Irving**, Bankruptcy/Restructure Practice Group; **Melissa Norman Bork** and **Briana Clark**, Business Litigation Practice Group; **Andrew Gruber**, Labor and Employment Practice Group; **J. Mark Grundy** and **Gregory A. Neibarger**, Fiduciary Litigation Practice Group; and **J. Richard Kiefer** and **K. Michael Gaerte**, White Collar Practice Group. **Timothy W. Dunn** has been named the office managing partner for the firm's Lexington office. **Ben Johnson II** has been named the office managing partner for the Louisville office.

■ **Jonathan Miller** has been named member-in-charge of Frost Brown Todd's Lexington office. He succeeds **Edward Receski**, who has led the Lexington team since 2011 and continues to be a leader of the firm's energy practice.



Jonathan Miller

MANUFACTURING

■ **Chris Girdler** has been named executive vice president of Monticello-based Tri-fecta Houseboats.



Chris Girdler

MEDIA

■ **Pat Higgins** has been named vice president of sales for Buckner-based Fastlane Media Group.



Pat Higgins

REAL ESTATE

■ **Doug Peabody** has been promoted to president of Louisville-based Horizon Commercial Realty.



Jason Bowra

TECHNOLOGY

■ **Jason Bowra** has been named vice president of operations of Lexington-based NetGain Technologies.

ON THE BOARDS

Kentuckians named to organizational leadership roles

KENTUCKY ADVISORY COUNCIL FOR GIFTED AND TALENTED EDUCATION

■ **Carol Christian, Brandy Carol Daniels** and **Dianne Burns Mackey** have been appointed to the Kentucky Advisory Council for Gifted and Talented Education. Christian, of Lexington, is the director of Morehead State University's Craft Academy for Excellence in Science and Math. Daniels, of Somerset, is a member of the Pulaski County Board of Education. Mackey, of Utica, is self-employed.

KENTUCKY BOARD OF VETERINARY EXAMINERS

■ **Amanda Holmes Rowland**, a Danville veterinarian, has been appointed to the Kentucky Board of Veterinary Examiners.

KENTUCKY CANCERLINK

■ Kentucky CancerLink has announced its 2017 board of directors: President – **Missy Jolliff**; Secretary – **Lois Davis**; Treasurer – **Sneha S. Kalyan**; **Charity Barnes**; **Doris Rosenbaum**; **Elisha Burkhart**; **Bryan Willett**; **Peggy Wheeler**; **Cindy Geveden Praska**; **Peggy Lacy Moore**; **Poanya Rice**; **Peggy Henderson**; and **Jacky Samaa-Space**.



Missy Jolliff



Bryan Willett

KENTUCKY COMMISSION ON THE DEAF AND HARD OF HEARING

■ **Thomas Charles Evans** has been appointed to the Kentucky Commission on the Deaf and Hard of Hearing. Evans, of Union, is a clinical audiologist with the division of audiology at Cincinnati Children's Hospital Medical Center.

KENTUCKY HERITAGE COUNCIL

■ **Christine Doughty Johnson** and **Maynard A. Crossland** have been appointed to the Kentucky Heritage Council. Johnson, of Louisville, is retired. Crossland, of Lexington, is president and chief executive officer of Shaker Village.

KENTUCKY LAW ENFORCEMENT COUNCIL

■ Glasgow Mayor **Don Richard Doty** has been named to the Kentucky Law Enforcement Council.

KENTUCKY PERSONNEL BOARD

■ **Catherine J. Monteiro** has been appointed to the Kentucky Personnel Board.

KENTUCKY STATE UNIVERSITY

■ **Ronald T. Banks** has been appointed to the Kentucky State University board of regents. Banks, of Franklin County, is the former director of career counseling, placement and cooperative education for KSU.

KENTUCKY TECHNICAL EDUCATION

■ **Matthew T. Ross** and **Jeffery M. Shannon** have been appointed to the Kentucky Techni-

cal Education personnel board. Ross, of Frankfort, is an executive advisor for the Kentucky Department of Education. Shannon, of Louisville, is a CTE instructor at Floyd County Area Technology Center.

KENTUCKY TOURISM FINANCE AUTHORITY

■ **John Anthony Mocker Jr.** has been appointed to the Kentucky Tourism Finance Authority. Mocker, of Union, is vice president and partner of LB Industries.

UNITED BANK

■ United Bank & Capital Trust Co. – the new bank resulting from the consolidation of the Farmers Bank & Capital Trust Co., United Bank & Trust Co., First Citizens Bank and Citizens Bank of Northern Kentucky – has announced its inaugural board of directors: **James E. Clouse**, **Michael J. Crawford**, **Dr. Evan K. Dicken**, **Rickey D. Harp**, **Lloyd C. Hillard, Jr.** (chairman), **Richard A. Miles**, **Thomas J. Munninghoff**, **Dr. William C. Nash**, **David R. O'Bryan**, **Terry N. Patterson**, **Ford B. Phares**, **David Smith Jr.**, **Marvin E. Strong Jr.**, **Kenneth M. Sturgill** and **Michael W. Sweeney**.



Lloyd Hillard

VETERANS' PROGRAM TRUST FUND

■ **Michael S. Ferguson**, of Versailles, has been appointed to the Veterans' Program Trust Fund board of directors.

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LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Dr. Eli Capilouto

Dr. Eli Capilouto was named as the 12th president of the University of Kentucky in 2011. Under his leadership, the \$3.5 billion flagship and land grant research university has gained significant momentum in carrying out its multi-faceted mission of teaching, research, service and healthcare. Capilouto has led the university in a substantial physical transformation of its academic, research, residential and healthcare spaces. By developing partnerships, increasing philanthropy and implementing effective financial management, UK is self-financing the vast majority of the \$2 billion-plus infrastructure development. Prior to coming to UK, Capilouto served as provost of the University of Alabama-Birmingham and as dean of the UAB School of Public Health. He holds several undergraduate and graduate degrees from schools within the University of Alabama system and a doctorate in health policy and management from Harvard University.

BILLIONS IN CONSTRUCTION AT UK LEADING TO IMPROVED EDUCATION OUTCOMES

President Eli Capilouto touts school's rising graduation rates; says degrees remain a good investment for students

BY MARK GREEN

Mark Green: As we conduct this interview, first-round games of the NCAA basketball tournament are underway. UK's basketball team is one of the most successful in history, which also makes it a target for criticism. How do you view the role of major college athletics at UK?

Eli Capilouto: I'm very pleased with the athletic program at the University of Kentucky. The tournaments are a time when everybody drops their differences and comes together. That is an emotional and cultural phenomenon in Kentucky. But what brings me satisfaction first are the student athletes, some 500 who receive grant-in-aid enabling them to go to college. We have wonderful academic support for our athletes. *Inside Higher Education* published who would win the academic competition among all the teams in the NCAA tournament using their indicators of academic success, and Kentucky was in the finals with Bucknell.

We're one of the few self-sustaining athletic programs in the country. No state funds, no tuition dollars go to any of this. Even more unique, funds come from athletics to support our academic enterprise. A display panel in our new \$112 million Jacobs Academic Science Building recognizes the \$65 million contribution to that project made by UK Athletics. It's really acknowledging

the Big Blue Nation fan support and those committed athletes who make people so proud of how we perform on the field and off the field.

MG: Has any other university athletics department provided funding for academics at that level?

EC: I'm unaware of a commitment at that level. Certainly we've created some envy amongst college administrators. I like to tell people that when you support athletics at UK, you're not just supporting our ability to recruit the best student athletes; when you walk into that new Academic Science Building and other facilities on campus, you've got to realize that athletics made possible those facilities, and you are then recruiting the best scientists, students who enter the STEM fields. Again, it is a way to build community.

MG: What is the annual budget for the university, and what major revenue streams support it?

EC: The University of Kentucky has a \$3.5 billion budget; \$1.5 billion of that is the hospital and clinical services. Probably another \$500 million is in our College of Medicine. We also have \$300 million of external research, for which we compete against the very best; we bring those dollars into the state, creat-

ing high-paying jobs. We have over \$800 million in state appropriations, and tuition and fees; \$267 million of that is a state appropriation that has declined steadily. About \$80 million of that \$267 million heads out to 120 counties in programs that, for instance, support our Cooperative Extension Service offices.

People say \$3.5 billion should give you extreme flexibility to do whatever you want. But you can't use a research grant to hire mentors or award scholarships for freshman students. You can't use a Medicaid dollar collected for delivering services other than for healthcare and teaching healthcare. So those are some of the constraints that do come with what certainly is a big budget.

MG: Universities use an increasing level of public-private partnership funding. When and how did P3 become important to modern university operations?

EC: Five years ago at UK, through strategic planning discussions with our board of trustees, we recognized we needed to modernize our campus and do so quickly. Only 600 of our 6,000 beds were sort of "modern." Through a public-private partnership, we were able to accelerate the construction of 14 halls that will contain 7,000 beds. But there are probably 200 learning spaces in these facilities; we're able to create academic programs based in a residence hall. We put out a competitive bid and found a publicly traded company, (Memphis-based) EdR, that could build these things faster, of better quality and lower cost than if we did them ourselves. More importantly, they provided the equity to construct these facilities. We think it's a fair and good agreement. They do an excellent job maintaining these facilities.

We also saw another opportunity because when you have over 30,000 students, up to 7,000 living on campus and the other 23,000 visiting daily, we wanted them to have attractive dining spaces. We want to be a community, a family, and one of the most sacred things communities and families do is break bread together. We needed more venues to do this. We went to the market, again attracted a private partner, Aramark, who came in and built dozens of dining facilities. One, The 90, is a 1,000-seat dining hall with some retail spots on the outside, but on the second floor it's academic space. When we went to remodel our 1903-vintage Patterson Hall, which was the first residence hall for women, \$10 million of that \$15 million project was provided by our dining partner because they were so anxious to land the business at UK. You would think meal prices went up after this, but in fact we have five meal plans and they all went down in price.

MG: Public-private partners pay for construction of facilities the university then owns and in turn collect revenue from students for their room and board. Is the residence hall and dining facility construction and operation money within the \$3.5 billion budget?

EC: EdR put \$450 million in capital into the housing construction. Aramark put in \$75 million. They built those facilities on campus, and they're ours now. It is outside the university budget. We have some original residence halls that we still maintain, and those are in the budget. What also is attractive about these arrangements, which is atypical when you look at other universities, is that the private partner is assuming a risk. If they don't sell the meal plans, they internalize that cost. If you don't fill the beds, the company internalizes that. At other universities, there are occupancy requirements (in the contract) of 95 percent; if they don't hit them, then the schools have to pay a penalty. In the case of our dining, it is we who have performance indicators: quality service assessments. We do these through surveys and other means. And if they don't hit certain benchmarks, there's a financial consequence, too. So we work to build accountability into these arrangements.

MG: University tuition and college costs have risen faster than the rate of inflation for several decades. What in your view is the cause of ongoing higher education cost increases?

EC: There is that sticker price, but we also have had a growth in financial aid for students. The out-of-pocket cost of tuition for students has gone up considerably less. Over a 10-year period, it's something like \$400. I would ask folks to look at this through that lens as well. Yes, costs have gone up at universities. We believe infrastructure and talent are important in providing a quality education, to making discoveries that are useful to those we serve. The facilities in which you do those, and the regulations which we all must respect, have gotten certainly more costly. In the form of faculty, at UK we've been fortunate in the past four years to have a salary plan; we want to keep this talent. Other states are beginning to invest more heavily in education. We do not want to lose our most precious resource, our talent. Even so, we lag behind some of our peers when it comes to compensation benchmarks. We are very cognizant of the cost to students and families, and we are further restructuring our scholarship program in recognition of that financial need.

MG: Are universities concerned about having a conflict of interest in the role they play in rising student debt, which tops \$1 trillion and is even discussed as a headwind in today's sluggish economy?

EC: Our board of trustees heavily scrutinizes any recommendation we make for tuition and fee increases when we develop our budget. Having said that, 85 percent of all the students who come to UK get some form of grant or scholarship that they don't have to pay back – 50 percent of students who graduate from UK have no debt. Of those who have debt, the average is around \$27,000 – a lot of money, but depending on your career and the degree, it may be a wise choice to have made that investment and should be something one can manage. So our students will have financial well-being while they're here and post-graduation, we've introduced heavy financial literacy into our curricular and extracurricular activities.

We are revamping our financial aid program; we still want those best and brightest to come to Kentucky. But we recognize that students from families who have more children, less income, who may need additional acknowledgement on the scholarship side, are wise for us to undertake, because it's going to lead to more students with degrees. So we'll be

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shifting the dollars to allocate more towards needs-based than previously.

The cost of our education is below the national average. The incomes our students are able to earn when they get a degree from UK is above the average. The default rate on loans, meaning you don't have the means through employment to pay your student debt, is much lower than the average of the country and much lower than the average in the state.

MG: What is the four- and six-year graduation rate at UK, and how does that compare with peer institutions?

EC: Our four-year graduation rate is 44 percent. Our six-year graduation rate is about 64 percent. This is the first-time, first-semester graduation rate measure the federal government uses. So if somebody transfers in and graduates, that's not counted. Five years ago we were at 60 percent. Sixty-four percent is at a healthy level above the national average and we're the highest in Kentucky; but that's not good enough for us. Our goal is to get to 70 percent in the next few years; that'll put us in the top 150 universities out of nearly 3,500 to 4,000 in this country. So that would be, I think, a strong indicator of the kind of value we add for a student experience at UK.

MG: How many colleges, departments, programs and/or majors does UK have nowadays?

EC: We have 18 colleges; our newest is the Lewis Honors College, made possible by a \$23 million contribution by Tom and Jan Lewis. We have 130 departments – and we have a few of those endowed in name this year – 115 programs and over 700 majors. Arts and Sciences has nearly 6,000 students and over 400 faculty. That's to be expected, because the Arts and Sciences curriculum supports many of those other colleges; English is a required course across every college, but that's provided in Arts and Sciences. Engineering comes in second, with almost 4,000 students, followed by Business and Economics, with 3,500 students. Agriculture, Food and Environment has 3,000. And rounding off the top five would be our College of Education, with nearly 2,700 students.

The largest faculty is at our College of Medicine: nearly 800 faculty. While the enrollments may be smaller there, the responsibilities in delivering care at our hospital and clinics is such that you have that large number of faculty. And they teach in all those roles as well. The College of Agriculture, Food and Environment has 245 faculty, but there are many positions embedded in communi-

ties through our Extension offices. Arts and Sciences has over 400 faculty; Engineering and Education, respectively, have 139 and 112 faculty.

MG: There has been a tremendous amount of construction and infrastructure upgrades on the campus during your administration. What are the high points of the various projects and why did you feel it was a priority to do this?

EC: All our facilities are really a means to an end. We're building so we can better deliver programs, make discoveries that attack scourges that plague Kentucky, and we need facilities to do that. In the last five years, we've had about \$2.2 billion of construction on campus amounting to over 6 million s.f. We have our residence halls with some 7,000 beds. We have a new academic science building where 4,000-5,000 students a day are educated. Several thousand students a day are educated in the Gatton College of Business – that building funding was raised entirely through philanthropy, some \$65 million. We'll be coming soon to our board of trustees with plans for a complete remodeling of the law school, which is in bad need of renovation and expansion. In tackling the health disparities that we suffer in Kentucky, we have a new, \$270 million research building under construction; half is funded by the state, and the other half we'll make a commitment to fund.

One of the most extraordinary success stories in the country in terms of academic medical centers has been UK Healthcare. Ten years ago there were 19,000 annual admissions to our hospital, today some 39,000. We've built an entirely modern hospital. Much of its space was shelved when we opened around six years ago; that's not the case now. A demand for those high-touch, highly-complex cases has continued to grow, and we've had to build facilities to be able to deliver these valuable services.

One I want to see completed within the year is going to be a spectacular student center. It is going to be the hub for students, faculty and surrounding community life. Again, Mr. Bill Gatton's remarkable generosity helped us launch that building without introducing another special student fee, which you typically find across universities. What we'd like to concentrate on now is repurposing, renovating some of our older facilities in the heart of campus.

MG: State government is moving to performance-based funding linked to student success. What is this and how will it affect UK?

EC: We, along with the other universities in the state, members of the House and Sen-

ate and the governor's office, worked on this plan. It's not perfect, but we all agreed to it. We think it's in alignment with our strategic plan, which centers around student success. It acknowledges important factors as it weights degrees and weights teaching according to how successful you are with lower-income students, because we're looking for income mobility from a college education, and with underrepresented minorities, where success rates have been lower than we'd like. We see priorities in the STEM fields and health fields, with higher weight given for efforts and successes in those areas. It's well-intentioned and you want to know the rules you're going to play by for several years because you can better plan. This gives us the opportunities. There's still no new (state) money in higher education. We hope in time there will be new money, which will give extra incentive to your performance within these models.

MG: How many students are in-state, how many are out-of-state, how many are foreign, and what are the top countries of origin?

EC: We have an enrollment of nearly 31,000. Two-thirds of those are state residents. You see a higher percentage of nonresidents in graduate programs, and you see that across the country. We have just over 1,700 students who come from abroad to UK; the top five countries are China, India, Oman, South Korea and Iran. China and India dominate, with 600 and 165 students respectively.

MG: Kentucky lags some of our key peer states in the number of engineers. Are there plans to grow UK's College of Engineering?

EC: First let's recognize the remarkable growth of our College of Engineering over the past seven or eight years. In 2010, we had 2,500 students in our College of Engineering; today we have nearly 4,000. The degrees conferred have gone up by a similar number. And we certainly have plans to grow that enrollment, because you're correct: In an essential field for your economic growth, the number of engineers per capita in Kentucky is well below the national average. You need them for a modern economy. It can continue; we're going to have to make additional investments in infrastructure and talent.

MG: How much interaction does the UK administration have with the private sector about meeting workforce skill needs and demands in the state?

EC: We work at an administrative level here in central office, but even more of that goes on at the college level. Engi-

neers are closely aligned with their graduates and people in the field to further develop their curricula so that someone who graduates from UK is going to be ready to move quickly into that job force. Our College of Education has a P-20 lab that examines best practices to lead and manage school districts, for instance. They're on the front line in learning, and that's incorporated into our classroom teaching. You can see examples across all of our colleges.

MG: All areas of society and the economy have experienced large impacts from tremendous technology advances. How digital is today's academic process, and how rapidly is it changing?

EC: It's changing rapidly. If you visit our modern academic buildings, in particular the Gatton College of Business and the Jacobs Academic Science Building, you will see the latest. To make a large classroom intimate, to make it almost conversational between the faculty member and the students and also student to student, this can be achieved through the design of the space. Compare a Gatton College of Business classroom to one built 30 years ago: First of all, the desks and chairs are in a semicircle so people can face one another. If, during class, you need to break into a small group, the design of the tables is such that you can spin the chairs and what was a desk is now a small conference table. You can immediately drop down the technology you need, all plugged in, and work on your laptop to develop a spreadsheet or response to a particular challenge that the instructor may give. You're able to modernize the teaching in those facilities. We have hybrid learning, too, able to incorporate, through technology, learning experiences from around the globe into that classroom.

MG: How much of UK's academic offerings are available online?

EC: We have 21 programs fully online, across several colleges, and we have 11 hybrid programs that consist of online and face-to-face coursework. One that you hear advertised frequently is our joint MBA program with the University of Louisville. That is executive training, on-site, certain weekends throughout the semester, but there's learning made available through technology as well.

MG: Kentucky elected officials have set a public goal of state tax reform for this year. Are there any specific changes that you or the university presidents collectively hope to see happen?

EC: I'll leave that up to the legislators. I do find that my respect for them grows every time I visit Frankfort. The challenges they

face require that you be an expert in pensions, education, Medicaid, you name it. And I think they do a good job getting their hands around those. I do hope that as our economy bounces back, the governor's commitment to take a look at taxes in Kentucky will offer the opportunity to grow the investment in education, both at the K-12 level and the community college and university level. We learned from the last recession that the greatest antibodies came from an inoculation that you get with an education. The unemployment rates

for those without a college degree went from about 5 percent to 10 percent; those with a college degree went from 2.5 percent to a little over 4 percent. If you have a well-educated workforce, you're going to attract and keep businesses, especially those new businesses on the frontier. ■



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



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Amazon Fulfills Kentucky's Goal to Be World's Logistics Leader



Image from a current Amazon fulfillment center. Amazon currently has 11 fulfillment, distribution and return facilities in Kentucky that employ more than 10,000. Its planned first ever Prime Air hub at Cincinnati-Northern Kentucky International Airport will add up to 2,700 more jobs and prepare Amazon to expand into new services.

Fulfillment kingpin's decision to put \$1.5 billion Prime Air hub at CVG could shift retail industry's center of gravity

BY GREG PAETH

IN the iconic, now 50-year-old film "The Graduate," Dustin Hoffman's Benjamin Braddock character gets one word of seemingly profound career advice from a well-meaning family friend in a man-to-man poolside chat: "Plastics."

Today, that thoughtful, potentially life-altering guidance from Mr. McGuire probably would be a term that didn't exist in 1967: "E-commerce."

Especially in Kentucky. Especially in 2017. Especially when that E-commerce is being driven by Amazon.com, the explosively growing online retail behemoth that seems capable of delivering anything to the front door before your PayPal deduction clears.

And especially when there's a wealth of speculation the \$1.5 billion Prime Air

hub project at Cincinnati-Northern Kentucky International Airport that Amazon announced in January, deeply delighting the business community and public officials, might actually turn out to be far more than what the company describes as its first "centralized air hub to support its growing fleet of Prime Air cargo planes."

Amazon's project cements Kentucky's status as THE center of distribution-delivery logistics for North America, the world's most important economic market. The Prime Air hub will join the massive UPS Worldport package sorting and air-freight operation adjoining Louisville International Airport and the DHL Americas Hub for air freight already at CVG. Memphis-based FedEx, the other major U.S. logis-

tics-distribution giant, last year added a 303,000-s.f. center in Louisville.

Some perspective on Seattle-based Amazon: For just the fourth quarter 2016 the company reported revenues of \$43.7 billion, which is more than double Kentucky state government's \$21.5 billion budget for the biennium running through June 30, 2018; full-year 2016 sales were \$136 billion, an increase of 28 percent over 2015. The world's largest online retailer said it ended 2016 with 180,000 employees, a six-fold increase over 2011, and that it would create 100,000 more full-time U.S. jobs by mid-2018.

Amazon is the third most valuable brand in U.S. business, only fractionally behind Google and Apple, according to a March 30 news release from Brand Finance, a British brand-worth rating operation.

"As it continues to both reshape the retail market and to capture an ever larger share of it," Brand Finance said, "Amazon could easily become the most valuable brand in the U.S. and the rest of the world in 2018."

The company in January revealed its intention to establish a hub that will employ up to 2,700 people in a 3 million-s.f. building. However, knowledgeable people who get paid to scrutinize the company say Amazon may build a facility in Hebron that goes far beyond that – and could have far-reaching, long-term and global significance not only for the company but the package-delivery industry and retailing itself.

One theory is Amazon intends to use CVG as the launch point for its own full-scale package-delivery operations that could rival FedEx and UPS, to whom it now subcontracts much of that business. Another theory is that the Hebron airport will become the core of international shipping operations for the company.

When Amazon made its big Kentucky project announcement Jan. 31, the pre-

sumption was Prime Air hub functions couldn't begin until its massive building is completed. But sources familiar with company plans said Amazon will begin flying Prime Air craft at CVG in weeks rather than years, perhaps before there's even a groundbreaking.

Amazon will start operations in May, said well-positioned business insiders, through an agreement with DHL, the Bonn, Germany-based shipping and logistics company that operates one of its three world hubs literally across the street from Amazon's new CVG site.

"DHL can confirm that it has been contracted to provide a range of services to Amazon at the DHL Cincinnati Hub, including sorting operations and ground handling for the Amazon air network. We look forward to providing further support to this global customer," said Bea Garcia, DHL media relations director for the Americas, who declined further comment.

Amazon, which is often tight-lipped about its business plans, said it would not provide any details beyond those in the January press release. It has not announced a start date or construction timetable for the \$1.5 billion project.

Shot heard round the world

Nevertheless, leaders of key Northern Kentucky institutions are thrilled about the company's decision. The worldwide business community is paying close attention also.

Terry Gill, secretary of the Kentucky Cabinet for Economic Development, said Japanese business leaders had plenty of questions and comments about the Amazon project in March when he spent a week in Japan on a trade mission.

Gill is enthused about the Amazon project, which will be the company's 12th operation in the commonwealth.

"This is on par with UPS's worldwide operations at Worldport (its global air hub in Louisville)," Gill said. "In that instance it created at least 170 companies that moved into that Louisville metropolitan



Amazon revealed its first Prime Air 767-300ER jet at a Boeing hangar in Seattle in August 2016.

area that were not owned by UPS; they wanted to leverage their (UPS') investment. It created tens of millions in payroll taxes, \$300 million in payroll and somewhere north of 13,000 jobs for Louisville."

The state's central U.S. location provides a "... unique combination of infrastructure assets that quite honestly probably will never be replicated," Gill said. "Just as you can only imagine that there will be just one Silicon Valley, there will ever only be one concentration of global logistics competitors that have chosen one state... So that's a pretty remarkable advantage that we have to be cognizant of."

Kentucky Economic Development Finance Authority approved tax incentives up to \$40 million through the Kentucky Business Investment program if Amazon meets job and investment targets. CVG's board approved a 50-year lease for up to 900 acres and committed to invest \$5 million in supporting infrastructure that will benefit the airport as a whole.

"It is certainly the largest project in Northern Kentucky Tri-ED's 30-year history in terms of total capital investment announced with \$1.49 billion and second largest in terms of total new employees announced at 2,700 employees," said Dan Tobergte, president and CEO, and Kate Ferrer, director of marketing and projects for Tri-ED, which worked on the inducement packages. "The second largest project would have been the Delta Air Lines announcement for its CVG hub expansion in 1990 with \$375 million in capital improvements and 2,800 employees."



Terry Gill,
Secretary,
Kentucky
Cabinet for
Economic
Development



Dan Tobergte,
President/CEO,
Northern
Kentucky
Tri-ED



Trey Grayson,
President/
CEO, Northern
Kentucky
Chamber
of Commerce



Candace S.
McGraw,
CEO,
Cincinnati-
Northern
Kentucky
International
Airport

Also citing the 27-year-old Delta deal as the region's largest previous project, Northern Kentucky Chamber of Commerce President/CEO Trey Grayson said, "This is bigger than Toyota's initial (1985) investment in Kentucky. It's by far the biggest investment we've had in a single project."

Amazon's decision – Grayson calls it a "trophy" economic development project – takes some of the sting out of Toyota's 2014 decision to move 1,300 engineering and manufacturing headquarters jobs from Northern Kentucky, shifting most of them to Plano, Texas; a few hundred to Georgetown, Ky.; and others to Michigan.

"One of the toughest parts of Toyota's departure was losing the 'trophy,'" Grayson said. "Now we'll be able to say for Amazon Prime logistics, we're their hub."

DHL's hub, which opened in June 2013, handles about 50 international flights nightly, according to Candace S. McGraw, the airport CEO. Those planes move cargo among sites in North and South America and the Caribbean.

DHL is nearing completion of a \$108 million expansion of its Americas Hub, which the company said represents a \$280 million investment at CVG since 2009.



An aircraft is loaded at the DHL Express Americas Hub at CVG in Erlanger, Ky.



An interior view of the DHL Express Americas Hub facilities at CVG that the Bonn, Germany-based company will begin sharing with Amazon Prime Air in May. Amazon will build its own 3 million-s.f. facilities across the street.

"In the interim, while they're (Amazon) building that hub, they're going to hire DHL to start work now," said one source, who declined to be quoted by name in deference to Amazon and DHL's reluctance to speak. "In May they're going to have (Amazon Prime) jets here, and they're going to be using the DHL facility during the daytime... DHL will still do their night-time work, but Amazon will use that (facility) during the daytime."

"That's why DHL is having a big hiring surge right now for a daytime shift," the source said.

With 2,400 employees at the airport already, DHL earlier this year announced it is hiring another 900 – because of DHL's own growth as well as the work for Amazon, a source familiar with the operation said.

Hubs beget a virtuous cycle?

Public officials envision a strengthening virtuous cycle.

"What we're trying to do now is use the fact that UPS made their decision years ago, Amazon made their decision in January 2017, DHL made their decision in the past few years, and they made those decisions for a reason," Gill said. "It wasn't random. It wasn't serendipity. They looked at all of their available options, and this is what makes the most sense in terms of leveraging each state's infrastructure."

There's an expectation these economic large planets create a gravity that will attract many others into the region's orbit.

"I think with DHL and Amazon here together in a right-to-work state, we can anticipate additional new businesses to locate here," said Tobergte, whose agency focuses on economic development in Boone, Campbell and Kenton counties.

"We are not sure of the magnitude of these businesses in comparison to Worldport in Louisville," he said. "Every industry is increasingly reliant on just-in-time delivery, and our location has now become exponentially more competitive and attractive for businesses that need heavy-duty, global logistics partners."

"Amazon's Prime Air hub promises to revolutionize the fulfillment industry worldwide, and Kentucky is excited to partner with them as they embark on this disruptive, transformative and exciting venture," Gov. Matt Bevin said when the announcement was made. "Kentucky's ideal location, proven workforce and an already extensive shipping and logistics industry have been the backbone of our relationship with Amazon for nearly 20 years."

Although precise employment figures for Amazon in Kentucky are elusive and vary seasonally, the company says it already has 10,000-plus employees at 11 fulfillment, distribution and returns operations in the state, including four near CVG.

The Cabinet for Economic Development ranks Amazon fifth in the state with 7,232 full-time jobs in its list of Kentucky's largest manufacturing, service and technology firms, but omits several Amazon locations that did not provide the state with information.

The cabinet list is led by UPS, which has nearly 13,000 full-time employees. Including part-time workers, UPS has 26,800 employees in Kentucky, according to Jim Mayer, UPS public relations manager in Louisville. He said 49 percent of the employees are full-time.

The logistics industry emerged in recent years as the second largest employment category in Kentucky with more than 59,000 jobs. Only automotive-related jobs, where there are about 90,000 workers, rank ahead of logistics, which is broadly defined as moving, distributing and delivering goods and materials.

By contrast, some 6,400 people had coal mining jobs in Kentucky at the end of 2016. For decades one of the state's signature industries, coal mining last year lost more than 2,000 jobs, about a fourth of its workforce, according to a January report from the state's Energy and Environment Cabinet.



Jim Mayer, Louisville Public Relations Manager, UPS

To help land Amazon's hub operation, KEDFA in January preliminarily approved a financial incentive package worth up to \$40 million in tax abatements over a 10-year period if the company hits and maintains investment and hiring targets. Additionally, the General Assembly passed legislation providing tax credits that kick in after a company's jet fuel sales and use taxes top \$1 million in a year.

About three weeks before the Amazon announcement, Bevin and the new Republican-majority state legislature made the commonwealth even more alluring for business when the governor signed right-to-work legislation that eliminates mandatory union dues payments by employees who don't want to support a union in their workplace, a move Republicans and most economic development officials have advocated for years.

"It clearly signals to businesses that we have a welcoming climate in the state and I think that helped," Gill said.

Fulfilling Amazon's ambitions

Analysts who follow the company say the Hebron project could become ground zero for Amazon's full-throttle foray into the package delivery business, slicing current ties to FedEx, UPS, DHL and the U.S. Postal Service, which haven't demonstrated they have the capacity to keep pace with the company's spectacular growth, especially during the holiday season in November and December.

Another theory, tangential to speculation about the package delivery business, is that the hub will become the company's primary U.S. terminal for shipments destined to and from mar-



Matt Bevin, Governor, Commonwealth of Kentucky

kets in Europe, Asia and beyond as Amazon continues to expand outside of the United States. The agreement with DHL in Hebron lends some support to the international shipping theory.

The company's most widely publicized service meltdown occurred just before Christmas 2013, when UPS and FedEx proved to be incapable of on-time delivery of millions of last-minute Amazon orders.

At the time, the two U.S. shipping companies and the U.S. Postal Service handled most or all of the company's deliveries, according to Marc Wulfraat, president and founder of MWPVL International, a supply chain, logistics and distribution consulting firm in Montreal.

"That's the part of the supply chain they don't control because there's a third party involved, and that's the part of the supply chain that can break just like in 2013 at Christmas when a whole bunch of stuff didn't get to customers... (They) didn't fulfill their promises,"



Marc Wulfraat,
President,
MWPVL International

said Wulfraat, who stresses that he has no business relationship with Amazon.

"Since then, I believe there's been a declaration internally that we (at Amazon) want absolute control over our transportation outbound, and the way we're going to do it is to set up a network that allows us to control the movement of goods and that's what's been transpiring since about 2013," Wulfraat said.

"They are scared that if they rely on a third party to handle that (delivery), disasters will happen and they don't want that," he said.

A prescient story on the *Wired* magazine website five days after that Christmas pileup suggested Amazon seemed to be positioning itself to compete in the package delivery business.

"In the long term, it's not hard to see the company ... with its own shipping and logistics, eventually creating its very own alternative to UPS and FedEx," the article predicted.

If Amazon delivers, when would it be?

Colin Sebastian, an equity analyst who focuses on internet companies, including Amazon, in the San Francisco office of Robert W. Baird & Co., said he believes the Northern Kentucky hub – at least for

the "near term" – is "really geared toward its own business."

"They have run up against capacity constraints among the shippers like FedEx and UPS ... so Amazon has done a lot of different things to open up capacity. They have their own delivery last-mile drivers, and of course now they're building air cargo (facilities) as well. But I think over the long term what's likely to happen is that Amazon will gain a lot of competency, a lot of knowledge and expertise in shipping and transportation, and when Amazon gains that kind of knowledge they tend to start offering that as a service. Given how fast Amazon is growing, they probably need all the capacity they can build for their own business."

It might be three to five years before Amazon could compete in the \$400 billion U.S. logistics industry against UPS and FedEx and other package delivery companies, he said.

One question industry watchers consider is whether CVG might become Amazon's primary terminal for overseas shipping.

"The hub that they're setting up in Cincinnati will ultimately be connected to other airport hubs around the world that Amazon will control eventually," Wulfraat said. "The next step is to connect the U.S. to Europe, China, India" and elsewhere. Five years down the road "they can connect it all into a small village ... make the world a small village."

Brian Clancy, managing director of Logistics Capital & Strategy in Washington, D.C., was quoted by Reuters as saying



Colin Sebastian,
Equity Analyst,
Robert W. Baird & Co.

the DHL-Amazon proximity in Cincinnati might lead to some cooperation on international shipments. He could not be reached for further comment.

Even when Amazon completes its Prime Air hub and moves out of the DHL facility, it will be impossible for the two shippers to ignore one another at the airport.

"They will literally be across the street from one another," said McGraw, referring to Wendell Ford Boulevard, which will be all that separates DHL from the 400-acre tract where Amazon will build its hub.

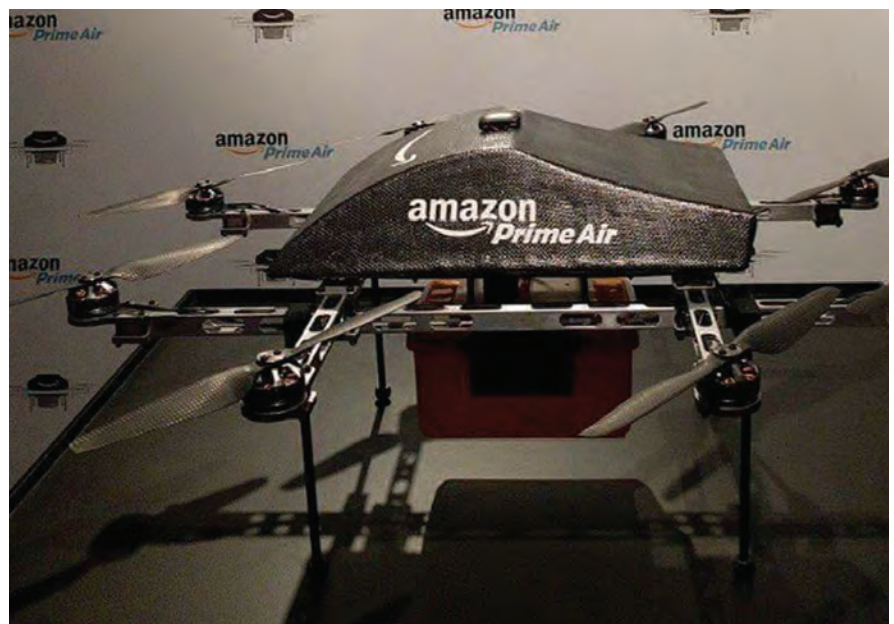
Lots of logistics projects at CVG

The Amazon hub, for which a total of 900 acres have been leased, is not the only recent logistics project at or near the 70-year-old airport, McGraw said.

CVG has a \$4.4 billion impact on the Greater Cincinnati economy, according to a January report by the Center for Economic Analysis and Development at Northern Kentucky University. Fulfillment and delivery are growing rapidly.

Aeroterm, owned by Realterm Airport Logistics Properties of Annapolis, Md., is building a 132,000-s.f. multitenant warehouse for which FedEx will be the primary tenant, McGraw said. A few miles southeast, FedEx Ground is moving ahead with a 355,000-s.f. building on 80 acres, and that site is adjacent to its existing sorting center in Independence that employs 500, according to Jack Mazurak, communications director for the economic development cabinet. The FedEx Ground project is budgeted at \$200 million and expected to create 62 full-time jobs.

Wayfair, the Boston-based online retailer of home furnishings and décor items, recently opened a 900,000-s.f. distri-



An Amazon Prime Air delivery drone was on display to the public for the first time March 12 at the SXSW Conference in Austin, Texas. The logistics industry press speculates that once laws and regulations are in place Amazon drones could achieve 30-minute deliveries in areas near regional centers.

COVER STORY

U.S. Customs and Border Protections officers inspect a shipment from China at the DHL Americas Hub in Erlanger, Ky.

bution center on 52 acres of airport property. Dermody Properties, headquartered in Reno, Nev., built that facility. A second warehouse with 264,000 s.f. is under construction and should be completed in May, according to Dermody.

Van Trust Real Estate LLC of Kansas City is building a 511,000-s.f. warehouse and distribution center on 41 acres of airport land, McGraw said.

CVG officials do not yet know who will occupy the Dermody and Van Trust buildings.

McGraw, Wulfraat and Randy Woods, editor of New York-based *Air Cargo World*, which tracks the air cargo industry, all said the Amazon operation at the Cincinnati-Northern Kentucky airport will be a hub-and-spoke operation that duplicates what UPS, FedEx and DHL do in Louisville, Memphis and Cincinnati, respectively.

Once an Amazon item has been “picked, packed and shipped” at a fulfillment center, Wulfraat said, several things can happen depending on the distance between the customer and the fulfillment center. Customers within a five-hour drive can be handled through a local “sortation” or delivery center.

In the future, however, when customers order products housed in distant fulfillment centers, the package will be loaded on a plane and shipped to CVG for sorting to as many as 40 U.S. regional destinations, Wulfraat said. After planes return to a region sortation center, he said, packages would go on trucks for “last mile” delivery to a customer.

In a year-end report, *Air Cargo World* called 2016 the “Year of Amazon” for a variety of reasons, including the company’s air transport business experiment in March 2016 in Wilmington, Ohio, where it leased 20 Boeing 767 cargo planes from Air Transport Services Group. When it unveiled that fleet in August, Amazon announced it had contracted for another 20 planes and planned to operate a hub-and-spoke operation from Wilmington, less than 50 miles from Cincinnati and roughly 65 miles from the Hebron airport.

Kentucky amassing logistics assets

Amazon’s January announcement became the second instance of Wilmington losing a big tenant to CVG. In 2008 and 2009 in a strikingly similar move, DHL moved its package and sorting operations from Wilmington to create its Americas Hub in Hebron.



The January announcement dwarfs the entire total for new business development and existing business expansions that were reported for all of 2016 by Bevin’s Cabinet for Economic Development. Last year, 33 companies said they planned to invest nearly \$542 million in the state and created 1,850 new full-time jobs, according to a mid-February report from the cabinet.

About 90 percent of that total – roughly \$488 million – was companies that are in the warehousing, order fulfillment or distribution business, the state said.

The Amazon announcement bolsters Bevin’s contention that Kentucky is a major player in moving products across the country and around the world.

Evidence of that status can be found at the UPS Worldport in Louisville, which the company describes as “its only all-points hub: Packages can come from anywhere and go to anywhere.” Worldport handles 300 flights each day, said UPS spokesman Mayer.

Since 1999, the company has invested \$2.4 billion in its Louisville facilities, which include the 5.2 million-s.f. Worldport, the separate Worldport Freight Facility and its Louisville Centennial ground hub. The company announced in August 2016 it would spend \$300 million to nearly triple the size of its ground hub to about 840,000 s.f. and add 300 jobs.

Amazon at least partially drives that growth.

“Amazon continues to be an important and valued UPS customer. They, like many other UPS customers, are controlling some portion of their logistics network,” Mayer said.

Whether apple or orange, it’s big

It’s tricky to compare a \$1.5 billion investment in 2017 to one that was made some 30 years ago, but it’s safe to say that the Amazon project ranks as one of the single largest business investments in Kentucky history.

By comparison, when Toyota announced in 1986 that it would build Camrys at an assembly plant in Georgetown, the company said it would spend \$800 million and create 3,000 jobs, according to Rick Hesterberg, a spokesman for the automaker.



Rick Hesterberg,
Spokesman,
Toyota

Today, after multiple expansions, Toyota’s 7.5 million-s.f. plant makes the Camry, Avalon and Lexus and has about 8,000 full-time employees, Hesterberg said.

Toyota’s investment in the Georgetown plant – including expansions, retooling and technology updates – comes in at \$5.9 billion, he said.

In its “Global Powers of Retailing” report for this year, the consulting firm Deloitte ranked Amazon as the tenth largest retailer in the world based on revenues reported for the 2015 fiscal year, when Amazon reported sales of \$79.2 billion. Deloitte’s report, which ranks the 250 largest retailers in the world, said Amazon ranked 186th when it was first listed in the “Global Powers” report in 2000. ■

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

Women Wear Hard Hats Too



Tommy Hatcher, Scott, Murphy & Daniel photo

Sarah Murphy Ford, vice president of Hartz Contracting, discusses plans with Lee Edwards, superintendent and his construction crew onsite at a Logan Aluminum project.

National Association of Women in Construction

Women working in construction can find camaraderie, learning and networking opportunities in the National Association of Women in Construction. There are chapters in Lexington, Louisville and Cincinnati. Learn more at nawic.org.

Construction remains mostly male, but female worker and manager ranks are a rising trend

BY LORIE HAILEY

WHEN we envision construction workers, we picture men in hard hats, operating heavy equipment or perhaps directing traffic. In recent years, however, more and more of the Kentuckians in those iconic hats are women, tackling various construction roles from CEO to laborer.

It still is a male-dominated field: In 2014, about 9 percent of U.S. construction jobs were held by women, according to the U.S. Bureau of Labor Statistics, but there seems to have been a paradigm shift in the attitudes about women's roles in the industry. While state figures are not available, those working directly in construction in Kentucky say there are increasingly more women in construction careers, and the industry has not only embraced them but benefitted from the diversity they bring.

One measure of this is at the educational level: Enrollment by females in Eastern Kentucky University's construction management degree program has increased dramatically the past decade,

according to program coordinator Scott Arias. ECU's program was the first accredited in Kentucky (in 1977) and one of the oldest in the country. The largest such program in the Kentucky-Tennessee-Ohio region, it has produced 19 CEOs and had nine semesters of 100 percent job placement, Arias said.

Western Kentucky University and Northern Kentucky University also have construction management programs.

This semester, there are 127 students enrolled in ECU's program. Of those, 20 are women. In 2007, there was only one: Diana Hagan, now a project manager at Messer Construction Co.

While women are still underrepresented, the increase in enrollment is remarkable, especially considering the pro-



Scott Arias, Construction Management Program Coordinator, Eastern Kentucky University



Diana Hagan, Project Manager, Messer Construction Co.

gram itself has only grown about 25 percent in that same timeframe, Arias said.

"I've been in construction for 25 years," he said. "Women were very few and far between when I first started in construction. In the decade that I have been at ECU, there has been a big change. What I have noticed recently is that I have employers call me and request female students specifically. These are major companies, billion-dollar organizations that call me and their first question is: Can you send me a list of your high-performing students, and our first preference is high-performing female students. The industry has realized the benefit of having that diversity."

Chad LaRue, executive director of the Kentucky Association of Highway Contractors, said there has always been a female presence in highway construction, but it continues to grow.

"You see it everywhere from flaggers on the field on a highway construction job to equipment operators and up to administrative and management jobs in the companies as well," he said. "I can think of several companies off the top of my head that are owned and operated by women that are construction related."



Chad LaRue, Executive Director, Kentucky Association of Highway Contractors

Blazing – and paving – trails

Messer Construction project manager Hagan, the former lone female in ECU's program, at age 32 is president of the Lexington chapter of the National Association of Women in Construction, an adjunct professor at Bluegrass Community and Technical School, and a wife and mother.

She started out studying architecture and interior design, where there were

CONSTRUCTION

The 2014-15 graduates of the Kentucky Small Business Development Center's Lexington Minority and Women Contractor Training Program celebrate the completion of the 10-week course, which covers topics such as business planning, contract law, bonding, accounting and financial statements, bidding, scheduling, cost management, project cash flow analysis, safety, administration and marketing.

other female students, but construction is what she really loved. After an EKU associate's degree in architecture, Hagan enrolled in construction management. Being the only woman in her classes didn't bother her because she knew construction was the right field for her.

"I was always interested in how things worked," she said. "When I was younger, I always loved being outside."

Hagan was not just an average student, and not because of her gender. In 2011, she became the first EKU student to win a prestigious Association of General Contractors national scholarship.

"Diana is a great credit upon females in the industry," Arias said. "Messer absolutely loves her. She really opened the door for future students of ours to go work there. She is a good mentor for our younger students, too."

Also paving the way for other young women is 34-year-old Sarah Murphy Ford, vice president of Hartz Contracting in Owensboro.

Ford literally grew up in the construction business, but never dreamed she would follow in her father and mother's footsteps. Yet that's exactly what she did.

Her father is Mike Murphy, one of the founders of Scott, Murphy & Daniel, a large construction company in Bowling Green. Her mother is Mickeye Murphy, owner of Mick-Murf Construction, a highway construction subcontractor.

After studying marketing and finance and graduating from the Uni-



Sarah Murphy Ford, Vice President, Hartz Contracting



EKU Construction Management program coordinator Scott Arias teaches a class on bidding during the Kentucky Small Business Development Center's Lexington Minority and Women Contractor Training Program.



KSBDC photo

versity of Kentucky, Ford returned home to Bowling Green to temporarily help her father's business.

"At that time, the business had just grown exponentially, and there were things that my dad wanted me to come home and do. We had just planned on a short period of time," she said. "But it ended up that I just fell in love with it and appreciated it so much that I stuck with it. So I've been doing this now for 12 years."

Ford's father started her out as a laborer. Early on, she started moving around the company and "held every role possible," she said.

"When I first got home, I immediately thought with a business degree that I'd get started in the office, but my dad had me out as a laborer for that first couple weeks and I kept moving to each position. I am so glad that I did, because now I truly know what it's like in every field, and I have the utmost respect for every individual who works for our company," Ford said.

Five years ago, Scott, Murphy & Daniel acquired Hartz Contracting. The owners were retiring and wanted the Bowling Green-based company to interview their employees, some of whom had spent their entire careers at Hartz, Ford said.

"Once we started interviewing, it was kind of a match made in heaven. These guys were incredible, just like our employees," she said. "So, we just found this opportunity to keep their name and a lot of their employees."

Hartz became a division of SMD, with Ford at the helm as its vice president. Both companies specialize in concrete construction, grading and excavation, industrial concrete, design and build, general contracting, and construction management, she said.

Fewer challenges than expected

Being a woman in construction hasn't presented significant challenges, according to Hagan and Ford, but Hagan occasionally met with skepticism when interviewing for jobs after college.

"I got some looks like, 'What are you doing here?'" she said. "I will say that Messer was not like that, though."

Connecting with the older generation of workers did require more effort,

Hagan said, but her gender presented less of a challenge than the basic matter of being someone starting out in the industry. A new employee must work to gain the respect of their coworkers regardless of their gender, she said.

"It wasn't hard for me to find some camaraderie with not only the women but the men out in the field," Hagan said. It is imperative to be able to "communicate and handle different personalities. That's No. 1 on the list of being a good project manager, just being able to deal with different personalities."

The biggest challenge, Ford said, is finding a work-life balance. As a mom to two young children, it is important to not only "be a good business person, but also try to be a No. 1 mom. Children are only little for a short time."

To help keep priorities in line, she has had to set boundaries. She turns her phone off at a certain time each night until her son and daughter are asleep, and when necessary she brings her children to the office.

Construction's seasonal nature with occasional extra-long work days can make work-life balance extra difficult, Hagan said.

What women bring to the table

Women are really good at multitasking, Hagan said.

"That is a definite benefit in the construction industry because as a project manager, you are juggling multiple subcontractors and in and out of meetings and scheduling ... you have a lot going on," she said. "I think women are better at that in some ways than men."

Women also can bring a fresh perspective to a construction project.

"Women see things differently," she said. "If you have a diverse group of people, it helps your team do a good job on your construction project."

Good communication skills are not a gender-specific trait, but Arias said some of the best managers he has ever worked with have been women who are excellent at communicating.

"The best project manager I ever had was a woman," he said. "The reason she was the best is that her way of communica-

tion was far more effective. That's a key strength, knowing how to negotiate and knowing how to deal with situations and not letting ego get involved."

Becky Naugle, state director of the Kentucky Small Business Development Center, says women who have participated in KSBDC's contractor training program "are very good at asking for the help they need, and that is a trait that serves them well."



Becky Naugle, State Director, Kentucky Small Business Development Center

Opportunities for women

While women remain underrepresented in construction, there are many programs to level the playing field, provide instruction and help women who are interested in construction careers. The national Disadvantaged Business Enterprises program helps women and minorities compete for federally funded transportation projects.

All federally funded transportation projects must meet DBE goals to "remedy ongoing discrimination and the continuing effects of past discrimination" in highway, transit, airport and highway safety contracting markets, the U.S.

Department of Transportation explains on its transportation.gov website.

The Kentucky Transportation Cabinet's Small Business Development Branch certifies firms that are least 51 percent owned and controlled by socially and economically disadvantaged individuals, which includes women and other minorities. DBE certification gives disadvantaged businesses the opportunity to participate in contracts and subcontracts financed with any federal funds.

During the recently completed Ohio River Bridges Project, Kentucky established a \$1.9 million program called Bridges to Opportunities (B2O) to attract women and minority construction workers. B2O helped place skilled workers in jobs, and others entering the industry get apprenticeships or get into a program or school to train them for future construction work.

B2O has trained many women to become welders, program director Gill Finley said. It has produced female laborers, flaggers and a small number of carpenters and heavy equipment operators.

On a smaller scale, the Kentucky Small Business Development Center's contractor training program, which just wrapped up its eighth year, has

helped women and minority contractors hone management skills so they can better compete in the construction industry.

Classes are small and are usually half women and half other minorities, Naugle said. The 10-week Lexington Minority and Women Contractor Training Program covers topics such as business planning, contract law, bonding, accounting and financial statements, bidding, scheduling, cost management, project cash flow analysis, safety, administration and marketing. It also helps them learn how to become subcontractors and connects them with other business owners.

The issues women construction workers and business owners encounter are not much different from those faced by their male counterparts, Naugle said.

"A lot of them (female participants) know their technical skills really well, but (in the training program) what they want to work on are those management skills. Managing cash flow, getting employees when they need them ... those are universal issues across gender," she said. ■

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

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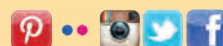
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\$128 2 nights, 2 rounds	\$143.00 2 nights, 2 rounds	\$138 2 nights, 2 rounds	\$154 2 nights, 2 rounds

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CONVENTION FACILITIES



An artist's rendering of the Kentucky International Convention Center in downtown Louisville, which is undergoing a \$180 million renovation and expansion expected to be completed in 2018. It will add 50,000 s.f. of exhibition space, bringing the total to 200,000 s.f.

Construction Will Keep Visitor Cash Flow Strong

Louisville and Lexington CVBs in midst of major facilities expansions; Northern Kentucky laying its plans

BY SUSAN GOSSELIN

HEADS in hotel beds, crowds in shops and restaurants, lines at tourist destinations, and jobs, jobs, jobs. Such is the currency of the convention trade. And with business on the grow, key convention centers in Kentucky are expanding to grow with it.

In the past five years, convention centers in Louisville and Lexington have announced expansion projects worth over \$430 million. And the growth doesn't appear to be slowing. Eric Summe, president and CEO of meetNKY, said it is considering a similar expansion of its Northern Kentucky Convention Center in Covington.

"Convention groups translate to visitor expenditures. It's just that simple,"



*Eric Summe,
President/
CEO, meetNKY*

Summe said, noting that "300 to 400 people coming and staying for a week in your town can spend up to \$500,000. Tourism is the third-largest employer in this state. And to stay competitive, you have to stay current. It's a matter of growth, of course, but it's also a matter of not falling behind."

Louisville's 2018 transformation

Downtown Louisville is packed with construction projects, and many of them have to do with supporting the convention industry. The Omni Hotel, a new 612-room luxury hotel set to open in 2018, will bring 70,000 s.f. of meeting space plus a speakeasy, bowling alley, spa, rooftop swimming pool and a 20,000-s.f. fresh market and grocery. The downtown Marriott and Hyatt Regency hotels, long-time bastions of the local convention hotel scene, have just finished multimillion-dollar renova-

tions, as well. Combine that with the expansion of the local restaurant scene and new downtown Ohio River bridges and you could say Louisville has developed a "virtuous circle" of businesses that can drive business to each other.

"When it's all done, we will double downtown's hotel room space from 3,000 to 6,000, and that will be a game changer for us," said Jason Rittenberry, president and CEO of Kentucky Ventures, the organization that oversees the Louisville Convention Center and the Kentucky Exposition Center at the Fairgrounds.



*Jason
Rittenberry,
President/CEO,
Kentucky
Ventures*

"Thankfully, the mayor's office and the Convention and Visitors Bureau took a comprehensive point of view of these expansions. You couldn't expand the convention center without also expanding downtown hotel rooms, and vice versa. It's an economic ecosystem, and you have to develop it all together for it to work," Rittenberry said. "We're going to see it all come together in Louisville in spring/summer 2018."

The main player in the expansion, of course, is the Kentucky International Convention Center, which is undergoing a \$180 million expansion that will be completed in 2018. It will add a minimum of 50,000 s.f. of exhibit space, which will bring its total exhibit space up to 200,000 s.f. A new 40,000 s.f. ballroom will be created, without expanding the walls of the building. On the whole, officials predict the new improvements will increase the economic impact of the convention center dramatically.

According to Rittenberry, the new expansion will allow the convention center to bid for events of up to 10,000 people – enabling it to compete directly with Louisville's larger rivals, such as Nashville, Indianapolis and Columbus, Ohio, all of which have state-of-the-art convention and meeting facilities.

"The space will have all the upscale amenities event planners are looking for, like internet broadcast abilities and Wi-Fi, digital monitors and wayfinding, larger lobby size, and pre/post-event reception spaces, which keeps them from having to move conference social events off site. It will be beautiful, modern and an invest-



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CONVENTION FACILITIES



Northern Kentucky Convention Center occupies a desirable location just off the Ohio River with a view of the Cincinnati skyline but meetNKY officials feel an urgent need to expand and are exploring options to do so, especially since 5,300 s.f. of Ballroom A is being converted to training space for CTI Clinical Trial and Consulting Services, which is moving its headquarters to Covington.

leaders at the center say that its current size is cramping their opportunities.

"We're in a position now that if we don't find a way to expand, we will start sliding backwards," said Summe, who directs the recently rebranded meetNKY organization. "We have regular, repeat clients who are telling us that they can't come back because we no longer have the space and facilities they need."

The site is currently 204,000 total s.f., with 110,000 s.f. of meeting, exhibition and social function space.

They don't hope to have the assets necessary to compete with larger venues like Indianapolis or Las Vegas, Summe said. But to regularly win business against competitor cities such as Kansas City and Richmond, Va., they need more space. They tried before in 2004 when a consultant helped create a plan for expansion of the current facility. That effort failed due to being hemmed in by other large developments that couldn't be annexed. But Summe said he is feeling better about their prospects this time around.

In September 2016, the Internal Revenue Service announced it will downsize and close an 1,800-employee operation in a sprawling building that borders the current Convention Center. It puts a highly desirable 23-acre site into play sometime in 2019.

"That changes the conversation, because it opens up acres of land we could possibly utilize," Summe said. Officials at the center are working to secure approval of a new 1 percentage-point tax hike that could start a building fund.

"Fortunately, our current room tax is just 11.3 percent, much lower than Lexington at 16 percent and Louisville, at over 17 percent. So we have room to raise it," he said.

ment that can take us through for years to come," Rittenbury said.

The \$180 million investment for the facility comes from a bond issue, he said, which will be paid back by increasing the Louisville-area room tax.

The downtown Kentucky International Convention Center, however, is only part of the convention picture in Louisville. The Kentucky Fair and Exposition Center boasts 1.2 million s.f. of convention space, and a large outdoor presence for events and parking. It, too, is being targeted for improvement. An effort is underway to find a developer to bring in an on-site hotel with at least 500 rooms, so people at Kentucky Fair and Exposition Center events won't have far to travel to get to their accommodations, Rittenbury said.

"The Kentucky Fair and Exposition Center is a very different event market than the one we have for the downtown convention center, but they are both equally important. The Fair and Exposition Center tends to attract large-scale

events that need the outdoor, flexible space, like sports shows, outdoor farm machinery shows and the like," he said.

Between the two centers, Louisville can now compete on the vast majority of event request for proposals (RFPs) being circulated.

"Louisville is a hot city. Bourbon is fueling that, our restaurant scene, and horse racing, of course," Rittenbury said. "The Convention and Visitor's Bureau has done a phenomenal job of marketing our city, driving business to us and keeping us full. I can't wait to see what they'll be able to do once all our new resources are available to us," he said.

Northern Kentucky eyes expansion

The Northern Kentucky Convention Center currently holds an enviable location on the banks of the Ohio River in Covington, Ky., within sight of Cincinnati's visually energetic skyline. While that puts it in position to benefit from the amenities of their entire region,

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Lexington Convention Center, which turned 40 years old in 2016, is beginning a \$250 million remodeling and expansion that will replace its 66,000-s.f. exhibition space with a new 100,000-s.f. exhibition hall and add a 22,500-s.f. ballroom and 30,000 s.f. of new meeting space.

If approval is achieved, Summe estimates a study and facility design would take around a year; if that goes well, construction would take a minimum of another two years.

"We have a wonderful, heritage destination here with lots of activities available. All we have to do is stay competitive and keep current," he said.

Lexington getting expansion underway

In 2014, an ambitious plan to expand the Lexington Center was put on hold, but in 2016 needed government approvals were finally granted for a remodeling and expansion of the center that will double Lexington's meeting capacity. The \$250 million expansion will include a new contiguous 100,000-s.f. exhibit hall, a new 22,500-s.f. ballroom and an additional 30,000 s.f. of meeting space. The expansion also will include a new catwalk to Rupp Arena, making it a seamless venue addition for convention business, as well.

The project was made possible by a combination of city and state tax-backed bonds for \$250 million, and a hotel tax increase of 2.5 percentage points, making Lexington's rate 9.5 percent. Bill Owen, president and CEO of Lexington Center Corp., noted that the center is city owned. Consequently, because the state is putting up \$60 million for the project, it will receive proceeds from 0.5 percent of the hotel tax until the commonwealth is repaid. The bulk of the rest of the tax revenue will go to the city to pay off the \$190-\$200 million in bonds they offered.



*Bill Owen,
President/
CEO,
Lexington
Center Corp.*



Construction is set to begin on the project this spring, with construction stretching until 2021.

"It was a pretty simple decision, really," Owen said. "Lexington Center currently has an economic impact in our region of \$40 million a year. If we make the renovations and expand our space, then the economic impact of this facility would be near \$60 million. If we do nothing, and leave the facility the way it is, that economic impact would erode to \$30 million. That's a \$30 million spread, year after year. You can't ignore that. It's simply what you have to do to stay competitive."

The making of the decision, however, had been a long time coming. Owen noted that a major study in 1986 as well as one done by PriceWaterhouseCooper in 1997 both predicted Lexington would need 100,000 s.f. of meeting space to remain marketable.

"Right now, Lexington Center can only respond to 65 percent of the available (event) RFPs," Owen said. "Once we finish this expansion, we'll be able to respond to 85 percent of them. It gives us a much bigger pool of event planners to work with."

Even with the expansion, he said, mid-sized events will continue to be Lexington's sweet spot. But events that come to Lexington will enjoy a certain exclusivity and personal attention they wouldn't get in more crowded convention cities.

He predicted Kentucky's unique culture and business amenities will continue to make it a prime destination for convention goers.

"Lexington, and indeed, Kentucky in general, is the sort of place that people like to come to," Owen said. "Eighty percent of the country lives within a one-day drive of here. Lexington has more direct flights, 19, than any other city of its size. We have the (Kentucky) Bourbon Trail and so many things to do. Lexington's downtown is safe, walkable and boasts a Hyatt, Hilton and 21C. Drive 15 minutes in any direction, and you'll have a world-class landscape to enjoy. It's a favorable destination, and a favorable impression of our state that we can leave. Now, we just have to get the word out to meeting planners to include Kentucky as a new destination possibility." ■

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

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Hopkins County Tourist and Convention Commission





Lake Cumberland Tourism at Full Pool

Region expects another high water mark
for visitor numbers and spending in 2017

BY KATHIE STAMPS

Lake Cumberland region tourism sector members say increasing annual business since 2009 has been growing exponentially the past few years.

STRESS relief is big business in south-central Kentucky, thanks to hiking, horseback riding, golfing, swimming and other outdoor activities – especially boating – in and around 160,000-acre Lake Cumberland.

The massive water and recreation resource is owned and managed by the U.S. Army Corps of Engineers, Nashville District, which conducted a \$600 million repair on 256-foot-tall Wolf Creek Dam from 2007 through 2013, when water levels were kept some 40 feet below normal.

Back at its usual 710-foot summer pool, bustling Lake Cumberland offers residents and tourists year-round entertainment and getaways plus seasonal festivals and events during the warmer months.

The Kentucky Department of Travel and Tourism has nine named regions across the commonwealth, and Lake Cumberland is hub of the “Southern Shorelines” region, an area comprising 10 counties, five of which surround the lake: Clinton, McCreary, Pulaski, Russell and Wayne.

“We’re white hot. Somerset is doing quite well these days,” said Bobby Clue, executive director of the Somerset-Pulaski Chamber of Commerce. “We’ve been growing exponentially over the last five and a half years. Lake Cumberland is paramount to the success of our com-



*Bobby Clue,
Executive
Director,
Somerset-
Pulaski
Chamber
of Commerce*

munity down here. We are a very steady community (year-round) and in the summer I defy anyone to find a place with a more robust economy than Pulaski County.”

A low tax rate and friendly business and social environment contribute to a desirable area for people to live and retire, according to Clue. Many businesses in the county have connections to tourism and Lake Cumberland, “a lot of people do generate a good percentage of their revenues attached to tourism in one shape, fashion or form,” he said. “Tourism breeds tourism.”

Many tourists have come back to live in Monticello after retirement, contributing again to the local economy, said Charles Peters, a former city councilman and retired postmaster who is the volunteer president of the Monticello-Wayne County Chamber of Commerce.



*Charles Peters,
President,
Monticello-
Wayne County
Chamber of
Commerce*

Tourist stays crest again in 2017?

Wayne County has seen an increase in tourism expenditures each year since 2008. “That includes the time that the dam was being worked on,” Peters said. “Lake Cumberland has an impact on

At the urging of local officials in Pulaski and Wayne counties, Gov. Matt Bevin renamed the U.S. 90 bridge crossing Lake Cumberland the Houseboat Capital of the World Bridge to recognize a regional construction sector specialty.

Lake Cumberland by the numbers

- \$224,767,324 tourism expenditures*
- 6,560 tourism industry employment*
- 63,000 surface acres of the lake
- 1,255 miles of meandering shoreline
- 101 miles, length of Lake Cumberland
- 9 commercial marinas
- 9 golf courses
- 2 state parks

*For the five counties surrounding Lake Cumberland
Source: 2015 Kentucky Tourism, Arts & Heritage Cabinet economic impact study

employment, occupational taxes and insurance fees generated from boat owners. Others benefiting are gas stations, restaurants, grocery and supply stores, boat storage units, boat repair businesses, and contractors performing various maintenance needs on boats and houseboats."



A business surge is being felt across the Southern Shorelines region.

"Tourism around Lake Cumberland, specifically Jamestown and Russell Springs, is fantastic and definitely up from previous years," said Janette Marson, director of tourism for the Lake Cumberland Tourist Commission. "We have more people staying in Russell County this year than since we began tracking it in 1985."

The six-year drawdown "affected the whole region," said Layne Wilson, district

manager for Safe Harbor Marinas, which operates three major marinas as well as a hotel, restaurant and bar, and rents cabins, houseboats, pontoon boats and personal watercraft. "We weathered the storm."

Lake Cumberland State Resort Park recently renovated all the lodge rooms and cabins. Lure Lodge Restaurant got a complete makeover and more recently so did its miniature golf course.

"The economic impact of our very popular Kentucky State Park is huge for our county," Marson said.

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Camping is one of the many popular outdoor recreation activities that attract more than 1 million people to the Lake Cumberland region. General Burnside Island State Park and Lake Cumberland State Resort Park operate full-service campgrounds as do many private providers in the five counties adjoining the 63,000-acre lake.

"This year, we will have a white sand beach for our visitors to enjoy," said Carolyn Mounce, now in her 12th year as executive director of the Somerset-Pulaski County CVB. In response to many visitor requests, a Pulaski County Chamber Leadership class took on creating the beach as a special project.



Janette Marson,
Director of
Tourism, Lake
Cumberland
Tourist
Commission

Lake Cumberland is the main draw for visitors, Mounce said, but "we have loads of other things for our visitors to do," she said, citing events such as the Crappie USA and FLW Bass tournaments, both in April, the annual Master Musicians Festival in July, and Somernites Cruise, a monthly car cruise and block party held April through October.

There are four major commercial marinas in Russell County, including Lake Cumberland State Dock, with a fifth in the works.

"We are especially proud to note that there are more rental houseboats here in Russell County, Ky., than anywhere else in the nation and we just keep grow-

ing," Marson said. "The waters have been up for three or four years now; that's not even an issue. It was a PR nightmare, though, as people had the impression there was not enough water, and that was not the case."

Near the water, amenities are on the rise also.



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Still the houseboat capital

"At the boat and travel shows we attended in January and February, people were buying boats at the shows, people were buying campers," Mounce said. "They wanted to talk about what's happening in and around Lake Cumberland. I believe this summer will be another banner year and better than last year. And last year we were thrilled."

Somerset native Chris Girdler, whose grandfather, Jim Sharpe, is credited with building the industry's first houseboat in 1953, spearheaded recognition for the region when he served in the state Senate from 2012 to 2016.

In 2014, Gov. Steve Beshear signed a resolution designating Kentucky the Houseboat Capital of the World, and in 2016, Gov. Matt Bevin renamed the U.S. 90 bridge across the lake connecting Wayne and Pulaski counties as the Houseboat Capital of the World Bridge.

Girdler worked in his family's Sharpe Houseboats business before his political career and in March 2017 became execu-



*Carolyn Mounce,
Executive
Director,
Somerset-
Pulaski County
CVB*

tive vice president at Trifecta Houseboats, which formed in 2014 when Stardust Cruisers, Somerset Houseboats and Thoroughbred Houseboats merged. The three custom houseboat brand identities remain, but all are now manufactured in one facility in Monticello.

While a state senator, Girdler championed another tourism-related issue: pushing back the school year start date.

"I anticipate the governor signing this legislation into law soon," he said in late March. "This will be a tremendous step in the right direction for tourism and our overall economy in Kentucky, as the early August school dates were costing us 6,000 jobs, \$27 million in lost tax revenue and over \$432 million in economic activity."

The region's custom houseboat construction sector "suffered tremendously during the latest economic recession, where we saw the cost of raw materials continuing to climb while the demand for the houseboats declined dramatically," Girdler said. "We envision many better years ahead. The amount of interest and the uptick in our production and sales has



*Chris Girdler,
Executive Vice
President,
Trifecta
Houseboats*



Lake Cumberland State Dock in Jamestown is one of multiple sites for recreation rentals ranging from personal watercraft to luxury houseboats.

grown a lot in the last year and most recently began to really increase." ■

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



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Home Sales Are Breaking New Ground

With residential real estate finally back above pre-recession levels, demand for new construction builds

BY SUSAN GOSSELIN

THOUGH it came neither fast nor easy, Kentucky's residential real estate sector has recovered from the steep losses of the Great Recession, and the past two years is breaking new ground for sales, according to recent numbers by the Kentucky Association of Realtors.

After a record-breaking 2015, 2016 achieved the distinction of the highest number of total home sales ever recorded in the state, at 52,123. Prices are rising and days on the market are shrinking as inventory decreases.

It's good news for Kentucky's economy because residential real estate demand is an engine that drives major industries and services – white collar, blue collar, wholesale and retail – which

in turn pump dollars into industries such as construction, materials, supplies, retail

Following the bust of the Great Recession, Kentucky's real estate industry had nowhere to go but up. With a weak recovery, reluctant developers and federal banking reforms that made it tougher to qualify borrowers, the climb back was slow. Over the five-year period of 2012 to 2016, though, KAR reports home sales compared to a year earlier increased in 53 of those 60 months.

The total volume spent in 2016 on homes sold in Kentucky broke the \$9 billion mark for the first time, at \$9.17 billion, nearly a billion more than the \$8.21 billion sold in 2015. June is always the top month for sales, and last June sales topped \$1 billion for the month

Kentucky homes sales topped \$9 billion for the first time in 2016 and are expected to be better in 2017. Median prices are rising and average days on the market are falling.

for the first time ever. In an indication of overall housing market momentum, November was the best month in terms of sales compared to a year earlier, with homes sold up 26.9 percent over November 2015.

As strong as 2016 sales numbers were, housing experts predict 2017 to get better. And so far they are right. For the first time ever, January home sales were above 3,000 units, and the median price was up 2.5 percent to \$116,946 statewide.

Commonwealth Realtors and brokers saw brisk, increasingly rapid sales continue, especially in March.

"I'm very optimistic about 2017," said Steve Stevens, CEO of the Kentucky Association Realtors. "I think we will break another record. Our population is going up. Our unemployment rate is going down. There's been a little inflation on price but not too much. And demand is so high, we have officially moved into a sellers' market. If we can continue to expand inventory, we'll be on track for a great year."



Steve Stevens, CEO, Kentucky Association of Realtors

Brian Miller, executive VP for the Home Builders Association of Northern Kentucky, concurs, but points to several structural issues that need to be solved before the market can meet its full potential.

"We're seeing a lot of demand out there for new housing. Millennials are coming on strong for home ownership, and there are not enough existing homes being sold to fill the need," Miller said. "But financing is still really tight for new homebuilders, new lots are scarce, and regulatory burdens are high. Don't forget, during the recession we had a lot of (home builders) who just quit or retired. The demand is up, but the industry is still trying to find its equilibrium," he said.



Brian Miller, Executive Vice President, Home Builders Association of Northern Kentucky

Kentucky tracks national trends

Though it may yet have challenges ahead, Kentucky is, overall, keeping pace or even outstripping the national growth in home sales. According to fig-

ures released at the 2016 Realtors Conference, existing home sales ended the year at 5.4 million units sold across the U.S., a small increase from 2015, and the organization's economists predict sales should grow to 5.5 million units in 2017, and 5.7 million in 2018.

That puts Kentucky's recent record-breaking sales above national norms. With rising sales come rising home prices; however, they remain modest ones. The KAR reports home prices in the state increased to a median of \$122,125 for the year, the highest annual median price recorded in the state, exceeding the record of \$120,460 for 2015 by 1.4 percent. But even with these record-breaking price highs, homes in Kentucky are still astonishingly affordable compared to national standards, which show a national median home price of \$221,500 for 2016.

In spite of these record-breaking numbers, Kentucky's low inventory is hobbling the expansion of the real estate markets. The Kentucky Association of Realtors reports housing inventory across Kentucky was down 25 percent from 2015, with 4.6 months of inventory on hand to close out 2016, compared to 6.1 months in 2015. Days on market, which is used by the industry as a marker for consumer demand, fell 5.7 percent to 131.9 days in 2016. Kentucky's larger cities like Lexington and Louisville are experiencing even tighter demand, with days on market down into the range of two to three months.

Though inventory is low, it's important to remember that statistics can be deceiving, said Dave Parks, president elect of the Greater Louisville Association of Realtors and owner of Berkshire Hathaway Home Services/Parks & Weisberg Realtors.

"Inventory is low, that's for certain. But it's low because the market is cycling through houses much faster," Parks said. "It could be that on any given month, or day, inventory is historically low. But the overall number of houses sold is high, which says we have



more houses on the market than ever. More people are selling, and they are selling much faster."

The pressure on inventory in new construction is particularly acute nationally. Given current population and economic growth trends, the National Association of Realtors estimates new housing starts should be in the range of 1.5 million to 1.6 million completions. Yet starts are currently stuck at near recessionary levels, at about half what it should be. And nationally, total housing inventory was at the lowest level since the NAR began tracking supply 18 years ago.

The struggle to build inventory

Market demand has rebounded well since the recession, Miller said. But the recession's effects, even after eight years of expansion, are still felt acutely by Kentucky homebuilders.

"Right now, in our (Northern Kentucky) area, 65 percent of permits are for



Dave Parks,
President-Elect,
Greater
Louisville
Association
of Realtors

Low inventory is becoming an issue in Kentucky's hot residential real estate market. The Kentucky Association of Realtors reports inventory decreased 25 percent in 2016. Builders have had more difficulty getting financing for spec homes than in past cycles.

the biggest builders, like Drees (Homes) and Fischer (Homes). Before the recession, our small builders were each building 15 to 20 homes a year. Today, they are lucky to build five or six or seven."

Financing is often the biggest reason small builders struggle, said Steve Cline, 2018 president-elect for the Kentucky Association of Realtors and a realtor for Berkshire Hathaway HomeServices Partners Realty in Bowling Green.

"Even the best, most creditworthy small builders are still experiencing financing issues," Cline said. "The banks require them to have contracts on the homes before they break ground. Or if they do

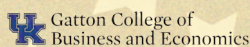


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Luxury homes are being built in the Spring Farm subdivision in Prospect, Ky., in eastern Jefferson County.

build spec homes, they give them financing for just two; then when they are finished and sold, they give them financing for the next two. When you consider that it takes three months to build a house, that means they can only get a handful of houses built every year.”

Miller said the high cost of developable land is another structural barrier to more building, especially for first-time buyers who may want a new home.

“It’s hard for a developer to find land that’s affordable, and when you do have the lots, everything costs more; the materials cost more, and labor is hard to find and costs more. It makes it very, very hard for builders to create a competitively priced home for the first-time buyer.”

Parks concurred, noting that many cities, like Louisville, have infrastructure issues that are creating barriers to expansion. Developers not only have to find land that is flat and properly zoned, he said, but has the sewer and roadway capacity to handle a new development. Once development costs are factored in, a builder’s lot could run \$45,000 ... or much, much more. Land costs are

hemming builders into building bigger, more profitable homes on those lots to make up for the extra up-front expenses, Parks said.

Next generation of buyers

Fortunately for the real estate industry, interest rates are likely to stay relatively low. The March meeting of the Federal Reserve produced a quarter-point rate hike, from 0.75 percent to 1 percent. Further increases are expected later this year, but rates remain far, far below historic norms. According to the economists at the National Association of Realtors, rates are likely to stay reasonable. They forecast mortgage rates to rise in 2017 to 4.1 percent, then rising to 4.5 percent soon after, which is still in historically low territory.

The difference they are seeing in buyers today, however, is that many of them don’t want to repeat the mistakes that led up to the Great Recession, namely, buying too large a home, financing without a significant down-payment, and using home equity loans to pay for other needs.

“There’s a market for every category, of course,” Stevens said. “But in general, buyers just aren’t that interested in buying or building those large, 5,000-s.f. homes anymore. The market is softer for homes over \$500,000. That said, we’re seeing a big interest in entry level homes in the \$150-250,000 range for first-time home buyers, and we’re seeing a big interest in those ‘move-up’ homes in the \$250,000 to \$400,000 range.”

Homebuilders in Northern Kentucky, Miller said, are seeing the most sales among homes in the \$300,000 to \$400,000 range. However, he has hope some of the structural issues making it



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Kentucky realtors increasingly report that homes in desirable locations that are priced in the \$150,000 to \$250,000 "entry" level and the \$250,000 to \$400,000 "move-up" level are selling very quickly and often at above asking price.

difficult for builders to build entry-level homes will be lessened under Republican political leadership.

"Right-to-work legislation and prevailing wage laws make it easier for our industry to manage our labor. But it will also be a boon to development for the region as a whole as more companies see how affordable it is to do business here (in Kentucky). We're already starting to see the expansions planned at Toyota and Amazon in our area, and we expect to see a lot more," Miller said. "If banking regulations are relaxed in the future that means financing will be easier to get for our builders, and it will be easier for them to build more properties. We think there is a better equilibrium ahead, between consumer protection and ease of financing. So even though there are headwinds in our industry, we're hopeful about our future."

Multiple offers above asking price

All the realtors contacted for this story agreed that homes in a desirable location and priced for those two bottom tiers are not only selling quickly but often getting multiple offers at or above their asking price.

According to the National Association of Realtors, a big part of the boost in home sales is due to the millennial generation getting old enough to settle into home buying. For the third straight year, the largest group of recent buyers were



millennials, who comprised 35 percent of all buyers – beating out Generation X, at 26 percent; Boomers, at 31 percent; and the silent generation, at 9 percent. This generation, which has been billed as serial renters who want to stay in the city, is showing in NAR surveys that a majority want to own a home and are willing to consider suburban areas.

And the smaller homes millennials are looking for are often the same kind of homes that downsizing boomers and Gen Xers are looking for, as well.

"People today in every demographic are looking for a smaller footprint for their houses, and nicer, high-end finishes," Parks said. "You're seeing a lot more people interested in neighborhoods like Norton Commons here in Louisville, where the community takes care of the mowing, and you can walk to restaurants, and there's a YMCA and doctor's offices right in the neighborhood.

"And because inventory is down overall, we're seeing a lot more people who are interested in taking an old house, gutting it and making it like new again. That's given rise to the popularity of old, centrally located neighborhoods

like Crescent Hill and Germantown in Louisville.

"But, really, we're expecting demand to increase in the whole area, because these new (Ohio River) bridges are a really big deal. We have more commercial land, pad ready, than any place in the country. We're poised for amazing things," Parks said.

In his position at the KAR, Stevens has his hand on Kentucky's real estate statistics every day. He says he feels great about where the future is headed in the state.

"Overall, it's a great market in Kentucky, especially in our major cities, and the next tier cities down. In smaller towns in Eastern and Western Kentucky, it's not quite the boom it is in other places. But I think there's one important indicator that really sums it up: There were 1,100 new people signing up to be realtors statewide last year, and over 10,000 who have made the effort to be in our association. That says to me that people see an opportunity in real estate in Kentucky. I do, too." ■

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



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Colene Elridge, known as Coach Colene, is the owner of Be More Consulting. A certified mediator, Elridge had eight years experience facilitating meetings when she started her company in 2014 to help people "realize their full potential through creating experiences that engage, inspire and produce results," she said.

Based in Georgetown, Ky., Elridge meets with nonprofit and for-profit clients around the United States and the world in person or online.

"I love to work with organizations who are ready to see next-level results and have the courage to try something new," she said. "We look at everything from hiring processes to employee engagement, to creating cultures of

inclusion, and everything in between."

Employee engagement improves a company's bottom line, because employees who feel valued, respected and supported are more productive. With her HR background, she offers consulting on policies and procedures and how to keep great talent in-house.

"I've done organizational surveys that can correlate organizational inclusion with turnover, employee happiness with the bottom line, and other metrics that can improve productivity and performance," Elridge said. "Internal PR can save you a lot of money."

Before stepping into human resources, Elridge was Transylvania University's first anthropology major in 2005.

"I love anthropology," she said. "I was studying cultures, and I could see how it applied in so many other ways. I think that's how I got really interested in workplace cultures."

She earned an MBA with an emphasis in HR from Sullivan University and

worked for the Commonwealth of Kentucky's training and development branch, then moved to the state's EEO and Diversity Office.

Elridge is comfortable in a one-on-one setting or in front of a crowd of hundreds or thousands, but her work is much more than good conversation skills.

"Coaching is not just talking to people," she said. "If you just think it's talking to people, you're probably not going to have as successful a business."

Still, she encourages young professionals to go into coaching if they are drawn to it.

"It's a great time to start a service organization," she said. "People will pay anything to make their lives easier or improve their quality of life. I think now is a great time to be in the service industry, from cleaning services to training and everywhere in between. The key is how you distinguish yourself."

Elridge recommends networking as a major part of growing a new service oriented business.

"Make sure you're really good at building relationships. Most of my business has been built on the relationships I've built, and some by marketing efforts," she said. "If you can grow your business while working your day job, that's even better."

This spring, Elridge is launching a new program for women's leadership called EmpowHer.

"I've coached so many amazing women who literally could not see their own potential," she said. "There is so much research that supports that when women are in leadership, organizations thrive. It's not a lack of competence that stops women, it's a lack of confidence. EmpowHer creates a supportive environment for women to develop practical, hands-on leadership skills, and create the mindset of a leader."

For more information, visit coachcolene.com. —Kathie Stamps

Holsopple Brewing Opens with Single-Hop Flavor Project

Louisville's latest brewery, Holsopple Brewing Co., opened in February with a big crowd and an interesting project.

Brewer Sam Gambill, who owns the brewery with wife Kristy, kicks off with a project that will have him creating no fewer than 26 different single-hop IPAs over the course of the year. The first one, dubbed Project Alpha "A" IPA, gave way to "B," then "C," and so on, each being available for a limited time and hopped with a single variety.

Essentially, it's a long-running experiment to see what flavor profiles he can come up with while focusing on a wide range of hop varieties. Eventually, he will get to Alpha "Z," at which point he will start over, likely blending a pair of hops during each brew to experiment further.

"We'd like to create an extraordinary IPA," he said.

The Gambills are both veterans of the beverage industry, with Sam spending a number of years working

for MillerCoors and Kristy still employed as a scientist for Brown Forman. That their beers were well received at Holsopple's opening ("Holsopple" is Kristy's maiden name) is no surprise.

"She is the quality manager," Sam said of Kristy, "and she hasn't rejected anything yet. I think that's a good sign." —Kevin Gibson

Louisville's latest brewery, Holsopple Brewing Co., is owned by Sam and Kristy Gambill.



Paperboy PR Talks About Doing Public Relations the Right Way

RACHEL Bledsoe Albritton founded Paperboy PR last year after working at several public relations firms.

Based in Louisville, Paperboy PR is a strategic public relations, public affairs and communications firm that specializes in consumer-facing PR and serves clients in six states. We asked Bledsoe Albritton a few questions about today's PR culture.



Rachel Bledsoe Albritton

TLR: Public Relations can be strange and complicated these days with information being passed so rapidly. Have you ever seen it go terribly wrong?

RBA: Yes, many times. A great example was in 2014 when the pizza brand DiGiorno failed to research the meaning of a trending Twitter hashtag before posting a tweet that included it. The hashtag #WhyIStayed was aimed at shedding light on the issue of domestic violence and its victims. Clearly a very sensitive topic. The DiGiorno tweet, which was deleted 10 seconds later, still made its way into headlines, inciting tremendous backlash and ultimately leading to a formal apology on the company's part. One benefit of social media platforms is that they give companies the opportunity to work their messages into a larger, trending dialogue. Even when time is short, companies must do their due diligence so they don't end up in hot water.

TLR: Have you seen it work really well?

RBA: One of the most effective ways companies can become and stay relevant is by learning and embracing who they are as a brand. Taco Bell is an example of a company that has excelled at this. By removing their kid's menu and adopting the "Fourth Meal" tagline, the company took an unabashed marketing angle that said, "We know exactly who we are." They created a narrative on social media, in traditional media and in advertisements that spoke to their target demographic – millennials looking for a late-night bite.

Additionally, MailChimp demonstrated how in-tune they are with their customer experience when they launched a recent PR and advertising campaign poking fun at its hard-to-remember name. The email distribution service capitalized on what could be seen as a nega-

tive by launching a campaign introducing themselves under variations of their name – MailShrimp, KaleLimp and JailBlimp for example. The quirky ads and videos are refreshing in a world where companies usually take themselves too seriously. MailChimp even partnered with BuzzFeed for an article about MaleCrimp. It's genius.

TLR: Brands use social media to reach new clients, and many individuals also use it to develop their "personal brand." What is the value of personal branding?

RBA: There's a huge value in using social media to create a personal brand. For most, social media platforms offer people mediums to perfect their message and reach audiences outside of traditional social circles. It allows them to interact with others who share similar passions. Every now and then, individuals become experts at creating a personal brand,

and it can be monetized. Lifestyle bloggers on Instagram are a great example of this. This relatively small group of people, known as "influencers," are often paid to model products, showcase brands and even take lavish vacations.

TLR: How can people or companies determine if they're just creating extra noise and causing information overload?

RBA: This really comes down to engagement. If you're posting something of value, and people are inspired by it, they will engage with you through a Like, a Follow or a Comment. Additionally, irrelevance in your posts can create noise. Small businesses that first start distributing information on social media often make the mistake of not building their posts into a larger, intentional narrative.

TLR: What are some of the most cutting-edge ways that you see companies driving sales?

RBA: More and more I am seeing brands opt out of content-heavy platforms like websites and print advertising and instead choosing social media to reach their audiences. In many ways, what a traditional online presence looks like has shifted. Many bloggers in particular are entirely on Instagram. Retailers are taking this approach, too, using social media to hyper-target in ways that are more budget-friendly and effective. Similarly, platforms like Etsy have revolutionized the cottage industry.

Infrared Sauna Harnesses the Benefits of Light Exposure

Sunlight gets a bad reputation for giving us sunburns and skin cancer, but the reality is that most Americans are starved of natural light, which among other things stimulates the skin to produce Vitamin D that humans need for optimal health.

"Everything has an appropriate dose," explained Jim Laird, owner of Lexington-based Gym Laird Strength & Conditioning. "You can overdose on water, exercise, sun, but we're designed to be outdoors and in the sun; and people are so scared of the sun. Getting adequate light, especially in the winter is so important for Vitamin D. Most people don't get that moderate exposure every day."



Infrared sauna is a new health trend focused on light exposure and relaxation.

Sun exposure is ideal, but there are also tools like Infrared Sauna that busy professionals can especially benefit from after spending so much time indoors.

Infrared Saunas harnesses the power of light to promote health. It helps the body sweat out toxins; improves cardiovascular health; promotes pain relief, better sleep, weight loss and relaxation. But Laird is most excited about the Infrared Sauna at his gym because it's simply another way relax.

"It's just another tool to allow people to chill out, basically," he said. "We've got the float tank that certain people like, but the sauna price point is a little lower and it's another way to disconnect. We're all so wired up. They can get in the sauna with the bright lights and get some vitamin D, and it helps them check out and sweat."

Infrared Saunas are increasing in popularity, and Laird recommends sitting under the sauna's bright lights once a week or twice a month. If you don't have access to one, consider getting a "Happy Light" at your desk or walking outside during lunch breaks for exposure to light. —Abby Laub

SPOTLIGHT ON THE ARTS



Kentucky Crafted: The Market is Artful Business

KENTUCKY Crafted: The Market, April 21-23 at the Lexington Convention Center, is the largest celebration of Kentucky arts each year. Lydia Bailey Brown, Kentucky Arts Council executive director, sat down with The Market's producer and one of the agency's senior leaders, Chris Cathers, for a discussion about The Market's distinct position in Kentucky business.

Lydia Bailey Brown: Why should Kentucky's business community participate in and support The Market?

Chris Cathers: There's a lot of talk about supporting small businesses, buying local, and here's an opportunity to visit more than 150 small businesses that sell handmade Kentucky art and craft, all under one roof for an entire weekend. It's an opportunity to support the local economy and sustain entrepreneurs and small businesses throughout the commonwealth.

LBB: For the first-time visitor to Kentucky Crafted: The Market, describe the event.

CC: The Market is an opportunity for us to showcase the best work of the arts council's Kentucky Crafted artists. It's an opportunity for corporate buyers and the general public to find amazing works from many small-business owners in the arts who may not sell through wholesale or retail space throughout the year. From the event, these arts busi-

ness-folk build a network of retail customers and forge long-term corporate relationships.

LBB: How has The Market changed for the creative exhibitor since its beginnings 35 years ago?

CC: The caliber of participating artists has significantly increased over the years. A number of artists came into the juried Kentucky Crafted program as hobbyists or enthusiasts and over the years have evolved into savvy entrepreneurs, developing a business around their art. Some use it as a launching pad to expand their careers. Others use this opportunity to build stable relationships with wholesalers.

LBB: We know that The Market has become a travel destination for many. What is The Market's reputation outside Kentucky?

CC: Our reach has gone beyond the typical art and craft show, and people recognize our name throughout the Southeast. Lots of other shows have come and gone; there are not that many that can say they've been around 35 years. We've expanded the show to offer performances and highlight culinary arts, literary arts and even educational activities in our hands-on area. Really, we produce an arts festival. In fact, the Southeast Tourism Society named Kentucky Crafted: The Market in their Top 20 List of Festivals and Events.

Folks from other states come to visit, not simply to experience and purchase the art pieces, but to learn about our process for jurying artists into the selection and



Left: Cecy Thompson (left) and Susan Grant, of Louisville-based Fleece & Flax, are among the dozens of artists who will be exhibiting their work at Kentucky Crafted: The Market.

Above: Chris Cathers (left), who has produced Kentucky Crafted: The Market for the past 10 years, discusses this year's upcoming event with Arts Council Executive Director Lydia Bailey Brown.

creating such a high-quality, tourist-worthy, hometown-feeling experience.

LBB: Tell us about the first day of Market, April 21, the "trade day" for wholesale and corporate buyers.

CC: Trade day is a wholesale buying day exclusively designed for retail buyers, corporate buyers, interior designers, and architects, to name a few. With their complimentary entrance and the immersive creative environment, it's a very relaxed atmosphere for the buyer, which gives them a chance to speak to the artists one on one. Buyers get to see work showcased in artful ways and learn how that fits into their corporate buying or public art initiatives. This is a great opportunity to investigate new design concepts. It gives them a sense of how to utilize art in workspaces.

For the first-time corporate buyer, the trade day is a comfortable opportunity to dip their toe in, whether they are in charge of corporate gifts or retail shops. For someone who wants to make a mark on their prospective clients with something uniquely Kentucky, this is the place to find it!

LBB: How would a new corporate or wholesale buyer arrange to attend and look at the opportunities?

CC: We encourage them to preregister on our website at artscouncil.ky.gov/KAC/Showcasing/2017Market-Buyers.htm but we also provide onsite registration by just showing up on Friday, April 21. We need to verify shoppers' status as a business buyer, so they need to provide that documentation. Companies are encouraged to come to The Market and see how Kentucky products can enhance their business. On Saturday and Sunday, April 22-23, The Market is open to the general public. ■



Lydia Bailey Brown is executive director of the Kentucky Arts Council.

THE LANE LIST

KENTUCKY'S 2017 MUSIC FESTIVALS

MAY

- **Lower Town Arts & Music Festival**
May 19-20 in Paducah
Regional music, art, theater, food.
lowertownamf.com
lowertownartsandmusicfestival@gmail.com
- **Kentucky Reggae Festival**
May 26-28 (Memorial Day Weekend) in Louisville
Kentuckyreggaefestival.com

JUNE

- **W.C. Handy Blues & Barbeque Festival**
June 14-17 in Henderson
Blues and zydeco from across the U.S., barbecue, red beans & rice.
handyblues.org
info@whandymusicalfestival.org
- **Festival of the Bluegrass**
June 8-10, Kentucky Horse Park in Lexington
Bluegrass music, camping, large meals.
Festivalofthebluegrass.com
info@festivalofthebluegrass.com (859) 253-0806
- **Great American Brass Band Festival**
June 8-11 in Danville
Preserving brass band music through performance, food, vendors.
Gabbf.com
info@gabbf.com (859) 316-8426

• ROMP

June 21-24 in Owensboro
Celebrating roots and bluegrass music.
Rompfest.com

• Summer Motion

June 30-July 4 in Ashland
Music, food & entertainment.
Summermotion.com

JULY

- **Master Musicians Festival**
July 7-8 in Somerset
Bringing musical excellence to rural Kentucky.
Mastermusiciansfestival.org
mastermusiciansfestival@gmail.com
- **Big O Music Fest**
July 8 at Reid's Orchard in Owensboro
Country music big names.
Bigomusicfest.com
contact@bigomusicfest.com
- **Forecastle**
July 14-16 at Waterfront Park in Louisville
Who's who of cutting edge and pop music, environmental activism, outdoor recreation
forecastlefest.com
info@forecastlefest.com
- **Blues Brews & BBQ**
July 21-22 at the Water Tower in Louisville
New Orleans & Memphis music, local barbecue.
Louisvillebluesandbbqfestival.com



Louisville's Forecastle festival

AUGUST

- **Moontower Music Festival**
Aug. 26 in Lexington
Local & national musicians, craft beer, food trucks, artisans.
Moontowermusicfestival.com

SEPTEMBER

- **Red White & Boom**
Sept. 1-3 in Lexington
Top country music names & many others celebrate the end of summer.
Whul.iheart.com/features/red-white-boom-565
- **Kentucky Bluegrass & Bourbon Experience**
Sept. 2-3 at the Water Tower in Louisville
Bluegrass, burgoon & bourbon.
Kentuckybluegrassfestival.com

OCTOBER

- **Garvin Fate Blues Festival**
Oct. 13-14 in Louisville
Blues and the city's largest street music festival.
Garvingatebluesfestival.com

Source: Kentucky Department of Tourism

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Hindman Settlement School in Knott County in Southeastern Kentucky was launched in 1902 as a social reform effort. Today it includes an Appalachian artisan center and an adult learning center.

Appalachian Treasure

Hindman Settlement School preserves, celebrates mountain culture

BY KATHERINE TANDY BROWN

TUCKED deep in the Appalachians of Knott County at the forks of Troublesome Creek, Hindman Settlement School continues to change lives for the better on a daily basis, just as it has since 1902, when Solomon “Uncle Sol” Everidge asked May Stone and Katherine Pettit to start a school for his “grands and greats.” They did, and the rest continues to be history for this institution that takes seriously its charge to help meet local folks’ needs and to preserve the literary and cultural heritage of southeastern Kentucky and the central Appalachians.

Settlement schools are social reform institutions begun in rural Appalachia in

the early 20th century to educate mountain children and to improve their isolated rural communities, and Hindman Settlement School (HSS) was the first.

Today, HSS wraps its arms around its mission via five program areas.

The first is its **Cultural Heritage Program**, made up of the Appalachian Writers Workshop (AWW), Appalachian Family Folk Week and workshops that include writers’ retreats throughout the year. The AWW is Kentucky’s premier gathering of writers from across the nation who live in or write about the area and attend to learn or teach in multi-genre classes. The keynote speaker for this sum-

mer’s event – scheduled for July 24–29 – will be the state’s revered native son and former poet laureate, Wendell Berry.

Another summer program, **Appalachian Family Folk Week** offers pure fun, with mountain music, dance, crafts, storytelling, traditional instrument playing and special kids’ activities for all comers. This year’s event will be held June 5–10.

Both aforementioned programs celebrate 40th anniversaries this year. For the occasion, HSS will release two new publications, a monograph representing the school’s literary heritage and a craft anthology by Writers’ Workshop faculty alumni. December will bring the third annual Dumplin’s and Dancin’, a lively weekend of heritage food and frolicking open to the public.

Secondly, HSS launched a new, school-based **Appalachian Scholars’ Program** last October for eighth and ninth graders in Knott and Letcher counties. Some 400 students in 26 classrooms participate in a curriculum that teaches life skills and core values, builds healthy behaviors and connects youth to their communities as potential leaders.

The third program started three years ago. Funded in part through a grant from Berea College, the **Grow Appalachia Program** helps people produce, prepare and preserve healthy foods for their families by providing expertise, seeds and tools.

“People apply for different reasons,” says Brent Hutchinson, HSS executive director. “Some can’t afford to plant on their own, while others can afford to do it but don’t have the expertise. Grow Appalachia levels the playing field.”

The program has increased from 18 families initially to its 2016 total of 55, who



Tourism works for Kentucky

Tourist activity in Shelby County generated \$63,698,22 in 2015 in direct tourist spending.

ShelbyKY Tourism
www.VisitShelbyKY.com
502.633.6388



produced nearly 14,000 pounds of food collectively, and has expanded to include Perry, Fletcher and Floyd counties.

Since 1980, HSS has offered a **Dyslexia Program** to provide information, training and support for parents, tutors and teachers of children who learn differently. It now conducts tutoring programs for children with dyslexia.

And finally, the **Folk Arts Education in Public Schools Program** includes an After School Music Program that teaches the next generation of mountain children traditional music.

"Our goals have not changed from the mission set forth by our founders," says Hutchinson. "It's always been to meet significant community needs until the community is in a place that they can do it for themselves or there's another budgeting need that the school can take care of."

The settlement school's history reflects why the facility is often referred to as "the best school in the mountains." In 1910 it became Knott County's first official high school. Soon afterward, HSS trachoma clinics led to a successful national campaign to eradicate the disease. HSS became a National Daughters of the American Revolution-approved school,

and donated land and funding for a new Knott County high school in 1930. Though located in one of the state's poorest counties, that high school has one of the highest graduation rates.

Beloved Kentucky author James Still signed on as school librarian in 1933, seven years before his award-winning novel, "Mountain of Earth," was published.

In the late 1990s an HSS-led Community Development Initiative resulted in a \$20 million community renewal project for Hindman and Knott County. The results – including a new city hall and welcome center, and help in creating the Kentucky Appalachian Artisan Center, the Knott County Adult Learning Center and the Kentucky School of Craft – garnered HSS the Government Award of the 2004 Kentucky Governor's Awards in the Arts.

This remarkable institution also provides farming and industrial education, helps provide medical assistance and also partners with a number of organizations, like S.W.A.P. (Sharing with Appalachian People), which helps low-income people with home repair.

"Hindman Settlement School is in a unique position to address issues about quality of life. I like to call it 'human flourishing'," Hutchinson says. "We

have the opportunity to enhance people's lives, to give them the things they need to thrive. For some people it's education. For others it's pride in their heritage. For still others it's the opportunity to take care of their families."

Set on 200 forested acres, the school is currently raising funds for the new Mike Mullins Heritage Center to house offices, large gatherings and a community canning kitchen. The campus also includes a museum and craft shop in Uncle Sol's Cabin, and Chapel in the Trees, an open-air spot for up to 50 people. Ideal for a quiet meeting site or corporate retreat in the midst of nature, HSS can easily accommodate 60 to 80 attendees overnight and several hundred for a daytime retreat, complete with luscious, healthy food from the property's kitchen. Indigenous to Appalachian heritage, teambuilding options include hiking trails and folk dance instruction.

Find out more about HSS and its multitude of programs at hindmansettlement.org or (606) 785-5475. ■

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



ADVANCING LEADERSHIP

Step Up & Step Out

Women's Business & Leadership Conference

Tuesday, May 16, 2017 | 8:30am - 2:30pm

Marriott Griffin Gate, Lexington KY



Keynote: Cokie Roberts
 Emmy Award Winning Journalist & Bestselling Author
 NPR & ABC

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npr news & information

"A lot of women have come to understand that you can't just show up and say I'm unhappy, you have to then go out and do something." - Cokie Roberts

9:00 Morning Keynote

10:30 Breakout Sessions

12:00 Martha Layne Collins Leadership Awards Luncheon
 Honoree: Ardis Hoven, M.D., FACP
 Honoree: Danielle Clore, Kentucky Nonprofit Network

- Registration - \$145 per person
 Group Discount (4 or more) - \$125 per person
- Martha Layne Collins Leadership Awards Luncheon only - \$55 / \$500 (table of 10)
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Report: ACA Has Had Little Impact on ER Use

NEARLY three years into implementation of the Affordable Care Act (ACA) in Kentucky, emergency room use has neither decreased nor increased substantially, despite predictions that the law might have a strong impact.

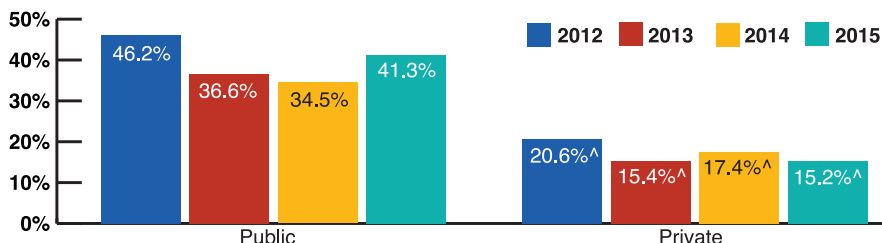
About the same proportion of Kentuckians went to the ER in 2016 as before the ACA, although the total number of ER visits increased slightly. A new report recently released by the Foundation for a Healthy Kentucky also found that Kentucky children and adults up to age 64 who had public health insurance such as Medicaid and the Kentucky Children's Health Insurance Program (KCHIP) were significantly more likely to say they had used an ER in the prior year than those with private coverage; that held true both before and after the ACA went into effect in Kentucky.

"One of the benefits supporters hoped would result from the ACA was reduced use of ERs, where treatment is a lot more expensive," said Foundation CEO Ben Chandler. "What we found is that ER visits declined for several months after the ACA first went into effect, but then they rose again. The explanations are multifaceted, but it turns out Kentuckians had some very rational reasons for heading to the ER. The bottom line is that many of the benefits of having insurance coverage for the first time in life will take a while to play out, and that's certainly the case with ER use."

The report goes on to state, "...research in some other states has also shown increased emergency department (ED) use soon after gains in health insurance

Emergency Department Visits in the Past Year

(by coverage type; non-elderly Kentuckians)



* Difference between 2012 and 2015 estimates is statistically significant at the 95% level.
[^] Difference from public coverage estimate is statistically significant at the 95% level.

coverage, but then evidence that ED use stabilized or declined a few years later. This appears to be related to newly insured individuals beginning to find more-appropriate ambulatory care settings for their usual source of care instead of the ED. Tracking these measures over time will allow Kentucky to determine whether ED use in the commonwealth stabilizes or declines in future years."

The report found that one in four (25.5 percent) Kentuckians said in 2015 that they visited an ER in the past year, about the same proportion as before the ACA. By examining data from Kentucky hospitals, the report also found the total number of ER visits dropped the first three quarters of 2014 and then rose to a level in 2016 that was 4.5 percent higher than in 2012. The percentage of Kentuckians who use the ER is significantly higher than for the United States overall, where the rate is fewer than one in five (18.3 percent).

In 2016, nearly three in 10 non-elderly adults said the reason they went

to the ER is because they had a medical emergency; another nearly three in 10 said no other facilities were open at the time they needed care. Slightly more than 7 percent said their doctor directed them to an ER. Only 3 percent said they went because they didn't have a regular doctor.

The report also found that the proportion of ER visits that hospitals reported as charity care or self-pay dropped from 23 percent in 2012 to less than 6 percent by the third quarter of 2016. At the same time, the share of ER visits covered by Medicaid rose from almost one-third of visits in 2012 to almost half in 2015 and the first three quarters of 2016.

"Hospitals have benefited from the ACA because they're having to eat less of the cost of caring for uninsured Kentuckians," Chandler said. "That's especially important for smaller, rural hospitals."

The report, "Emergency Department Utilization in Kentucky," is part of the Foundation's ongoing study of the impact of the ACA in Kentucky.

UK's Career Closet Helps Students Dress for Success

AS graduation dates near, thousands of college students across the state are already out looking for jobs, with hopes of putting their new degrees to work. Yet for many, transitioning from college into the professional workplace can present a financial burden: They don't yet have a job but need to show up for an interview or an internship dressed in professional attire that's not typically found in the average college student's wardrobe.

To help alleviate the situation, the University of Kentucky Student Government Association (SGA) and the James W. Stuckert Career Center at UK have teamed up to create the Wildcat Wardrobe career closet.



"Wildcat Wardrobe is aimed at alleviating the financial burden placed on students to purchase professional clothing for job interviews, internships or even full-time job opportunities after graduation," said Student Body President Rowan Reid.

"After seeing other Southeastern Conference student governments implementing these programs, we felt our students deserved better resources than we were previously offering."

Wildcat Wardrobe is open every Wednesday from 1 to 3 p.m. Each student will be allotted up to one outfit per visit, or three articles of clothing. (Depending on inventory, visits may be limited.)

To help fill Wildcat Wardrobe, faculty, staff and members of the community are being encouraged to donate clean, gently worn professional clothing to the closet.

For more information on the program, contact uksgacommunications@gmail.com.

New 'Corporate Games' Event Encourages Healthy Lifestyles



Competition Events

Participatory Events:

- Wellness walk
- Football throw
- Field hockey shot
- Frisbee toss
- Basketball shootout
- Soccer kick
- Cornhole toss
- Parallel parking

Competitive Events:

- Softball home run derby
- Mile run
- Obstacle run
- Tug of war
- Tennis skills
- Dodge ball
- 3x3 basketball

Good Sports Activities:

- CEO selfie
- Sports equipment drive
- Food drive
- Team t-shirt contest
- Team tailgating contest
- Hopscotch drawing contest

AS part of an effort to support the importance of a healthy and active lifestyle, the Louisville Sports Commission has created a new health and wellness initiative designed to bring together employees from businesses and organizations across the Louisville and Southern Indiana region for a day of friendly competition and employee camaraderie.

The Corpo-

rate Games will be comprised of 15 events, some highly competitive and others geared toward participation to get people moving, along with activities that foster company spirit.

"Many companies support active lifestyles through corporate wellness programs, and the Corporate Games provides local businesses another opportunity to encourage and celebrate their employees' efforts," said LSC President and CEO Karl Schmitt. "The Corporate Games delivers a positive environment that encourages employee health and fitness, builds a sense of company spirit, and fosters teamwork and fun through participation."

The inaugural Corporate Games will be held 8:30 a.m. to 2 p.m. on June 3 on Kentucky Country Day's campus in Louisville. Participation is open to full and part-time employees – and their spouses – of companies located in Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer and Trimble counties in Kentucky and Clark, Floyd, Harrison, Scott and Washington counties in Southern Indiana.

Each company team will compete within one of four divisions based upon that company's total Louisville-area employment (full and part-time employees). Each company's team roster can include as few as 15 participants or up to 100 participants.

In addition to the Participatory and Competitive events, there also will be an Adult Fun Zone that includes a Warm-Up Pit and Pro Football Combine Simulator. The Warm-Up Pit highlights "old school" exercises such as jumping jacks, windmills, knee bends and the one-legged cross. The Combine Simulator is comprised of a 40-yard dash, bench press, vertical jump, standing broad jump, three-cone drill and shuttle run. Additional opportunities to get active include yoga, Zumba, boot camp, hopscotch and jump rope.

Employees who are not able to compete can participate through volunteer opportunities. Companies that provide at least five volunteers will receive points toward their teams' overall scores. While it is intended that volunteer recruitment be focused on employees, family members are welcome to participate to support a company's volunteer efforts.

For companies interested in receiving additional recognition during the Corporate Games, there are three sponsorship levels available. Each sponsorship includes team registration, as well additional benefits.

Companies interested in sponsorship opportunities or participation can contact Stephanie Chalko at (502) 736-3498 or schalko@louisvillesports.org.

A New Twist on the Bourbon Craze: Interactive Cocktails

THE fascination with all things bourbon-related continues to grow, with the latest addition being a "premier tableside cocktail experience," introduced at the Jim Beam Urban Stillhouse in downtown Louisville.

Featuring classic and contemporary drinks created by a "cocktail concierge," the program marks an evolution of Jim Beam's downtown Urban Stillhouse and celebrates one of the first Kentucky bourbon distilleries to offer cocktails for visitors. The tableside experience com-



Guests at Jim Beam's Urban Stillhouse in Louisville can learn how to mix up specialty cocktails from Beam's master mixologists.

bines select Jim Beam bourbons with a trio of non-alcoholic mixers, garnishes and glassware to help legal purchase-age guests craft the perfect drink. Featured bourbon cocktails rotate monthly.

"In addition to enjoying a cocktail in a special location, we're educating our guests about how to enjoy our brands at home," said Kim Bennett, senior director of Kentucky Beam Bourbon Experiences for Beam Suntory. "Whether stirring up a Jim Beam bourbon mint julep for your Derby party or mixing a Knob Creek bourbon whiskey sour at your next barbeque, our cocktail team will teach you how to impress friends and family with newly attained skills and knowledge."

The new guest offering is anticipated to boost traffic and enhance Louisville's Fourth Street experience while promoting responsible consumption.

KENTUCKY PEOPLE

FRANKFORT: MASONIC HOMES OF KENTUCKY HONORED FOR 150 YEARS OF SERVICE



Leaders from Masonic Homes of Kentucky and longtime Kentucky Masons traveled to Frankfort on Feb. 23 to take part in a Day at the Capitol with legislators, who honored the organization for their legacy of giving and charity. First established to care for families affected by the devastation of the Civil War, Masonic Homes has evolved to become an expert in modern aging care and other specialized services for people of all ages and operates campuses in Louisville, Shelbyville and Northern Kentucky. Pictured here at the award presentation are (left to right): Curtis Johnston, Jean West, John Sammons, Carroll Dorroh, Ron Caughron, Rick Nation, Tim Sanders, Lt. Governor Jenean Hampton, Masonic Homes of Kentucky President and CEO Gary Marsh, Bob Davenport, Wendell Littlefield, Harold Armstrong, Joe Conway, Geary Laird, Gary Rose and Masonic Homes of Kentucky COO J. Scott Judy.

PAINTSVILLE: AMERICAN METAL WORKS OPENS NEW SITE AT BIG SANDY CTC



Big Sandy Community and Technical College and the Paintsville/Johnson County Chamber of Commerce held a ribbon cutting on March 17 for American Metal Works' new site on the Mayo campus of the college. Pictured at the event are (left to right) James Glass, co-founder of American Metal Works; Kelli Chaney, dean of career education and workforce development for BSCTC; Dennis Rohrer, co-founder of American Metal Works; and Danny Tonkin, director of business and industry at BSCTC.

LEXINGTON: DONATIONS HELP EXPAND ST. JOSEPH EAST CANCER CARE CENTER



The Saint Joseph Hospital Foundation, part of KentuckyOne Health, has received \$40,000 in donations to help expand the KentuckyOne Health Cancer Care Center at Saint Joseph East Hospital in Lexington. The gifts were made in memory of Lesa Taylor, a former patient who passed away from breast cancer in 2014. The Lexington Cancer Foundation, Traditional Bank, and family and friends of Lesa Taylor all contributed to help create a satellite pharmacy and a new consultation room named to honor Taylor. Pictured here at the ribbon cutting are Taylor's husband, Jamie, and sons Jimmy, Colby and Will.

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