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Page 30



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AG = ECONOMIC DEVELOPMENT

Agriculture and business are a natural fit for one another. The Kentucky Department of Agriculture and Kentucky Proud are working to bring them closer together.



Kentucky Department of Agriculture photos

The Kentucky Department of Agriculture (KDA) is working with the Commonwealth's business and manufacturing sectors to raise demand for Kentucky farm products.

In June, the KDA joined the Kentucky Association of Manufacturers (KAM) to host three economic development forums across the state. The Linking Agriculture for Networking & Development (LAND) forums were held in Owingsville, Shelbyville, and Princeton. The forums were made possible through the financial support of the Kentucky Agricultural Development Fund and other regional sponsors.

"These forums brought together various agricultural and manufacturing interests to talk about how they can work together," Commissioner Quarles said. "We will continue this discussion going forward as we seek to expand agriculture's role as an economic development tool that will generate income and jobs in all parts of Kentucky."

Agriculture Commissioner Ryan Quarles addresses a capacity crowd for the second of three LAND meetings at Jephtha Creed Distillery in Shelby County in June.

"We are proud to be a part of this initiative," said Greg Higdon, president and CEO, Kentucky Association of Manufacturers. "Using raw agricultural products to develop value-added products downstream can produce new economic opportunities to help support and grow both individuals and communities in Kentucky's rural areas."

Each forum featured presentations from Commissioner Quarles, Higdon, regional agricultural leaders, and industry management discussing successful collaborations and referencing resources to foster additional development. Each program included a Kentucky Proud lunch with locally sourced farm ingredients and networking opportunities for Kentucky Proud members.

PUBLICATION TOUTS KENTUCKY'S ADVANTAGES

The KDA also collaborated with the state Cabinet for Economic Development on a publication that shows the Commonwealth's assets as a location for agriculture- and food-related businesses.

"Kentucky's climate, soils, location, infrastructure, workforce, and low energy costs make it an ideal location for any food-production business," Commissioner Quarles said. "This publication will show business prospects that Kentucky has everything they need to succeed."

Among the facts in the publication:

- Kentucky is within one day's drive or a two-hour flight from two-thirds of the U.S. population.
- Kentucky is a major poultry- and egg-producing state with more than \$1 billion in farm cash receipts a year.
- Kentucky is the leading beef cattle state east of the Mississippi River.
- Kentucky is in the top 15 states in the production of corn, soybeans, and wheat.
- Kentucky's labor costs are 18 percent below the U.S. average.
- Kentucky is a "right to work" state as a result of legislation passed in the 2017 state legislative session.
- Kentucky's industrial electricity rates are among the lowest in the nation.
- Kentucky is home to UPS and DHL cargo hubs with a third global hub, Amazon Prime Air, announced in 2017.

"Kentucky has a rich agricultural heritage, but we also are well-positioned for a prosperous future," Commissioner Quarles said. "The Kentucky Department of Agriculture and the Kentucky Cabinet for Economic Development stand ready to work with food and beverage businesses that want to make this their new Kentucky home!"

"Kentucky caters to the food and beverage industry: Where business and agriculture partner for growth" is available in print and can be downloaded at <http://bit.ly/2uyitse>.



LAND

Linking Agriculture for Networking & Development



PUTTING HUNGER ON ICE

The Kentucky Hunger Initiative so far has yielded freezer donations for food pantries and legal protection for food donors

In every Kentucky community, urban and rural, there's a food insecurity problem. One in six Kentuckians is not always sure where their next meal is coming from. For children, the number is one in five. To help solve this challenge, agricultural lenders Farm Credit Mid-America and CoBank are providing chest freezers to more than 120 food pantries across the state.



Agriculture Commissioner Ryan Quarles addresses the audience at the Hunger Task Force regional meeting in Bowling Green in 2016.

The freezers will enable increased donation and distribution of Kentucky-raised beef, pork and poultry as part of Agriculture Commissioner Ryan Quarles' Hunger Initiative.

"I'm fortunate to represent a state that is blessed with an abundance of food," said Commissioner Quarles. "The best way to address hunger is to build stronger bridges between our farmers and our community of hunger relief organizations."

One year ago, Commissioner Quarles launched the Kentucky Hunger Initiative, an innovative program that works to identify food solutions for Kentuckians who need it most. Working with the Kentucky Association of Food Banks (KAFB), the Kentucky Department of Agriculture's Hunger Initiative represents a collaboration of farmers, educators, restaurateurs, food distributors and

chefs. This includes identifying areas of cooperation between Kentucky Proud members and nonprofits.

One of the snags that the Hunger Initiative and the food banks encountered was the lack of cold storage at food pantries for food requiring refrigeration.

"Our organization works hard to provide healthy food to citizens throughout Kentucky," said Tamara Sandberg, executive director of the KAFB. "When we have generous farmers and commodity organizations willing to help, it's unacceptable to say, 'I'm sorry, but we can't accept your donation of protein because we don't have the ability to store it safely until it can be distributed.'"

THANKS TO FARM CREDIT, COBANK

"I'm grateful to Farm Credit and CoBank for recognizing this need and investing in this agricultural program," Quarles said. "We're really just getting started in the fight against hunger in the state, but they are helping us move the needle."

"Farm Credit has been a long-time supporter of our Farms to Food Banks program, a program that directs fresh produce to food banks, and has been a wonderful partner in the fight against hunger in Kentucky," said Sandberg. "This additional gift is an example of the private sector working with the public sector to make a measureable and meaningful impact in the communities they serve."

Farm Credit Mid-America Senior Vice President Mark Barker said the donation aligns with Farm Credit's and CoBank's purpose of securing the future of rural communities and agriculture by investing in the communities where they and their customers live and work.

"As agricultural financial services cooperatives, providing the financial resources for farmers to produce healthy and nutritious food ultimately helps achieve our purpose," he said. "Both our organizations are proud to support Kentucky farmers and their generosity."

"Our nation's farmers and ranchers are literally feeding the world, yet there are still children in our communities

who go hungry," said Derrick Waggoner, regional vice president for CoBank. "The Kentucky Department of Agriculture and the state's producers are committed to changing that, and both CoBank and Farm Credit Mid-America are committed to helping."

HUNGER INITIATIVE SEEKS SOLUTIONS

The Kentucky Hunger Task Force, part of Commissioner Quarles' Hunger Initiative, held 10 regional meetings throughout the Commonwealth in 2016 and convened in the fall to review some of the findings of those meetings. Commissioner Quarles reported that 510 people from 97 counties and 78 organizations attended the regional meetings.

Among other things, the regional meetings revealed that some businesses and individuals were hesitant to donate food for fear of legal liability. As a result, the Kentucky General Assembly passed legislation in early 2017 providing a legal immunity shield for businesses and individuals that donate to food banks as well as landowners who allow gleaners to come onto their land to pick vegetables and fruits for the hungry.

Map the Meal Gap 2017, an annual study by Feeding America, revealed that one in every six Kentuckians – including one in five children – was food insecure in 2015, meaning that consistent access to adequate food is limited by a lack of money and other resources at times during the year.

For more information about the Hunger Initiative and the Hunger Task Force, go to kyagr.com/hunger.



DOUBLE DOLLARS IS A HOME RUN

KDA, Kentucky Proud help low-income families buy fresh foods while boosting sales of Kentucky farm products



Agriculture Commissioner Ryan Quarles, above, and Martin Richards, executive director of the Community Farm Alliance, applaud as the Double Dollars logo is unveiled in June in Lexington.

Two regional programs to help Kentucky's hungry are now one program with a statewide reach thanks to new federal, state, and private-sector funding. Kentucky Double Dollars will enable more low-income families in 22 counties from Pikeville to Murray to double their purchasing power at participating farmers' markets and retail stores.

Kentucky Double Dollars merges and expands programs already offered by Community Farm Alliance (CFA) and Bluegrass Farm to Table (BGFtT). The popular Double Dollars Programs merged under this effort will receive an infusion of \$602,000 over four years from the U.S. Department of Agriculture's Food Insecurity Nutrition Incentive and \$262,000 over two years from the Kentucky Agricultural Development Fund, public and private partners announced in a joint news conference in Lexington in June. Along with funding from WellCare and BB&T, the popular program will have almost \$300,000 available this year to help Kentucky families receiving government nutritional assistance to buy more fresh foods produced by local farmers.

for producers. Congratulations to CFA and its partners for securing the funding to expand this effective and important program."

The Bluegrass Double Dollars program started in Lexington as part of Bluegrass Farm to Table, which connects Kentucky farmers with new market opportunities for locally grown foods, said Ashton Potter Wright, Manager of Bluegrass Farm to Table. "We're excited to see the program expand statewide," Wright said.

This season, 27 Kentucky farmers' markets, 12 Fresh Stop Markets (in Lexington and Louisville), and two Lexington-based retailers (Good Foods Co-op and Lexington Market East End) are offering Kentucky Double Dollars. Many of the farmers' markets are Kentucky Proud members, meaning consumers keep dollars close to home when making purchases.

Community Farm Alliance's Double Dollars Program has also received support from WellCare Health Plans and BB&T. Bluegrass Double Dollars has also received support from the City of Lexington, the Kresge Foundation, Farm Credit Services of Mid-America, Fayette County Farm Bureau, Good Shepherd Episcopal Church, and many generous private donors.

"The Double Dollars Program helps achieve one of the key goals of our Hunger Initiative – to make fresh local foods accessible to more Kentucky families," Agriculture Commissioner Ryan Quarles said. "It also increases sales at Kentucky farmers' markets, creating new income

Kentucky Department of Agriculture photo

A BREWING PARTNERSHIP

Craft beers will include Kentucky farm products

Kentucky brewers, Kentucky Proud producers, and Kentucky State University (KSU) will produce craft beers infused with locally grown ingredients that will be released this fall.

"This collaboration will produce agricultural products that add value to the individual ingredients," Commissioner Ryan Quarles said. "This is a great example of Kentucky Proud farmers and small businesses helping each other. We were pleased to play a role in bringing this project together."

"This venture will support small family farms and small businesses in new economic activity, as well as bring a unique Kentucky fruit, the pawpaw, and blackberry, the Kentucky state fruit, to consumers in new value-added products," said Dr. Kirk Pomper, director of Land Grant Programs at Kentucky State University.

The craft beers will be released Oct. 12-14 during Kentucky Proud Beer Week.

The Kentucky Proud ingredients and the brewers that will be using them include:

- Pawpaws – Rooster Brewing, Paris, and Rock House Brewing, Lexington; West Sixth Brewing and Ethereal Brewing, both of Lexington;
- Blackberries – Gordon Biersch Brewery Restaurant and Great Flood Brewing Co., both of Louisville; Jarfly Brewing Co., Somerset, and Paducah Beer Werks;
- Hops – Country Boy Brewing, Georgetown, and Monnik Beer Co., Louisville; Mile Wide Beer Co. and Falls City, both of Louisville.

Ingredients sourced in Kentucky

The pawpaws will be sourced from multiple Kentucky growers. The blackberries will come from KHI Foods in Burlington. The hops will be provided by members of the Kentucky Hop Growers Alliance.

Kentucky State's Fruit and Vegetable Mobile Processing Unit will be used to process the fruit into a form that the brewers can easily use in their craft beers.

Kentucky's craft brewing industry has exploded in the last few years. In late 2016, Kentucky had 40 craft breweries, up from 11 just five years earlier.

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When Kentucky Proud products are on a restaurant's menu, it means fresher, better-tasting food and more satisfied customers. Using local ingredients also helps Kentucky farm families and small businesses. For more information go to KentuckyProud.com.



24 KENTUCKY WANTS TO GROW ITS AG MANUFACTURING

Expanding state's crop of processors will increase yield for a \$46 billion sector

27 TAKING UP THE TOURISM REINS

Horse Country Inc. spurs best practices for equine hospitality sector

30 COVER STORY ESOP CAN SPELL SUCCESSION SUCCESS

When the fit is right, employee ownership strategy benefits all and strengthens company

33 TIME IS MONEY, FLIGHTS ARE GOLDEN

Louisville launching guaranteed revenue plan to attract more direct air service to Kentucky

38 WOMEN WORTHY OF NOTE

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



On the Cover

Employee Stock Ownership Plans are an effective succession strategy for companies with the right profile, generally established companies with stable personnel. ESOPs offer tax advantages and tend to promote increased productivity.

Photo illustration by Paul Blodgett

Departments

8 Perspective

10 Fast Lane

16 Interstate Lane

17 Kentucky Intelligencer

18 Corporate Moves

19 On the Boards

20 Lane One-on-One:
Russell Cox
President and CEO,
Norton Healthcare



44 Emerging Lane

46 Lane List

47 Opinion

48 Exploring Kentucky

50 Passing Lane

52 Kentucky People



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PERSPECTIVE

GET TO WORK CONGRESS

American workers need a
functional federal government

BY PAT FREIBERT

THE White House wasted no time in delivering on several significant Trump campaign commitments: Achievements include early confirmation of his Supreme Court appointment; regulatory reforms; energy initiatives; environmental initiatives; confirmation of his cabinet secretary appointments; and the biggest victory by a president in a generation in the Supreme Court's 9-0 decision upholding the essence of his executive order protecting Americans from unchecked immigration from a handful of countries acknowledged to export terrorism and terrorists.

The pace has now slowed significantly with the opposition party (aided on occasion by a handful of members of his own party) deliberately stalling action on the president's initiatives. Dozens of presidential appointments have still not received confirmation hearings, and getting these positions filled is a key to efficient governing.

Undermining the president, and open hostility to his initiatives may pacify the rabid base of one political party, but it contributes in no way to a functional federal government. Too many important issues await debate and action to waste time on petty politics and endless preoccupation with issues of little interest to most Americans. What makes sense is getting down to the nuts and bolts of solutions for our nation's challenges such as tax reform, healthcare reform, national security readiness and improving the nation's economy.

Not the least of national importance is the issue of terrorism unleashed on Americans here on our own soil. Case in point: Congressman Steve Scalise, majority whip in the U.S. House of Representatives, is still facing a long recuperation after being shot along with a number of other Republican lawmakers while practicing on a ball field near the Capitol.

Americans must set examples of respect for each other's political beliefs and differences. Respect and tolerance in this regard must be taught at home and in schools. Respect and support for those enforcing our laws is also necessary in our free society.

Meanwhile, back in Congress, there are too many vacations and "August recesses" for its members, while the nation's work is not getting done. Recent consideration for canceling their "August recess" was welcome news and almost unheard of.

Another congressional perk is their very own special health insurance while the nation's other citizens must navigate the vagaries, escalating expense and diminishing choice of "ObamaCare" health insurance. Does the electorate remember the promises of members of Congress "to live under the same health insurance" as their constituents? What a struggle this health insurance issue has been for America's workers and employers. How many members of Congress "live under" ObamaCare health insurance and restrictions?

The economy is far more important to Americans than "August recesses" and time off work for members of Congress. Members should remain at work until they make progress in improving the economy.

Some of the "jobless problem" can be attributed to the fact that the U.S. never experienced a year of economic growth above 3 percent under Obama. The average growth for those 8 years was 2 percent, ending at 1.6 percent – though every Obama budget forecast confidently predicted growth of at least 3.4 percent and as high as 4.6 percent for the years of 2009-2014. It never happened, of course, and that matters because economic growth equals jobs, and U.S. workers need more, good-paying jobs. We still have approximately 100 million "working age" Americans not working. In fact, Washington currently spends \$1 trillion each year paying people not to work.

Talented, award-winning economists stand ready to assist President Trump with his plan for economic growth and a brighter future. But most of President Trump's early achievements have come through executive action and without legislative support from Congress.

As President Obama learned, there are limits to what a president can achieve without the collaboration of Congress. It is time for Congress to do the work its members were elected to do and create an environment that allows job creation and greater and sustainable economic growth. ■



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



Which of these products is Kentucky-made?

Spoiler Alert: they all are.

The menu of food and beverage items grown or made in Kentucky is impressive. Regardless of the meal being eaten, there's a good chance some of it came from Kentucky.

Our thriving food and beverage industry is just one reason why Kentucky has become the center of manufacturing in the U.S. Our new right-to-work status helps too.

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STATE: KY HOPES NEW MALPRACTICE SUIT REVIEW PANELS TO STEM FRIVOLOUS SUITS UPS PRACTITIONER NUMBERS



Pixabay photo

FOLLOWING the passage earlier this year of Senate Bill 4, Kentucky has officially established medical review panels (MRP) to review claims of malpractice against health care providers before any legal action can be filed in court. The goal of the review panels is to help weed out unfounded or frivolous lawsuits.

Any person alleging malpractice against a health care provider or institution must first bring a proposed complaint to the medical review panels branch within the **Cabinet for Health and Family Services**, before filing the

claim in a Kentucky court. The MRPs will serve as a precursor to filing a medical malpractice action in court and will be staffed by an attorney and three Kentucky-licensed health care providers to provide a peer-reviewed assessment of each case. Health care providers included in the statute are broadly defined. They include, but are not limited to, physicians, dentists, pharmacists, social workers and nursing homes.

"Medical Review Panels are a small step toward stemming the flow of medical practitioners out of our state," said the bill's sponsor, Sen. Ralph Alvarado. "The lack of health care providers in our commonwealth can be largely attributed to the litigious-friendly climate in which we have found ourselves in recent years due to the absence of tort reform."

No matter the outcome of the opinion, the plaintiff retains a right to pursue a medical malpractice claim in a court of competent jurisdiction after the final MRP opinion is rendered. If the plaintiff chooses to file a civil complaint following the MRP review, either party may move the trial court to admit the MRP opinion as evidence in the same manner a party would move to admit the testimony of an expert witness.

"Making sure patients can pursue legal action in the event of medical malpractice is an important part of securing justice for those harmed by the health care system. However, it is equally important that providers be protected from frivolous or unfair claims," said CHFS Deputy Secretary Judge Timothy Feeley. "MRPs will ensure there is an adequate basis for civil action before a case is pursued in court."

STATE: \$30 MILLION IN FEDERAL FUNDING EARMARKED TO REVITALIZE AREAS IMPACTED BY COAL'S DECLINE

THE U.S. **Department of Commerce** has made \$30 million in funding available to directly assist communities and regions severely impacted by the declining use of coal.

The assistance will come in the form of activities and programs that support economic diversification, job creation, capital investment, workforce development and re-employment opportunities. Under the 2017 **Assistance to Coal Communities** initiative, the Commerce Department's Economic Development Administration is seeing applications for projects that will meet one or more of the following objectives:

- Support the creation of new businesses and jobs in a variety of industry sectors.
- Create or implement economic diversification strategies targeting affected workers and businesses.
- Develop a business incubator program.
- Enhance access to and use of broadband services to support job growth.
- Facilitate access to private capital investment and provide related capacity building and technical assistance.
- Promote market access for goods and services created and manufactured by businesses in the impacted community/region.

Prospective applicants are encouraged to refer to the Notice of Funds Availability (NOFA) section on [grants.gov](https://www.grants.gov) for more details, including eligibility, matching-fund requirements and other information. For additional information about ACC 2017, visit the EDA's ACC 2017 webpage at: eda.gov/coal.



WURLAND: WRIGHT-MIX TO INVEST \$8.5M IN GREENUP PLANT, CREATE 130 JOBS

WRIGHT-Mix Material Solutions is investing \$8.5 million to locate a new production facility at the river port in Wurland that will bring 130 full-time jobs to the area.

Wright-Mix uses state-of-the-art blending equipment and robotics to provide customers with a variety of products, including liquid-based chemicals, non-shrink grouts, thin-skin liners, gunite, shotcrete and cement-based products packaged in bags, super sacks, buckets and a variety of other options specific to customers' needs. The products are used in construction, mining, tunneling, drilling and other industries. Wright-Mix currently ships throughout the United States, Canada, Mexico, Bahamas, Australia and South Africa.

Wright-Mix is renovating an existing building at the **Greenup/Boyd Riverport** at Wurland, increasing its size to 80,000 s.f. and preparing it for fully automated toll blending and bagging operations. According to *The (Ashland) Daily Independent*, the Greenup-Boyd Riverport Authority has owned the property since 2013, when **Sun Chemical** sold it after closing its pigment-production plant.

Wright-Mix also plans to construct storage facilities to house raw materials and finished products. Work is scheduled to begin this month and the facility could start operations by January.

Wright-Mix will receive raw materials via barge, rail and truck and ship its finished products by truck and train. Company owners noted access to the Ohio River and rail service as determining factors in the decision to locate in Greenup County. A nearby quarry also played an important role in the site-selection process.

"We feel the location fits our distribution needs and the 50-acre size of this property will allow us to grow our multiple companies going forward," said Shannon Wright, president and CEO.

Wright and his brother Kendall founded **Wright Concrete & Construction Inc.** in 1998 in Pikeville and have grown their portfolio to include more than 20 companies. They established Wright-Mix in 2011.



Wright-Mix photo

Wright-Mix produces a variety of cement-based products and liquid-based chemicals for customers around the world.

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BUSINESS BRIEFS

ASHLAND

■ **Kentucky Power** has filed an application with the Kentucky **Public Service Commission** seeking a regulatory review of base rates. Kentucky Power maintains that new rates are necessary due to a struggling regional economy that has resulted in the decrease of some 2,000 residential and 450 industrial and commercial customers, causing a 14.2 percent drop in kilowatt usage in the last three years. If approved, Kentucky Power says the increase would help fund additional investments in economic development and workforce training; increased contributions to assist low-income customers; and new investments in transmission and distribution systems.



BARDSTOWN

■ **Heaven Hill Brands** has acquired Carolan's **Irish Cream Liqueur** and **Irish Mist Liqueur** through the purchase of **TJ Carolan & Son Ltd.**, a wholly owned subsidiary of **Gruppo Campari**. Carolan is one of the largest-selling Irish cream whiskey liqueurs worldwide. Heaven Hill, headquartered in Bardstown, has a diversified portfolio of products that includes **Evan Williams** bourbon, **Burnett's** vodkas and gins and **The Christian Brothers** brandies.

BOWLING GREEN

■ **Bluegrass Supply Chain Services**, a Bowling Green-based third-party logistics provider, is investing more than \$1.78 million to lease and upfit a building in Park City for office and warehouse space, and investing more than \$1.57 million for similar upgrades in its existing Shepherdsville location. The projects will create 27 and 24 full-time positions, respectively. Founded in 2002, BSCS provides warehousing, quality support, light assembly and transportation management services to customers across four states. In addition to its Bowling Green and Shepherdsville locations, BSCS operates a 49-job facility in Russellville. The new jobs will bring BSCS' total Kentucky employment to about 590.

CASEY COUNTY

■ Casey County has been approved for a \$1 million community development block grant to purchase equipment that will be leased to **Tarter Farm and Ranch Equipment**. Founded in 1945, Tarter manufactures farm gates, corrals, tractor implements, livestock feeders, trailers, fencing supplies, and other farm-related equipment. Tarter anticipates the financed equipment will create nearly 50 full-time jobs in Casey County.

ERLANGER

■ **Frontier Airlines** has announced a major expansion of flight service out of the **Cincinnati/Northern Kentucky International Airport**, adding six new nonstop destinations: Seattle, Miami, San Antonio, Austin, Jacksonville and Raleigh/Durham. Flights to Miami will begin Oct. 5 and operate on Tuesdays, Thursdays and Sundays. Flights to Seattle, San Antonio, Austin, Jacksonville and Raleigh/Durham will start in the spring 2018, with ticket sales beginning in late August. Frontier began service from CVG in May of 2013 with one daily flight to Denver; with the addition of the newly announced routes, the carrier will provide nonstop service to 22 destinations.



DANVILLE

■ **Adkev Inc.** is investing more than \$15 million to locate a new plastic injection-molding operation in Boyle County that is expected to create 70 full-time jobs. Adkev plans to locate its operations in a 190,000-s.f. facility that previously housed **Caterpillar Inc.** The Danville plant will produce automotive HVAC, electronic and trim components. The company plans to purchase the building by year-end, complete a refurbishment, then open by mid-2019. Founded in 1987 and headquartered in Goodland, Ind., Adkev manufactures products for the automotive, appliance and industrial markets. The company also operates a facility in Monticello, Ind., employing more than 350 employees across its two locations.

LOUISVILLE: HEALTH, BUSINESS JOBS MOST IN DEMAND, SAYS GLI/UofL STUDY

AFTER several months of research by the contracted firm **IQS Research** and the **University of Louisville, Greater Louisville Inc.** (GLI), the Metro Chamber of Commerce, has pinpointed the types of open positions Greater Louisville must fill to grow its population and local economy.

An overwhelming 90 percent of the current open positions in Greater Louisville requiring an associate degree or further education are in the Business Services and Healthcare & Innovation clusters, with the most sought-after positions including:

- Registered Nurses
- General and Operations Managers
- Sales Representatives, Wholesale and Manufacturing
- Accountants and Auditors
- Business Operations Specialists
- Software Developers, Applications
- Financial Managers
- Claims Adjustors, Examiners, and Investigators
- First-Line Supervisors of Construction Trades and Extraction Workers
- Management Analysts

The research found that middle-aged, educated individuals most often hold these positions. Since a larger segment of population of the United States is aging out of the workforce in the next decade, Greater Louisville Inc. is working to attract and retain more educated, working-age (25-54 years-old) people to make their homes in the Greater Louisville region.

Further study of economic trends indicates that the following jobs have the highest projected growth (4 percent or more) over the next several years within Greater Louisville:

- Registered Nurses
- Personal Financial Advisors
- General and Operations Managers
- Accountants and Auditors
- Software Developers, Applications
- Management Analysts
- Computer Systems Analysts
- Business Operations Specialists
- Claims Adjustors, Examiners and Investigators
- Financial Managers



Registered nurses continue to be highly sought after in the Louisville job market and the nursing field is projected to see significant growth in the area over the next several years.



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

If you have news to share with Kentucky's business community, please forward your press releases and photos/logos/graphics to editorial@lanereport.com. In order to reproduce well, images must be large enough to publish in high resolution (300 dpi).



LOUISVILLE: KINDRED TO SELL ITS SKILLED NURSING BUSINESS FOR \$700M IN CASH

LOUISVILLE-based **Kindred Healthcare Inc.** has signed a definitive agreement to sell its skilled nursing facility business to **BM Eagle Holdings** for \$700 million in cash.

The sale includes 89 nursing centers with 11,308 licensed beds and seven assisted-living facilities with 380 licensed beds, which collectively have approximately 11,500 employees in 18 states.



Kindred President and CEO Benjamin A. Breier called the agreement “an historic milestone for all of Kindred’s stakeholders.”

“Exiting the skilled nursing facility business, in its entirety, has been a long-stated goal of our enterprise,” said Breier. “After more than two decades of nursing-center operations, this announcement clears the way to closing that chapter of Kindred’s story, and turning the page to the future of integrated post-acute care. The exit and sale of our nursing-center operations significantly enhances shareholder value, shifts attention to our higher margin and faster growing businesses, and advances our efforts to transform Kindred’s strategy. Upon completion of this transaction, we believe Kindred’s capital structure, leverage profile and operating performance will all be markedly improved.”

Kindred expects to close on the transaction by the end of the year.

ALBANY: PLANS FOR ROWENA MARINA ON LAKE CUMBERLAND GETS CORPS’ OK



Lt. Col. Stephen Murphy, commander of the U.S. Corp of Engineers Nashville District, right, welcomed Marina of Rowena managing partners Tony Sloan (left) and Tom Allen during a signing ceremony on July 5 for the new Lake Cumberland marina.

THE U.S. Army Corps of Engineers has signed a lease agreement allowing work to move forward on the construction of new marina at Lake Cumberland, near Wolf Creek Dam.

The **Marina at Rowena** will be located on Lake Cumberland in Russell and Clinton counties, just north of Albany, Ky.

“This site was envisioned by government planners in 1949 as a very strategic location for a future marina and recreational development,” said Tony Sloan, who with marina partner Tom Allen has been working on the project for nearly 10 years. “This site consists of over 400 acres within the lease plus 2,000 contiguous acres for the public’s enjoyment.”

The site of the new marina is accessible from State Highway 90 via State Road 558, an asphalt road that ends at the abandoned Rowena Ferry site, where a large boat-launching ramp is located.

With the lease signed, Sloan and Allen will be building a parking lot and boat-launching ramp during the first year of development. The second year will bring construction of the main dock, which will include 121 boat slips and a café.

The Marina at Rowena will become the ninth marina to operate and serve Lake Cumberland.

BUSINESS BRIEFS

FRANKFORT

■ **Kentucky State University** has received a three-year, \$147,469 grant from the U.S. Department of Agriculture to partner with high schools on improving STEM (science, technology, engineering and mathematics) skills, particularly agriculture and aquaculture. KSU has already committed to working with high schools in Frankfort, Ashland, Louisville, Maysville, Manchester, Cynthiana and Carrollton. KSU will also collaborate with **Alltech** and the **Newport Aquarium’s** WAVE Foundation to host a multidisciplinary Open House Ag-STEM Day event at Kentucky State’s Aquaculture Research Center in Frankfort, which will also expose students to the educational and career opportunities in agricultural sciences.

HIGHLAND HEIGHTS

■ **Northern Kentucky University’s** College of Health Professions has created a new bachelor’s degree program in radiation therapy that will begin this fall to help fill a national and regional need. Radiation therapists treat cancer and other diseases in patients by administering radiation treatments in hospitals, offices of physicians and outpatient centers.

LEXINGTON

■ In response to increasing requests, the **University of Kentucky** is now offering an online master’s program in retailing and tourism management, providing professionals already working in the industry the opportunity to advance their careers without stepping away from the workforce. The online program will require an internship instead of the traditional master’s thesis. The application deadline for the upcoming semester is Aug. 22.



STOLL · KEENON · OGDEN

■ The law firms of Lexington-based **Stoll Keenon Ogden** and Evansville, Ind.-based **Bamberger, Foreman, Oswald & Hahn** have announced plans to merge, effective Sept. 1. The merged firm will operate as **Stoll Keenon Ogden PLLC**, and will have 144 attorneys with offices in Louisville, Lexington and Frankfort, Ky.; Indianapolis and Evansville, Ind.; and Pittsburgh, Pa. The 10 attorneys at Bamberger’s office in Evansville will relocate to the SKO office in Evansville, for a combined Evansville presence of 17 attorneys.

■ Eyeglass retailer **Warby Parker** has opened its first Kentucky location at **The Summit at Fritz Farm**, a new retail center in south Lexington. The new store features three murals by Lexington artist Ben Wiseman, with interior details reminiscent of a classic library.



■ **Cork & Barrel** is the newest retailer to open at **Blue Grass Airport**, providing those traveling through the airport the opportunity to purchase spirits from iconic Kentucky distilleries after going through security and take them on-board in their carry-on luggage. Working with master distillers, special “barrel picks” are personally selected by Cork & Barrel and offered for sale. Fewer than 200 bottles are typically filled from a single barrel and are branded with special labels. The one-of-a-kind bourbons cannot be bought elsewhere and will be an exclusive offering for passengers at Blue Grass Airport. In addition to bourbon, fine wines from across the country will be offered as well as bourbon-themed products such as jewelry, apparel and culinary products.

LOUISVILLE

■ The **University of Louisville’s** Brandeis School of Law is introducing an online certificate program in September to help health care workers hone their legal finesse and professional credentials. The Certificate in Health Law is a series of nine courses offered by Brandeis in collaboration with **iLaw** and will be taught by UoL faculty, legal professionals in the industry and practicing attorneys. Applicants do not need an undergraduate degree to qualify. Certificate offerings include a suite of 11 courses and enrollees can create a customized certificate. The courses will tackle timely topics such as health-care fraud and abuse, end-of-life decisions, HIPAA, security and patient care issues. Most courses can be completed within 60 days.

BUSINESS BRIEFS



LOUISVILLE

■ **Allegiant Air** has announced plans to offer year-round nonstop flight service from Louisville International Airport to Phoenix-Mesa Gateway Airport. The new service will begin Oct. 4.

■ **Norton Healthcare** has announced a new apprenticeship for nurses that will provide educational and clinical experiences over 12 to 18 months to prepare students for a registered nurse role after graduation. Eligible students include nurses who are in their junior year of a Bachelor of Science degree in Nursing program or with one semester completed of an associate degree in nursing program. Tracy Williams, senior vice president and system chief nursing officer for Norton, said the program will reinforce nursing education while increasing students' self-confidence and understanding of the organizational structure and operations within the health care setting.

■ **Forbes** magazine recently ranked Louisville/Jefferson County as the nation's **best location for manufacturing jobs**. Since 2011, manufacturing employment in the area has expanded more than 30 percent to a total of 83,300 jobs. Most of those jobs (27,000) are in the auto industry.



Ford Motor Co. photo

■ The **Sullivan College of Technology and Design** has partnered with **Haas Factory Outlet** to open the new Haas Technical Education Center, which focuses on offering skills training and promoting careers in computer numerical control (CNC) machining. Unlike machinery that is controlled by hand, CNC machines are fully automated machine tools that are programmed to perform advanced manufacturing tasks. Manufacturers are currently reporting a shortage of skilled labor and according to the Bureau of Labor Statistics, the mean hourly wage for a CNC machinist is \$20.78; more experienced machinists can make \$50,000 to \$60,000 a year. SCTD will also offer short-term customized training for area employers looking to enhance their employees' skills.



UofL photo

■ In recognition of their support to the **University of Louisville Department of Pediatrics**, UofL has honored former **Yum Brands** Chairman David Novak and his family by naming its new pediatrics medical office building the **Novak Center for Children's Health**. The eight-story, 176,000-s.f. building is the first new health care facility in the **Louisville Medical Center** in nearly a decade. In addition to financial support toward the construction of the Novak Center for Children's Health, the Novak Family and the **Lift-A-Life Foundation** have been instrumental in the creation and growth of the Wendy Novak Diabetes Center, which will have its outpatient services based in the new facility.

■ **Frontier Airlines** plans to begin nonstop flight service between Louisville International Airport and Denver International Airport beginning in spring 2018. The flight will be operated with the 168-seat Airbus 320 aircraft.

■ Louisville-based quick-serve restaurant chain **Long John Silver's** plans to move its corporate headquarters to a larger space in Louisville's Forest Green Office Park this fall. Company executives say the larger space is needed to accommodate the needs of a growing company that has seen strong growth over the last two years and the acquisition of nearly 100 restaurants.

■ Louisville-based quick-serve restaurant chain **Long John Silver's** plans to move its corporate headquarters to a larger space in Louisville's Forest Green Office Park this fall. Company executives say the larger space is needed to accommodate the needs of a growing company that has seen strong growth over the last two years and the acquisition of nearly 100 restaurants.

MURRAY

■ **Vanderbilt Chemicals** is investing \$13.7 million to increase the output of its facility in Murray, where it produces additive compounds for the rubber, plastics, paint, paper, petroleum, personal care and other minerals industries. The expansion will include the addition of a new spray-drying system and a new building to house the equipment. Vanderbilt said it expects to complete the project by early 2019. The Connecticut-based company currently employs a staff of 97 in Murray.

EUBANK: \$3.2M AMMO CASINGS FACTORY TARGETS PULASKI COUNTY FOR 50 JOBS

ShellTech photo



ShellTech's new plant in Eubank will produce NAS³ cartridge cases.

SHELLTECH LLC, a newly formed high-volume manufacturing subsidiary of **Shell Shock Technologies**, is investing \$3.2 million to locate an ammunition shell casing factory in Pulaski County that will create 50 full-time jobs.

ShellTech's new facility in Eubank will manufacture lightweight, nickel-alloy and aluminum NAS³ cartridge cases designed by its parent company.

ShellTech is purchasing an existing 14,000-s.f. facility and 11 acres that was previously home to the contract manufacturer of **SIG SAUER** ammunition. ShellTech will assemble NAS³ cases under a long-term contract from its parent company.

Shell Shock is a component manufacturer supplying shell cases to the shooting sports market, as well as to U.S. and foreign ammunition manufacturers, law enforcement, military and other government agencies. (Neither Shell Shock nor ShellTech loads ammunition.) Craig Knight, president and CEO of both Shell Shock Technologies and ShellTech, said the new manufacturing facility will provide the company with the scale necessary to accelerate the market introduction and commercialization of the NAS³ case technology.

Shell Shock's two-piece NAS³ cases use a nickel-alloy cylinder mated to an aluminum base. The NAS³ design offers multiple advantages, including approximately 50 percent weight savings versus traditional brass casings; corrosion resistance; greater durability for hand loaders; and after firing, can be picked up with a magnet.

RADCLIFF: KY'S 4TH VETERAN'S HOME TO HAVE SPACE FOR 120, EMPLOY 200

KENTUCKY held an official opening ceremony on July 21 for the **Radcliff Veterans Center**, a new state veterans nursing home south of Louisville.

The RVC incorporates a community-living concept, which features four neighborhoods comprised of three 10-bedroom households. The design provides 120 veterans with a private room, private bath and family-style living room, dining room, kitchen and patio. A separate administration building houses recreation, therapy and other services.

The center will eventually employ over 200 staff members. The **U.S. Department of Defense** donated 194 acres of land from Fort Knox to the Commonwealth of Kentucky for RVC.

There are an estimated 56,000 veterans in Jefferson County; 16,000 in Hardin; 7,000 in Bullitt; and 5,000 in Oldham – more than a fourth of all the veterans in Kentucky.

The RVC is Kentucky's fourth state veterans home. **Thomson-Hood Veterans Center** in Wilmore opened in 1991, and **Eastern Kentucky Veterans Center** in Hazard and **Western Kentucky Veterans Center** in Hanson opened in 2002.



The new facility in Radcliff is Kentucky's fourth state veterans home.

LOUISVILLE: GROUP WANTS TO ATTRACT FLIGHTS WITH REVENUE GUARANTEES

CITING the importance of air service to a region's economy, a coalition of business, community and government leaders have formed a new organization aimed at bringing new, nonstop air service to **Louisville International Airport (SDF)**.



According to K Coleman Karleski, chairman of the newly formed **Louisville Regional Airlift Development (LRAD)**, the coalition was formed as a public/private partnership to work closely with the Louisville Regional Airport Authority (LRAA) to enable SDF to be more aggressive about competing for new nonstop passenger air service.

According to LRAD, the need for the increased service is evidenced by the fact that more than 500,000 passengers each year – representing nearly a third of Louisville's annual enplanements – currently drive to Cincinnati or Nashville for better air service options.

Community and business leaders are contributing to a fund that will incentivize airlines to develop new routes to serve Louisville. The initial focus will be on developing new nonstop service from SDF to Los Angeles and Boston.

"This is a huge opportunity to increase economic development opportunities," said Terry Gill, secretary of the **Kentucky Cabinet for Economic Development**, which is investing in the initiative. "Kentucky is a hot destination for business right now, but corporate executives tell us they need nonstop service in and out of Louisville. This is an aggressive step to meet their needs."

A listing of those named to serve on the board of directors for LRAD is featured on page 19.

WOODFORD COUNTY: KENTUCKY INVESTOR GROUP BUYS CASTLE POST FOR \$8.7M



The new owners of CastlePost say they plan to make the iconic landmark "even better" and hope to add a working farm that will supply a farm-to-table restaurant.

THE **Castle Post**, an iconic landmark in Central Kentucky, has been sold for \$8.7 million to a group of Kentucky investors led by Dr. Danny Bramer, an anesthesiologist at

the **University of Kentucky**, and Dr. Matthew Dawson, an emergency room physician at UK.

The purchase price includes the castle itself and the surrounding 50-plus acres. In addition to its 16 bedrooms and 17 bathrooms, the castle features tennis and basketball courts, a billiard room, library and banquet room.

The investors say their plans include establishing a working farm "that will honor the Kentucky farming tradition" and supply a farm-to-table restaurant.

The castle was originally built in the late 1960s by Lexington contractor Rex Martin Sr., but construction on the project stalled and remained unfinished for decades until Tom Post, a Miami lawyer who graduated from UK, purchased the property in 2003 for \$1.8 million. After a fire damaged the structure in 2004, Post rebuilt it and in 2008 opened it as a boutique inn and event space.

The new owners say the CastlePost name will remain in place and that all scheduled events will proceed.

BUSINESS BRIEFS

NORTHERN KENTUCKY

■ **Duke Energy** plans to build and operate three solar power plants on sites in Kenton and Grant counties that will produce energy delivered directly to customers. The company plans to begin construction this summer and hopes to complete the majority of the work by the end of the year. Once operational, the combined projects will generate about 6.8 megawatts, which at peak production can provide electricity for approximately 1,300 average-sized homes.



■ **Silent Brigade Distillery** is the newest and 34th member of the **Kentucky Distillers' Association**. Located in downtown Paducah, Silent Brigade offers several varieties of flavored moonshine and plans to produce a bourbon are now underway. The distillery also has a full-service bar and offers tours and tastings.

OWENSBORO

■ **Engineered Plastic Components** has filed papers with the state informing them of their intent to close their plant in Owensboro. In announcing the decision, company President and CEO Reza Kargazadeh cited a "recent loss of sales in Owensboro and the inability to secure sufficient replacement business." The closing, which is expected to be complete by October, will affect around 70 workers.

■ **Bimbo Bakeries USA** has announced plans to close its Owensboro location in September, eliminating 125 jobs. The bakery first opened in the 1930s and operated under the **Honey Krust, Colonial, Earth-grains** and **Sara Lee** names before being sold to Bimbo in 2011. The company said it is redistributing production to other bakeries in its system to better meet market demand.



Edwards photo

SHELBYVILLE

■ **Edwards Moving & Rigging Inc.**, a Shelbyville company that specializes in heavy hauling and rigging solutions for oversized loads, has created a new apprenticeship program in conjunction with the **Kentucky Labor Cabinet**.

The three-year program in specialized transportation and rigging will provide each participant with both the experience and training from equipment manufacturers to be an accomplished rigger. The program consists of 2,000 on-the-job training hours and 144 classroom hours per year. Edwards, which currently employs a staff of 120 at its Shelbyville headquarters, serves a variety of industries, including nuclear, petrochemical, manufacturing and automotive, and power generation.

WILDER

■ **Maxim Crane Works LP**, a leading crane rental and lifting services provider, is building a \$4.7 million office in Wilder that will create 100 new full-time jobs. Maxim has operated a regional headquarters facility in Wilder since 1937 and bases about 400 cranes there for quick deployment to customers across the eastern United States. The new 17,000-s.f. office building on the Wilder campus is being built in response to the company's growth projections, both organic and through acquisition, and is scheduled to open later this year. The building will house executive and administrative staff.

STATE

■ **Delta Dental of Kentucky** is investing \$1 million to launch five regional networks across Kentucky that will work to develop local, data-driven oral-health solutions to Kentuckians. The multi-sector networks will be comprised of business leaders, educators, and health professionals working together to solve problems and create viable oral health solutions for their communities.

■ **Radial Inc.**, which specializes in omnichannel commerce technology and operations, has announced plans to hire thousands of workers in Kentucky to support the upcoming holiday shopping season. The company is adding 3,750 workers between its fulfillment centers in Louisville and Shepherdsville and will hire another 4,100 for its centers in Richwood and Hebron, in Northern Kentucky. The majority of the positions are seasonal, but last year Radial converted more than a thousand of its seasonal jobs to full-time roles after the holidays.

INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Steel Dynamics**, one of the nation's largest steel producers, is investing more than \$75 million to expand its operations in Columbia City, Indiana. The expansion will allow Steel Dynamics to produce 240,000 tons of new steel products annually. Headquartered in Fort Wayne, Indiana, the company employs approximately 3,400 full-time workers in 15 cities throughout Indiana. The Columbia City expansion will add 33 new jobs to the 705-members staff there.

OHIO

■ **UnitedHealth Group** is opening a call center in Dublin, Ohio, in September that will create 700 new jobs for central Ohio. The positions will provide support to health providers and individuals enrolled in UnitedHealthcare, which serves nearly 2 million people throughout Ohio.



■ Ohio-based **AK Steel** has signed an agreement to acquire **Precision Partners Holding Co.** for \$360 million in cash. Headquartered in Ontario, Canada, Precision Partners specializes in the design and engineering of tooling and die making, and the stamping of complex, hard-to-manufacture automotive components. The company employs a staff of approximately 1,000 at eight plants in Ontario, Alabama and Kentucky. AK Steel said the acquisition will advance its focus on automotive lightweighting and further strengthen collaboration with automotive market customers.

■ **Cox Media Group Ohio** is closing its printing production facility in Franklin, Ohio, eliminating 135 jobs. The company, which produces *The Dayton Daily News*, *Springfield News-Sun*, and *Journal News* of Butler and Warren County, has reached an agreement with Gannett Publishing services to transition production to Gannett's Indianapolis plant. The transition will take place over several months, beginning in the third quarter of this year.

TENNESSEE

■ **Stanley Black & Decker Inc.** is investing more than \$29 million to upgrade its plant in Jackson, Tenn., where it produces power tools under the **Dewalt**, **Stanley**, **Bostich** and **Porter-Cable** brands. The investment will relocate new lines of production and product development to the facility, creating 225 new jobs. The Jackson plant is currently undergoing major upgrades to create one of Stanley Black & Decker's first "Light-house" facilities, which will serve as a showcase and model for new advanced-manufacturing techniques, systems and processes.



■ **Gap Inc.** has announced plans to add 500 jobs at its distribution center in Gallatin, Tenn. The company is investing approximately \$41.7 million in technology upgrades as the company expands its online fulfillment capabilities at the distribution center. Gap offers clothing and accessories under the Gap, **Banana Republic**, **Old Navy**, **Athleta**, **Intermix** and **Weddington Way** brands.

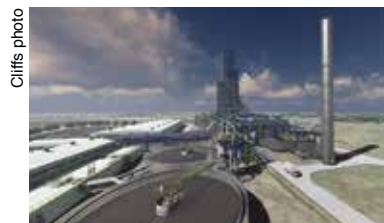


WEST VIRGINIA

■ **Roxul**, a company that offers environmentally friendly and high-performance insulation solutions for residential, commercial and industrial applications, is investing \$150 million to build a 463,000-s.f. manufacturing plant in Ranson, W. Va., that will create up to 150 jobs ranging from management positions to production-line workers. The plant will produce stone wool insulation for building insulation, customized solutions for industrial applications, acoustic ceilings and other applications. A groundbreaking is scheduled for October and construction is expected to be complete by early 2020.

OHIO: CLIFFS NATURAL RESOURCES TO BUILD \$700M HBI PLANT IN TOLEDO

CLIFFS Natural Resources Inc., a Fortune 1,000 mining and natural resources company headquartered in Cleveland, is investing \$700 million to build a hot-briquetted iron (HBI) production plant in Toledo, Ohio.



Cliff Natural Resources new HBI production plant in Toledo will be the first such plant in the Great Lakes region and only the third in the nation.

HBI is a form of direct reduced iron used in electric arc furnaces as a supplement to scrap metal. The Toledo facility will be only the third such facility in the nation.

Founded in 1847, Cliffs Natural Resources is one of the largest and oldest independent iron ore mining companies in the United States. The company is a major supplier of iron ore pellets to the North American steel industry from its mines and pellet plants located in Michigan and Minnesota. Cliffs also operates an iron ore mining complex in Western Australia.

The company selected the Toledo site due to its proximity to a heavy concentration of electric arc furnace steel producers. In addition, the Toledo site provides logistical advantages such as an existing dock, rail access, heavy haul roads for construction and operation logistics, and availability of critical utilities such as natural gas, electrical power, and water.

The new Toledo plant is expected to be operational by mid-2020 and will have the capacity to produce 1.6 million tons of HBI per year to support the steel market.

The project will create more than 1,200 construction jobs over two years and 130 permanent jobs once the plant opens.

TENNESSEE: MOHAWK LAYS OUT PLANS FOR SECOND TILE PLANT IN DICKSON



Mohawk's Dal-Tile division is one of the largest manufacturers of ceramic tile in North America.

GEORGIA-based flooring manufacturer Mohawk Industries is expanding its manufacturing operations in Tennessee, where it plans to add a second plant near its recently built factory in Dickson.

The second Dickson plant is slated to begin operations in late 2018 and will add 245 jobs at full capacity. The plant will be operated by Mohawk's **Dal-Tile** division, the largest manufacturer of ceramic tile in North America. Dal-Tile manufactures products under the **Daltile**, **Marazzi**, **American Olean**, **Ragno** and **Mohawk Ceramic Tile** brands.

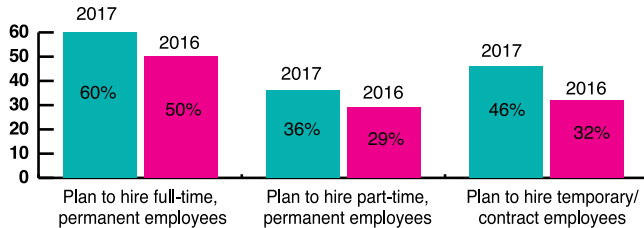
Mohawk launched its Dickson operations in March 2016 and since that time has produced approximately 100 million s.f. of tile products used for both residential and commercial projects. The plant also recently opened an extensive customer showroom that details the company's vision, history, products and processes. Dal-Tile sells through a network of more than 300 company-owned sales service centers, slab centers, design galleries and studios, as well as through independent distributors and leading home center retailers nationwide.

HIRING OUTLOOK

A new nationwide study reveals a significant year-over-year jump in the percentage of companies hiring between July 1 and Dec. 1. What's more, more than half anticipate offering higher starting salaries for new employees as a result of an increasingly competitive job market.

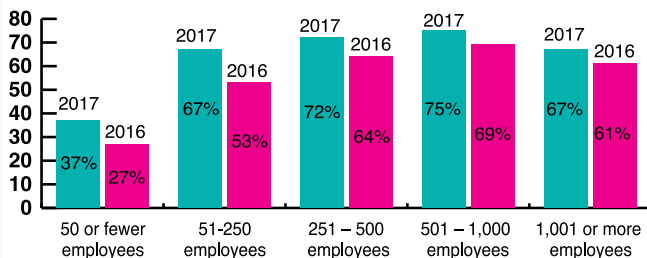
HIRING PLANS

For second half year; 2017 vs. 2016



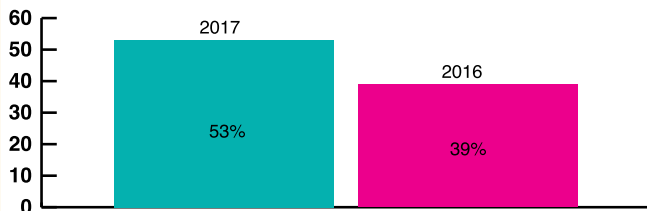
WHO'S HIRING?

Companies planning to hire, listed by company size



STARTING PAY

Plan to offer higher starting salaries to new employees:



IN-DEMAND ROLES EMPLOYERS ARE SEEKING

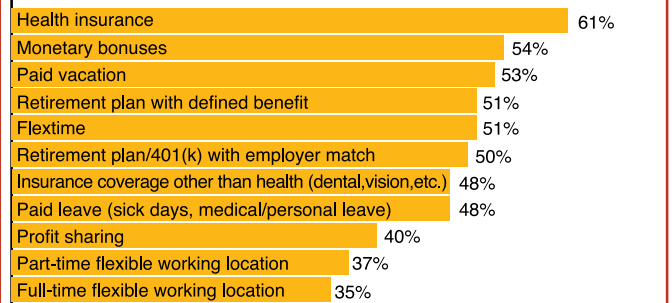


SOURCE: Harris Poll/CareerBuilder

THE PERSUASION OF PERKS

As the job market becomes more competitive, many companies are looking for the most effective ways to not only attract the best job candidates, but also keep their top talent. According to the latest Gallup poll, at least a third of Americans would leave their current employer to pursue more attractive benefits and perks elsewhere. Based on data from that poll, here are the perks that would actually persuade an employee to leave their job for a new position:

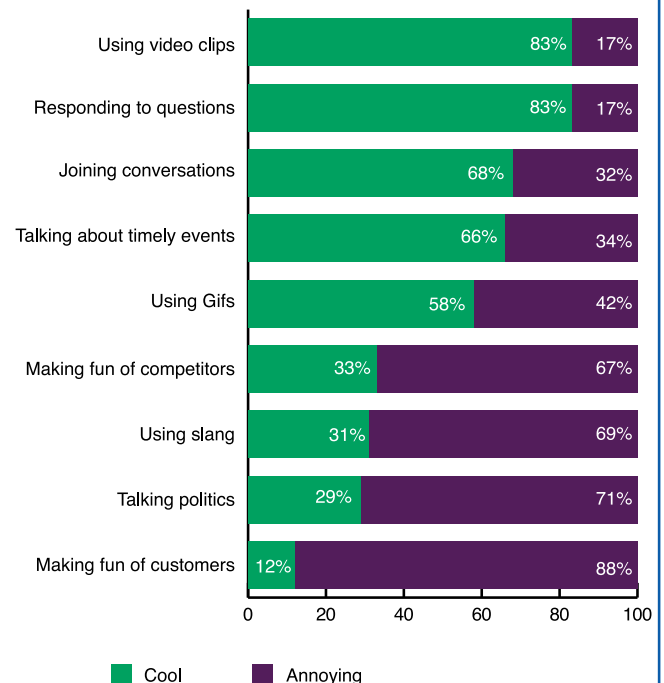
% OF EMPLOYEES WHO WOULD CHANGE JOBS TO HAVE...



SOURCE: Gallup/Statista

MANAGING YOUR COMPANY'S SOCIAL MEDIA

The rise of social media has presented companies and businesses with a new, more direct way of communicating with its customers and clients. And while the tone on social media is typically less formal than other channels of communication, there are still limits as to what companies should – or should not – do on Twitter, Facebook and other social platforms.



SOURCE: Sprout Social/Statista

CORPORATE MOVES

New leadership for Kentucky businesses

BANKING

■ **Patrick Farnan** has been named business banking manager for Fifth Third Bank's Kentucky region. Farnan will be focused on the Louisville and Lexington markets. **Roni Karbach** has been promoted to consumer market manager for Kentucky.



Patrick Farnan



Roni Karbach

■ **Rusty Clark**, senior vice president of Danville-based Farmers National Bank, has been promoted to head of lending. **Kevin Arnold** has been promoted to senior vice president, senior lender for the bank.

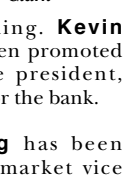


Rusty Clark



Kevin Arnold

■ **Julia Pigg** has been promoted to market vice president for Community Trust Bank. Pigg is the branch manager of the Mount Vernon Bypass office.



Julia Pigg

■ **David Greenwell** has been promoted to executive vice president and chief credit officer for Town & Country Bank and Trust Co. in Bardstown.



Bill Quenemoen

CONSTRUCTION

■ **Bill Quenemoen** has been named chief executive officer of Lexington-based Denham-Blythe Co.



Karen Finan

ECONOMIC DEVELOPMENT

■ **Karen Finan** has been named president and chief executive officer of the newly formed Northern Kentucky Regional Alliance.



Mark Shanda

EDUCATION

■ **Mark Shanda** has been named dean of the University of Kentucky College of Fine Arts. Shanda comes to the position from The Ohio State University, where he is a professor and season producer in the College of Arts and Science's Department of Theatre.



Donna Hedgepath

■ **Donna Hedgepath** has been promoted to provost and vice president for academic affairs at Campbellsville University.



■ The University of Kentucky has named **Mark F. Newman** as executive vice president for health affairs. Newman will succeed **Michael Karpf**, who is retiring.



Mark Newman

■ **Dr. Donald J. Egan** has been appointed director of contact lenses at the University of Pikeville-Kentucky College of Optometry.



Michael Montross

■ **Michael Montross** has been named chair of the University of Kentucky Department of Biosystems and Agricultural Engineering.

■ **Christian Brady** has been named as the first dean of the Lewis Honors College at the University of Kentucky.



Christian Brady

■ **Karen Damron** has been named dean of the Elliott School of Nursing at the University of Pikeville. **Mathys J. Meyer** has been named as the university's first dean of student success.



Jing Li

■ **Jing Li** has been named associate director of the University of Kentucky Center for Health Services Research and the new director of the Office of Value and Innovation in Healthcare Delivery.



■ **Barry Swanson** has been named chief procurement officer for the University of Kentucky.

FOOD/SPIRITS/HOSPITALITY

■ **Jackie Zykan** has been certified as master taster of Brown-Forman's Old Forester Kentucky Straight Bourbon Whisky.



Jackie Zykan



Tom Vernon

Brown-Forman has appointed **Tom Vernon** as Woodford Reserve global brand ambassador.

GOVERNMENT

■ **Sean Southard** has been named director of communications for the Kentucky Department of Agriculture.

■ **Richard Todd Cooper** has been appointed judge-executive of Ballard County.

■ **Jessica Ann Moore** has been appointed district judge for the 30th judicial district, division 11.

■ **Larry Gillis** has been appointed ombudsman for the Kentucky Personnel Cabinet.

■ **Darryl Scott Lavery** has been appointed circuit judge for the 30th judicial circuit, division 2.

DEPARTURES

■ **Robert Brown** has retired as executive director of the Kentucky Public Employee's Deferred Compensation Authority.

HEALTH CARE

■ **Greg White** has been named vice president of finance for Louisville-based PharmaCord. **Chad Forinash** has been named senior director of pharmacy and clinical services.

INSURANCE

■ Louisville-based Humana Inc. has named **Sam Deshpande** to the newly created position of senior vice president and chief risk officer.



Adam Hall

LEGAL

■ **Adam Hall** has been elected as the new chief executive officer of Frost Brown Todd, effective Jan. 1, 2018. Hall will succeed **George Yung**, who is stepping down from the position next year.



James Irving

■ **James R. Irving** has been named managing partner of Bingham Greenebaum Doll's Louisville office.



Daniel Cameron

■ **Daniel Cameron** has been named as a principal of CivicPoint, Frost Brown Todd's full-service public affairs subsidiary. Cameron, who has served as legal counsel to U.S. Sen. Mitch McConnell since March 2015, will also serve as a senior associate in FBT's litigation department.



NONPROFIT

■ **Keith Inman** has been named president of Kosair Charities in Louisville. Inman succeeds **Randy Coe**, who is retiring as president but will remain on the organization's board of directors.



Keith Inman



Randy Coe

TECHNOLOGY

■ **Ying (Vivian) Liu** has been named senior vice president and chief financial officer of Lexington-based Lexmark International.



Vivian Liu

TRANSPORTATION

■ **Gary Hammes** has been named president of Erlanger-based Delta Private Jets.

OTHER

■ **Mason B. Rummel** has been named president and chief executive officer of The James Graham Brown Foundation in Louisville.

■ **Darren Srebnick** has rejoined World Trade Center Kentucky as chief trade officer.

ON THE BOARDS

Kentuckians named to organizational leadership roles

AMERICAN HEALTH LAWYERS ASSOCIATION

■ **Michael N. Fine** has been named chair of the American Health Lawyers Association's tax and finance practice group. Fine is a partner with the law firm of Wyatt, Tarrant & Combs.

BACK THE BLUEGRASS

■ Back the Bluegrass, a statewide effort to build a stronger bench of Democratic millennial candidates, has announced its board members for the 2018 election cycle: **McKenzie Cantrell**, state representative, House District 38; **Jacqueline Coleman**, founder and president, Lead Kentucky; **Adam Edelen**, co-founder, New Kentucky Project and former state auditor; **Colmon Elridge**, former special assistant to Gov. Steve Beshear; **Angela Evans**, councilmember, Lexington District 6; **Blair Haydon**, executive director, Emerge Kentucky; **Alison Lundergan Grimes**, secretary of state; **Trey McCutcheon**, member, Teamsters 89; **Christian Motley**, senior manager, StriveTogether; **Travis Scott**, president, Kentucky Young Democrats; **Adrian Wallace**, board of directors, Kentucky NAACP; and **Sellus Wilder**, progressive activist, former vice mayor of Frankfort.

JUVENILE JUSTICE ADVISORY BOARD

■ The following individuals have been appointed to the Juvenile Justice Advisory Board: **Ida Dickie**, Louisville; **Paula Ratliff Pedigo**, Smiths Grove; **Ricky Stiltner**, Frenchburg; **Carey Cockerell**, Georgetown; **Dalton Gordon**, Maceo; **Adria Elaine Johnson**, Louisville; **Gregory Joseph Jones**, Independence; and **Glenda Mae Edwards**, Greensburg.

KENTUCKIANS FOR BETTER TRANSPORTATION

■ **Steven Henderson** has been named to the board of directors of Kentuckians for Better Transportation. Henderson is a member of the law firm of Stites & Harbison, based in the Louisville office.



Steven Henderson

KENTUCKY BOARD OF NURSING

■ **Teresa Huber**, **Gail Elaine Wise** and **Dina Byers** have been appointed to the Kentucky Board of Nursing. Huber, of Maysville, is a nurse on faculty at Northern Kentucky University. Wise, of Mayslick, is a professor of nursing at Kentucky Christian University. Byers, of Murray, is an associate professor of nursing at Murray State University.

KENTUCKY BOARD OF OPTOMETRIC EXAMINERS

■ **Dr. William Thomas Reynolds** has been appointed to the Kentucky Board of Optometric Examiners. Reynolds, of Richmond, is an optometrist.

KENTUCKY BOARD OF SOCIAL WORK

■ **Thomas "Jene" Hedden** and **Charlene Burlew** have been appointed to the Kentucky Board of Social Work. Hedden, of Shelbyville, is a contract clinical therapist for Whitten Psychological Services. Burlew, of Burlington, is clinical director of residential-based services for the Children's Home of Northern Kentucky.

KENTUCKY NATURE PRESERVES COMMISSION

■ **Larry Prentice Clark** and **Carl Wayne Breeding** have been appointed to the Kentucky Nature Preserves Commission. Clark, of Greensburg, is a farmer. Breeding, of Lexington, is an attorney.

KENTUCKY PAROLE BOARD

■ **Robert Powers** has been appointed to the Kentucky Parole Board. Powers, of Harrodsburg, is the executive director of the Bridge Program.

KENTUCKY PUBLIC SERVICE COMMISSION

■ **Talina Rose Mathews**, of Frankfort, has been appointed to the Kentucky Public Service Commission.

KENTUCKY REAL ESTATE COMMISSION

■ **Shirley Wiseman** has been appointed to the Kentucky Real Estate Commission. Wiseman is a Lexington homebuilder and realtor.

KENTUCKY RETIREMENT SYSTEMS

■ **Wilburn Joe Brothers** and **James Fulkerson** have been appointed to the Board of Trustees of Kentucky Retirement Systems. Brothers, of Elizabethtown, is a retired plant manager. Fulkerson, of Owensboro, is a retired accountant.

KENTUCKY STATE UNIVERSITY

■ **Roger Reynolds** has been appointed to the Kentucky State University board of regents. Reynolds, of Louisville, is an entrepreneur and small-business owner.

KENTUCKY VETERANS HALL OF FAME

■ **Lt. Gov. Jenean Hampton** has been elected to the board of directors of the Kentucky Veterans Hall of Fame.



Jenean Hampton

LOUISVILLE REGIONAL AIRLIFT DEVELOPMENT INC.

■ The following individuals have been named to serve on the board of directors for Louisville Regional Airlift Development Inc., a newly formed coalition of business, community and government leaders who are working to bring more air service to Louisville: Chair – **Koleman Karleski**, investor; Vice Chair – **Ed Glasscock**, Frost Brown Todd; Secretary – **Sandra Frazier**, Tandem Public Relations; Treasurer – **Michael Montjoy**, Mountjoy Chilton Medley; Directors: **Wendy Dant Chesser**, One Southern Indiana; **Roger Cude**, Humana; **Chuck Denny**, PNC Bank; **Terry Gill**, Kentucky Cabinet for Economic Development; **Brett Hale**, Beam Suntory; **Jim Hartlage**, Hartlage Management Group; **Pete Mahurin**, Hilliard Lyons Financial Services; **John Moore**, Atria Senior Living; **Jim O'Malley**, Brown-Forman; **Kent Oyler**, Greater Louisville Inc. (GLI); **Brad Richardson**, Hardin County Chamber of Commerce; **Lesa Seibert**, Mightily (Louisville Regional Airport Authority director); **Kerry Stemler**, K.M. Stemler Co.; **Mary Ellen Wiederwohl**, Louisville Forward/Louisville Metro Government; and **Karen Williams-Goetz**, Louisville Convention & Visitors Bureau.

LOUISVILLE SPORTS COMMISSION

■ The following individuals have been appointed to the board of directors of the Louisville Sports Commission: **Travis Doster**, Texas Roadhouse; **Amber Halloran**, The Kentucky Center; **Steve Hester**, Norton Healthcare; and **Nick Sarantis**, Baptist Health Sports Medicine. Elected as officers are: Chair – **David Wombwell**, US Bank; Vice Chairman – **John Willmoth**, Poplar Ventures; Secretary – **Casner Wheelock**, Middleton Reutlinger; Treasurer – **Phil Poindexter**, Stock Yards Bank & Trust; and Immediate Past Chair – **Wendy Wagoner**, LG&E/KU Energy. Elected to serve a one-year term on the commission's executive committee are: **Cleo Battle**, Louisville Convention & Visitors Bureau; Dr. **Stacie Grossfeld**, Orthopaedic Specialists; **Brett Hale**, Beam Suntory; **Ed Hartless**, 4th Street Live!; **John Hollenbach**, Hollenbach Oakley Development; **David Phillips**, Palladium Consulting; **Phil Poindexter**, Stock Yards Bank & Trust; **Jason Rittenberry**, Kentucky Venues; **Marty Storch**, Louisville Metro Parks Department; **Gary Ulmer**, Louisville Bats; **Lani VanderToll**, KentuckyOne Health; **Wendy Wagoner**, LG&E/KU Energy; **Casner Wheelock**, Middleton Reutlinger; **John Willmoth**, Poplar Ventures; and **David Wombwell**, US Bank.

MOREHEAD STATE UNIVERSITY

■ **Deborah Haydon Long** has been appointed to the Morehead State University board of regents. Long, of Lexington, is proprietor of Dudley's on Short restaurant.

MURRAY STATE UNIVERSITY

■ **Don Irvin Tharpe** has been appointed to the Murray State University board of regents. Tharpe, of Nicholasville, is a past president of the Pan American Health and Education Foundation and former executive director of the Association of School Business Officials International.

UNIVERSITY OF KENTUCKY ALUMNI ASSOCIATION

■ The University of Kentucky Alumni Association has announced its 2017-2018 board of directors officers: President – **Susan Van Buren Mustian**, Hebron; President-Elect – **J. Fritz Skeen**, Ponte Vedra Beach, Fla.; and Treasurer – **Taunya A. Phillips**, Lexington.

UNIVERSITY OF KENTUCKY

■ **Sandra Robbin Shuffett** and **Derrick Ramsey** have been appointed to the University of Kentucky board of trustees. Shuffett, of Nicholasville, is a physician for Baptist Health and a part-time farmer. Ramsey, of Lexington, is secretary of the Kentucky Labor Cabinet.

Announcements for the Corporate Moves and On the Boards sections of The Lane Report can be submitted to editorial@lanereport.com. Due to space restrictions, announcements for the Corporate Moves section are generally limited to upper management positions. Photos to accompany announcements are welcome. High-resolution images (minimum 300 dpi) are required in order to reproduce well.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Russell F. Cox

Russell F. Cox became President/CEO of Norton Healthcare on Jan. 1, 2017. He joined Norton in September 2000 as vice president of support services. He has been senior vice president, operations and development; executive vice president; and EVP and COO. Cox previously held executive roles at Caritas Health Services; Humana Inc.; Galen Healthcare; and Columbia/HCA Healthcare Corp. A lifelong Louisville resident, Cox has bachelor's and master's degrees from the University of Louisville's College of Education and Human Development. He attended the Executive Development Institute at Vanderbilt University Owen School of Management. Cox serves on the Bellarmine University Board of Trustees Executive Committee; Kentucky Chamber Board of Trustees; Greater Louisville Inc. Board of Trustees; and WDRB Editorial Board. He previously served on the Downtown Development Corporation Board; Kentucky Country Day School Board of Trustees; and is past chair of Leadership Louisville Foundation Board.

'CHANGE IS CONSTANT; HEALTHCARE PEOPLE ALWAYS FIGURE IT OUT'

EMR efficiencies help put financials in the black, Norton Healthcare CEO Russell Cox says

BY MARK GREEN

Mark Green: Where do you now stand in numbers of employees, facilities and providers at Norton Healthcare?

Russ Cox: We're right at 14,000 employees. That includes the 900-employee physician group. About 4,800 are nurses. We've got five hospitals, seven outpatient centers, 13 immediate care centers and about 260 physician practice sites; there are about 300 places with access to some sort of care in the Louisville/Southern Indiana geography.

MG: Describe the geographic footprint where you operate, please.

RC: The main geography would be the Greater Louisville area, but we consider ourselves a regional provider. We still get a lot of referrals daily, and people are helicoptered here for neurosurgery, for different orthopedic procedures, for the maternal-fetal medicine physicians for troubled births. Norton Children's Hospital receives patients from all over the state, all 120 counties and from Southern Indiana, Tennessee, from Ohio.

MG: Why do the children's services have a larger footprint?

RC: We're the state's only freestanding pediatric facility. That's one reason. And it always goes back in healthcare to

physician workforce. When you look at pediatrics, then at subspecialties in pediatrics, it becomes even more important. Take neurosurgery: There are only so many neurosurgeons; it really becomes fewer when you look at those who specialize in pediatrics. Because there are people and children in the state and region who have very specific needs, that's something we take very seriously, making sure we can aggregate and have enough volume and cases for physicians want to be here. Physicians want to make a difference and be in a place that has enough volume to keep them busy. It is more about the physician workforce and specialty/subspecialty side than anything.

MG: How many physicians are part of your 14,000?

RC: We employ 900 physicians or advanced practitioners. There are some VNP's and nurse practitioners who see patients just like a physician would, but the great majority of that 900 are physicians. Over the past four or five years we have grown by 50 to 100 physicians. Our strategic plan has been very much pointed toward making sure we have enough physicians to provide access to those who want to get care. Access is a big issue in our state and region.

The world of healthcare has changed because physicians now want to be part of an integrated delivery system. A lot of things have driven this, one being the federal mandate around electronic medical records; that's very expensive on your own. Another thing is, as a physician looks at quality of life and call coverage; as part of a group or system you may only be on call a couple of nights a month, whereas in your own independent group you're going to be on call more.

Being part of a system able to deliver all levels of care for your patients, being able to make sure you're able to manage their care, is attractive to physicians. This employment model is the most preferred over the past five years.

We have grown in a very intentional way. It's been around primary care; it's been around those difficult-to-recruit subspecialties – orthopedics, neurosurgery, neurology. Once you get a critical mass of primary care, you're going to have patients who need to see those subspecialists.

MG: A few years ago our coverage found some of the major provider groups had grown their specialties too fast ahead of their primary care physicians, who feed them patients. Did Norton intentionally grow the primary care providers first?

RC: We did. Our board of trustees started this process of aggregating and employing primary care physicians 20 years ago. Norton was one of the first in the region to employ primary care physicians, and it was a difficult process. A lot of healthcare providers were doing it 20 years ago, but most of them got out very quickly because quite honestly it was a drain on the financials, and there wasn't a lot of information about how best to integrate what had previously been independent practice into regional health systems. And from the back-office perspective it was a difficult management process understanding how primary care physicians work. Our board stayed with it.

MG: Norton reported 2016 revenue of \$2.09 billion, an increase of 4.6 percent over 2015. You were in the black by \$89 million on patient services and by \$142 million for overall operations and investments. That was a 4.3 percent margin for patient services and it looks like 6.8 percent overall. A lot of big systems are in the red. What strategies is Norton using to achieve these results when many others are reporting losses?

RC: Some information released last week speculated that this year 50 percent of

hospitals will be operating in the red, so our 2016 results certainly are unusual. The differentiating factor for us is that that 900-physician group has done a great job of working together, making sure we do the right things for patients and consumers as far as being available. We were able to increase volume.

Also, we spent \$200 million two years before that on our electronic medical record (EMR), which was epic. We began to feel the benefits of efficiency related to getting an EMR installed and understanding how that could help us. We were some of the first into electronic medical record installation. If you look at our financials from '14 or '13, we didn't have a positive margin because it is a difficult process, a real drain on cash and accounts receivable, and it just disrupts the process.

The other thing was we benefited from Medicaid expansion. 2016 was the year that people who had not had coverage did have coverage. We had the physician workforce to accept those patients and that made a difference.

Norton Healthcare is locally governed and locally run. Our 23-member board all live in this town. They understand healthcare in a different way and have an ability to be nimble, to act quickly. They understand what's going on; they understand the need to seize opportunities as they come up. That's a bit of a difference.

We believe Kentucky healthcare is very much a local thing, that people appreciate it having a local feel, local flavor. It's worked well for Norton Healthcare that we have remained local and our brand has remained strong. Having that local board, having the 14,000 employees here feel like it is their organization and that they are responsible for executing on the mission, vision and values, is a real differentiator.

MG: Some systems generate their profits off the largest cases and procedures like organ transplants or brain surgery. What are Norton's most important revenue-generating services or procedures that feed into that good financial result?

RC: When you're a not-for-profit healthcare system, you have to have some services that do make a profit because you have a lot that don't. The ones on the more positive end for us are neonatology; cardiovascular services; oncology – we've been making certain we continue to grow our access for our oncology patients, because we are entering a time where we're diagnosing much earlier. Orthopedics and spine does well. Those predominantly have been helpful in achieving that margin.

MG: Does Norton lose money, break even or achieve a margin treating Medicaid patients? And what about Medicare patients?

RC: For Medicaid we use a number called a cost-coverage ratio. Think of 100 percent as being that your costs are equal to your reimbursement, that's a good number. With Medicaid, we're at about 86 percent. And for Medicare, it's

about 98 percent. What's being proposed, talked about and hashed out is a diminishment of Medicaid reimbursement, and when a system like us is already at 86 percent, anything that further reduces that is of grave concern.

MG: What are the key strategies Norton and your board are pursuing in this current healthcare business environment?



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Is it to grow personnel, focus on in- or outpatient care, or add certain types of capacity or facilities?

RC: We're trying to become more consumer-centric, and make sure that we provide as much access as is humanly possible so that we can take care of more people. One of my goals was to simplify the five-year strategic plan and make it a plan that has lots of tactics and a lot of aspirational and inspirational things, but more than anything else one that all 14,000 people could understand, via simplicity, what their part in this plan was.

Strategically, we want to be an organization about great human interactions, a term I coined because I believe it. Often people come to us in the worst possible state they can be in; their families are in the worst possible state they can be in. If we can make every interaction with those people the best it can possibly be, we're going to be a long way toward everything else we need to achieve. That goes for patients, for families, for vendors and with each other. That's a plank everybody can nod their head on right off the bat: Let's focus on having those great human interactions.

The second thing is, we want to be the safest. We want to make certain we don't do any harm while you're under our care. We want to make you better. The best way we do that is to be safe, so we started a Reach For Zero. We don't look at success as achieving safety numbers better than last year; we look at getting to zero.

The third plank of our plan is about convenience. For too long we looked at the patient and instead said, what works best for us as a hospital or healthcare system? That's how we developed all our system, all the things we do from a procedural and process standpoint. What we committed to do was to flip that and look at everything we do from the patient or consumer standpoint. That could be extended hours, that could be location of the facilities to be easier to access, that can be not asking for their insurance card and driver's license every time they come in. Part of that process was focus groups and asking a lot of questions, and saying, what is the process that you want?

The fourth part can be corny, but it does resonate: We need to be the friendliest healthcare system in the country. It doesn't cost us a thing to have a great environment people enjoy being around and want to be a part of.

Now, let me answer your question from the tactical side of it. The one word that describes the most important part of what we do is "access." We have

to be able to provide you the opportunity to see a doctor within 24 hours of when you need to see one. The way we're going to make a difference in reducing healthcare costs is to give people access to primary care medical 'homes' where they can be seen when they need to be seen, where they can come in for health and wellness sorts of things, where we can make sure we keep bad things from happening. This plan says, what are all the ways we can expand and create more access and opportunities for people who need care to get care?

We've begun a lot of that. We've started some expansions at Norton Audubon Hospital. We've begun expansion of Norton Children's Hospital. We announced we're going to have primary care offices with the YMCA in West Louisville. We need to provide more access in the underserved parts of the community, so our plan includes how we go there. We're expanding the mobile prevention unit that does cancer screening, cardiovascular screening. The more we can get out and do more screening, get people involved earlier, the better we are.

MG: How much of a management problem is the uncertainty about public policy on healthcare, both for the seven years the Affordable Care Act has been around and now in trying to plan for the next few years when it may or may not get reformed significantly?

RC: It's a frustration more than anything. Everybody I talk to is uncertain about what's going to happen in their industry. I've been in healthcare since about 1981. We thought when DRGs (diagnosis related group) were introduced in 1984 that the sky was going to fall and the world was going to end. We figured it out, and it didn't. In 1997 when we had the Balanced Budget Act, where everything was wiped out and cuts were draconian and everybody thought the world was going to end and healthcare was going to be denied, we figured it out, and it didn't. Now, while we would like current reform to be less draconian with fewer cuts and not as austere as it sounds like it could be, healthcare folks will figure it out.

If you sit around and worry about what's going to happen, you're going to miss the opportunity to be innovative. You're going to miss a great opportunity to make a difference in a lot of people's lives, to take care of patients who are coming to you because they trust that you can do it.

MG: What advice would you have for employers in other business sectors who

want to lower their costs for health insurance for their employees?

RC: We have 14,000 employees at Norton Healthcare, so we join that conversation because we're self-insured. Certain things make a difference. I encourage a whole lot of education, a lot of incentive around physical activity; I encourage and support anything around wellness, early detection, any kind of screening. Education about how to utilize healthcare services is the best thing you can do. So many people don't have a primary care physician. Then when something happens they go to the emergency room at a hospital, one of the most complex and highest-cost areas in healthcare. Educate your workforce to the right level of care; that's a great way to save money. We have 13 immediate care centers that are open not 24 hours but pretty close to it.

With our program called "In Good Health," we've seen great cost reduction by providing incentives that encourage wellness and healthy lifestyle as well as providing education for people. Having open, honest, confidential conversations with individuals about their health and what they need to do to improve their health is a very good investment. Not only is it a way to save money, but more importantly this is the way to build a very healthy and vibrant workforce.

Pharmaceuticals and drug utilization is a whole lot of the cost for employers. There are a lot of opportunities that can get people off those drugs, that help in the long run. If you can get people who are diabetics in a good nutritional program, get them in a good physical regimen, you can reduce medication. There are many ways you can reduce hypertension just by facilitating other activities and reduce the costs.

MG: A new Norton Cancer Institute is under construction in eastern Jefferson County and the Jennifer Lawrence Foundation Cardiac Intensive Care Unit is part of an investment at Children's Hospital. Is there increasing demand for these services, and what will providers be able to do there that they can't do in your existing facilities?

RC: We currently have a Cancer Institute site on Old Henry Road (in eastern Jefferson County) in a building formerly owned by KentuckyOne Health. You can imagine they didn't want us in that building; our lease is ending, so we had to move. When we looked at what's best, we determined our model downtown works so well – a Norton Cancer Institute facility on Broadway where everything is under one roof and everything is integrated. The one on Old

Henry Road had radiation therapy and medical oncology.

We decided to build this new facility on the campus of Norton Brownsboro Hospital to get some of the synergies of the hospital so we could manage costs. Just like we had done downtown, we could put under one roof every service a cancer patient, outpatient-wise, should need, from infusion to alternative therapy to radiation therapy to medical oncologists. They can get everything in one setting.

Norton Brownsboro is also in a growth corridor. We're getting a lot of folks from Bullitt County, from Hardin County, Meade County. They get on I-65 and on the Gene Snyder Freeway (I-265). The East End Bridge (on I-265) now goes over to Southern Indiana, so that certainly opens some doors as well. Having a facility there is somewhat like being at the corner of Main and Main; it's on two very good highway arteries that draw from a regional perspective as opposed to just Louisville.

It's going to have something cool that I'm proud of: our Norton Cancer Institute Prompt Care Clinic. Often when patients are going through the regimen of chemotherapy or radiation therapy, later that night they feel awful. Instead of having to go an emergency

room in the hospital and go through that process of explaining everything, we're going to have a prompt-care clinic after hours where cancer patients can come and we will deal with their specific problems as they relate to the cancer treatment.

The Jennifer Lawrence Cardiac Intensive Care Unit is a part of an overall \$78 million renovation project we're doing at Norton Children's Hospital. Lawrence, a Louisville girl, has done great – Academy Award winner – and she has an unbelievable heart for children; the whole family does. Whenever she comes through Louisville, she finds a way to sneak into Norton Children's Hospital and visit patients; she is spectacular with them, they love seeing her. She came forward with a wonderful gift to create the Cardiac Intensive Care Unit.

Right now, all the children dealing with cardiac issues are with other intensive care patients. This gift and renovation will allow us to aggregate these patients in their own unit. We'll have nurses and clinical staff who only deal with cardiovascular patients. We'll have physicians who only work in that unit. This gives us a great opportunity to specialize even more and to improve outcomes. This is a great thing, and

Jennifer and her family got us jump-started.

MG: Healthcare is more diverse than we have time and space to talk about. Was there an area we didn't cover that you'd like to address?

RC: What's so often overlooked with what regional health systems provide is community benefit. In 2016, Norton Healthcare provided \$155 million in community benefit. We have to file that on the (IRS Form) 990. We understand: It is our responsibility because we don't pay taxes. That \$155 million is pretty significant. That breaks down as \$4 million in charity care, about \$97 million in the unpaid cost of Medicaid services. We spend \$35 million a year in educational support with the University of Louisville, University of Kentucky or other colleges and institutions.

Those things are very important when you look at how healthcare is delivered and what the not-for-profit healthcare system does; community benefit is important. ■



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

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Susan Kennedy



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Much of the corn grown in Western Kentucky, such as this from the significant Jepson Family Farm operation, goes to the Hopkinsville Elevator Co-op and associated Commonwealth Agri-Energy LLC ethanol facility, which is the major supplier of ethanol to the Nashville market.

Kentucky Wants to Grow Its Ag Manufacturing

Expanding state's crop of processors will increase yield for a \$46 billion sector

BY ABBY LAUB

ACCORDING to the Kentucky Farm Bureau, Kentucky is home to 76,500 farms, good for No. 6 in the nation in number of farms, which raked in a peak of \$2.74 billion in net farm income in 2013 to rank 16th in the United States.

The financial numbers put up by Kentucky's farmers are impressive – especially considering average farm size is 170 acres compared to national average of 435. Of Kentucky's 25.4 million acres, 13 million are farmland.

Some of those acres house the state's agricultural processors and manufacturers that generate products for consumers in Kentucky and around the world. The more processors on Kentucky soil, the more value-add agribusiness revenue generated for the state.

"Kentucky already has numerous processors and manufacturers of agricultural products such as the Commonwealth Agri-Energy ethanol plant in Christian County, the Pilgrim's Pride poultry processing plant in Graves County, Champion Pet Foods in Logan County, and Prairie Farms Dairy in Somerset, to name just a few," said Kentucky Agricultural Commissioner Ryan Quarles. "Kentucky boasts the leading bourbon manufacturers in the world, and the industry is in a \$1.2 billion construction boom."

However, a key Department of Agriculture goal, being pursued with public and private partners, is to grow its pro-



Ryan Quarles, Commissioner, Kentucky Department of Agriculture

cessor, manufacturer and other agribusinesses sector. The state touts its low energy costs, spectacular logistics – within a day's drive or two-hour flight from two-thirds of the U.S. population – and status as a right-to-work state. Other new reforms such as fewer regulations are a draw also, Quarles said.

Small producers and processors make up a vast majority of the actual agribusiness operation numbers in Kentucky, but the big ones like bourbon still make the biggest impact. Some 95 percent of the world's bourbon is processed in the state, and upwards of 20 million bushels of corn are used by Kentucky's bourbon and spirits industry.

Kentucky has other top national rankings. It's No. 1 for tobacco and equine sales including stud fees, No. 4 for hay products, No. 7 in broiler poultry production, No. 14 in both corn and soybean production, and has the most beef cattle of any state east of the Mississippi. The commonwealth is the leading producer of hardwood sawlogs in the South and is in the top three in the country.

\$46 billion annually – but growing

All of these materials go somewhere, many to Kentucky's 154 food manufacturers, 50 nonalcoholic beverage manufacturers, 34 distilleries and more. The state Cabinet for Economic Development website ThinkKentucky.com cites more than \$7 billion in GDP from food, beverage and related products manufacturing. Overall, agriculture contributes close to \$46 billion to Kentucky's annual economy.

The state's manufacturing economy has grown at nearly twice the national average since 2008, and this includes agricultural processing. In fact, 14 percent of the state's manufacturing jobs are in the food and beverage-products industry.

But there are still ways to increase profit and keep more of the various production cycles within the state.

"Extremely important for the future growth of Kentucky agriculture is to capture more of the consumer dollar," said University of Kentucky agriculture economist William Snell. "Agriculture would like to see economic development focus more on attracting more ag-related processors to not only add more value to farm production but also add jobs in rural areas."

Snell said some of the key areas where value could be greatly added include beef and hemp, especially the

Little Kentucky Smokehouse, a subsidiary of Jim David Meats in Uniontown, has carved out a business producing and marketing an array of private label products such as smoked hams, barbecue, pimento cheese, hot dogs and doggie treats. It added a second 40,000-s.f. facility in 2013.

highly profitable hemp cannabinoid oil – but that crop still contains many legal uncertainties and hurdles. Still, an increasing number of hemp processors are popping up around the state to accommodate the rapidly growing market and are following the lead of heavy hitters like Atalo.



*William Snell,
Agriculture
Economist,
University
of Kentucky*

Quarles said his department is making it a top priority to link together manufacturers and processors with the agriculture community. In July it hosted several LAND (Linking Agriculture for Networking and Development) conferences to connect farmers to emerging markets.

“We look forward to taking what we talked about there and putting it in action for the state,” he said. “We are also looking at ways to expand the international reach of the Kentucky farmer.



International trade presents a great opportunity to increase market access for both farmers and processors.”

The commonwealth has one of the most successful state farm marketing programs in the nation, Kentucky Proud, and is home to global food and beverage companies like Brown-Forman, Papa John’s, Yum! Brands, and Alltech.

Making all of the necessary connections from producer to processor and adding more facilities for small farmers is key. While it may not produce billions of dollars like bourbon, or grow to \$1.2 billion a year in farm cash receipts like

Kentucky’s poultry industry – poultry and eggs are Kentucky’s leading agricultural commodity – it could make the difference of whether or not small niche producers grow their business or not. And the proof is in that Kentucky thrives off of its small farms.

76,000 farms all need processors

The numbers show the significance. A 2015 study by University of Kentucky’s Department of Agricultural Economics put the total impact of agricultural processing in Kentucky at \$34.9 billion, employing 124,199 people. Production

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for 2016 generated \$66,672,928 in direct tourist spending and \$104,809,843 in total tourist spending. It supported 1,071 jobs and produced \$23,507,384 in worker income. As a result of the taxes generated, each of Shelby County’s 15,888 households paid \$691 less in local and state taxes.

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and processing tips the scales at nearly \$46 billion, according to the report.

Kentucky's agricultural producers fall in line with the national average of receiving 15 to 17 cents of the retail food dollar.

"This stat includes both at-home and away-from-home consumption," said Snell. "Farmers receives around 25 cents of the retail at-home sales. The USDA does not track this via individual states."

Snell is co-director of the Kentucky Agricultural Leadership Program and specializes in tobacco economics, agricultural policy, markets and trade, and macroeconomics.

He cited some of Kentucky's most notable food processors. Names like Tyson, Purdue and Prairie Farms poultry, Jif peanut butter, Yum! Brands fast food chains, Purnell Sausage, Siemer Milling, Alltech animal feed supplements, Atalo Holdings, Marksbury Farm, Little Kentucky Smokehouse, Kenny's Cheese, Laura's Hemp Chocolates and dozens of others make a major impact on the state's economy.

The impact of small operations may seem to be a mere drop in the bucket compared to the tens of billions of dollars generated by agriculture, but managing the processing component for a small farmer can be a major sticking point, and the difference between having resources to put into producing and marketing or not.

For example, Alvina Maynard of River Hill Ranch in Richmond is one of the farmers who contributes to Kentucky's glowing agricultural numbers. For her niche alpaca operation, having a quality meat processor less than 40 minutes away at Lancaster's Marksbury Farm has been invaluable to her business.



Alvina Maynard, Alpaca Farmer, River Hill Ranch



Commonwealth Agri-Energy just outside Hopkinsville uses 12 million bushels of corn annually to produce 33 million gallons of ethanol, 107,000 tons of distillers dried grain, 110,000 tons of carbon dioxide, and 3,000 tons of animal feed grade distillers corn oil.

"Marksbury has been really super accommodating in our scheduling, and they have been able to do things even last minute," Maynard said. "But Marksbury is a relatively young business as well, and because of their quality standards and their values, they're running at max capacity. So it's becoming more difficult as a small producer to get on their schedule."

The next closest meat processors are almost two hours away.

"Having an increase in processors would be valuable for people doing small batches," said Maynard, who serves as vice president of the Kentucky Alpaca Association. "It's harder for Marksbury to do custom because as they grow they're dealing with bigger clients."

Less red tape, more opportunity

Smaller producers easily get edged out, and in some cases operations like Kentucky State University's Mobile Processing Unit can help. Other times, it can't. More processors are hindered by equipment costs, facility limitations, government permitting and inspections and staffing. For a specialty producer like Maynard, there are more loopholes in the system that leave her constantly seeking processing answers that no one seems to know.

There's something to those claims.

While the demand for locally sourced animal products has increased, according to the U.S. Department of Agriculture's 2015 Report to Congress, the number of small, federally inspected cattle slaughter plants declined by 12 percent from 2001 to 2013. Access to meat processors with required inspection processes and the ability to customize orders is key to providing customers with locally produced meat products.

Appreciated by chefs for being lean yet tender, alpaca are in a meat processing "no man's land," Maynard said, and she often has to use multiple facilities – sometimes not even in Kentucky – with separate permitting.

"If I want to do a sausage or pepperoni, it's a com-



Most of the alpaca fiber from the River Hill Ranch near Richmond must be sent to a processor in Gallatin, Tenn.

pletely separate facility to process that cut of meat," she said.

River Hill Ranch also produces highly coveted alpaca fiber and currently ships most of its fiber to Gallatin, Tenn., to get high quality processing – which is even more difficult to obtain than meat processing.

The state Department of Agriculture does a great job of helping people at least know where to start, Maynard said.

"At the department, we work closely with local, state and federal agencies to strike a balance between producing safe, high-quality and competitively priced products while also maintaining an environment conducive to business creation and job growth," Quarles said. "In the future we will be identifying what we think are over-burdensome regulations and eliminating them from the books. I really applaud Gov. Bevin for his Red Tape Reduction initiative. We are committed to doing our part."

While it took her two years of persistence to get her alpaca meat permitted to sell, food processing needs regulation for obvious reasons, Maynard said. But there need to be more processors in the marketplace, and the state seems to be supportive. ■

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



Coolmore photo

Taking Up the Tourism Reins

Horse Country Inc. spurs best practices for equine hospitality sector

BY JEN ROYTZ

LEXINGTON has long been a destination locale for the equine inclined. They attend races at Keeneland and the Red Mile, take in a wide variety of competitions, activities and exhibits at the Kentucky Horse Park, and enjoy the many equine-themed shops and attractions throughout the city. Visitors who come to the Bluegrass for horse-related experiences often hope to immerse themselves in Lexington's iconic equestrian culture.

Often, however, as out-of-towners tour Central Kentucky's country roads, flanked mile after mile with stately trees, stone walls and rolling green pastures, they are left to wonder what lays behind the fences and gates of the area's lauded Thoroughbred nurseries. Unless tourists know where to look or who to ask, it usu-

ally proves difficult to gain access to the vast majority of the area's farms.

Until recently, there was a missing link in Lexington's equine tourism industry.

In 2015, that changed after a group of forward-thinking and determined industry stakeholders saw the effect marketing and tourism had on the bourbon and wine industries in Kentucky and California respectively. Hoping to create the same hospitality boom and cultivate a new generation of fans for horseracing and Central Kentucky's horse industry, they set out to create a way for Thoroughbred farms and related businesses to be accessible to the public, while not hindering their day-to-day operations.

The result was a membership-based not-for-profit, aptly named Horse Country Inc.

Fans get a glimpse of Triple Crown and Breeders Cup winner American Pharoah, the most popular horse for equine tourists in Central Kentucky. He is at Ashford Stud in Woodford County.

Getting Horse Country off and running

With a soft launch during the Breeders' Cup World Thoroughbred Championships in 2015 and its official unveiling the following year, Horse Country Inc. is revolutionizing the equine sector of Lexington's tourism and hospitality industry. Structured as a one-stop-shop for people seeking behind-the-scenes horse farm and equine-related tourism experiences, Horse Country connects farms, equine-related businesses and nonprofits with tour companies to create a retail website that allows people to purchase tickets for pre-determined tours or plan their own group tour experience.

At the helm of this innovative approach is Horse Country Executive Director Anne Sabatino Hardy.

Before Horse Country came about, Hardy said, some farms were apprehensive to get involved with the tourism and hospitality industry, concerned bringing tourists onto their property could at the least impede daily work flow and at the most present significant liability. These were working farms often operating with lean staffs hired to handle horses, not people. Furthermore, they were concerned about the toll regular tour traffic could have



Anne Sabatino Hardy, Executive Director, Horse Country Inc.



Laura Donnell photo/Courtesy of VisitLEX

Taylor Made Farm is home to more than 500 Thoroughbreds, including some of the world's best stallions. The farm is a full-time breeding facility, boarding facility and nursery to foals.

on their grounds plus potential risks associated with inviting non-horse-savvy guests onto their farm in close proximity with young, and at times unpredictable, Thoroughbreds.

"Certainly our members are exceptional horsemen, veterinarians and the like, but hospitality and tourism was a new area for them," Hardy said.

As more conversations were had between tour operators and farms and protocols were developed, farm owners and management became more amenable to the idea. By the time of Horse Country Inc.'s official launch, 36 entities were throwing their support behind the organization as members. These included not only farms but large veterinary clinics, Thoroughbred retraining facilities, feed mills and more, the majority of which also signed on to offer tours.

"We've seen more and more of our members offering tours," Hardy said. "For example, we recently started offering tours at Stonestreet Farms' various divisions, and the Maker's Mark Secretariat Center (a retraining and adoption facility for ex-racehorses) came on board as a nonprofit affiliate member, so we get the chance to share that part of the story with Horse Country guests now, too."

The group's approach seems to be working from the customer side as well. Horse Country business has steadily increased since it began offering tours, and new farms and ancillary businesses continue to sign on as members.

"We are about 30 percent ahead of where we were last year in terms of ticket sales," Hardy said in late July.

"The growth trajectory is excellent. We have a great example we often look at in the Bourbon Trail and the growth they've seen in the years its members have been working together."

Offering an elevated experience

Hardy and the team behind Horse Country took a "rising tide lifts all boats" approach in creating not only a mechanism for equine tourism but best practices advice for member organizations offering tours.

Prior to the first tours being offered through the Horse Country brand, best practice development included an educational trip for founding members to the Disney Institute in Florida and bringing in hospitality experts from the Biltmore Center for Professional Development in Asheville, North Carolina, to garner their perspective on how best to showcase Lexington's hallmark industry.

What was gleaned was used to educate Horse Country member organizations how best to showcase the industry and their facilities and offer the most enjoyable, educational and safe experience for the public.

"We have always offered tours at Ashford, but in the past they were much more informal and not as well promoted," said Coolmore Stud's Scott Calder, who handles marketing for the farm's American base, Ashford Stud near Versailles. Ashford Stud is home to 2015 Triple Crown winner American Pharoah and as such is one of the most popular tour offerings for Horse Country.

"It's probably fair to say the quality of experience people received varied quite a bit from day to day depending on what was going on at that specific time," Calder said. "Once we got involved in the plan-

ning of Horse Country, it definitely made us think more about how we could improve the experience for our visitors."

Those improvements, he said, include specialized staff training and the creation of a dedicated visitors' center where people waiting for a tour could learn more about the farm and the industry.

"We trained up a number of staff to do the tours in a particular way so that there was always someone available who knew the process and had the time available in their day to do it well," Calder said. "We also refurbished a building next to our breeding shed and installed a number of touch screens where visitors can watch race footage, learn about the history of Coolmore around the world and watch videos about some of the day-to-day activities that happen around the farm."

Better for hospitality sectors members

Tour operators also saw the benefits of the changes Hardy and the Horse Country team were bringing about at the farms. Lisa Higgins – who, along with her husband, Sean, operates Mint Julep Tours, which specializes in custom tours that include bourbon distilleries, horse farms, wineries, culinary experiences and more – says the advent of Horse Country has not only made more farms accessible to tourists, but has created a more accommodating experience.

"Horse Country has been a good liaison to the farms in understanding the needs of tourists – like restrooms, varied tour times, information about the farm – and helping tour operators appreciate the expectations of the farm, since they are working farms and the safety of their horses is always a top priority," Higgins said.

Some farms have the parking and other resources to offer tour access directly to the public, while others prefer that visitors come in groups with local tour operators. Horse Country coordinates with tour companies like Mint Julep to arrange for transportation and guides for such horse farm tour offerings. Tour companies can also purchase tickets from Horse Country for specific farms, dates and times to create unique tour packages they can sell directly.

"When you have a ticket for a tour, you're always going to be guaranteed a personal, guided experience on property with someone who works there," Hardy said. "Our members are all committed to being their own brand ambassadors and engaging guests with their teams and stories. We believe that means a better product for tour operators to share with their clients. Ultimately we're committed to a greater experience for the guest."



Lisa Higgins, Founder/Chief Entertainment Officer, Mint Julep Tours



Scott Calder, Sales & Marketing Director, Coolmore Stud

An eye to the future

While visitors come to Kentucky for many reasons, VisitLEX, Lexington's convention and visitors' bureau, has seen a steady rise in equine tourism inquiries in the past year and a half, according to organization President Mary Quinn Ramer.



Mary Quinn Ramer, President, VisitLEX

"There's always been a healthy interest in equine experiences in the area, but information on visiting horse farms has been the No. 1 request from our guests for the past 18 months," Ramer said. "These experiences are as authentic as it comes. This isn't an amusement park or fabricated attraction. This is simply our way of life. Visitors appreciate our authenticity."

Since offering its first tours during the 2015 Breeders' Cup, Horse Country Inc. has hosted guests from all 50 states, as well as 16 countries.

"The average stay is about three days, so we know they're booking hotel rooms, eating at restaurants and shopping, spending dollars in our local economy," said Hardy.

Horse farms have been largely pleased with their foray into equine tourism, with

Ashford Stud in Woodford County is a popular stop for Central Kentucky horse farm tourists.

several eager to expand not only what they offer to the public but how they offer it. Hardy says the next step for equine tourism in Central Kentucky is for Horse Country and its member farms to create retail opportunities for visitors, something that has become hugely popular with visitors of the Bourbon Trail.

"Our member organizations are really investing in the experience, taking in guest feedback and using it to improve. For example, Winstar Farm and Darley both just purchased electric vehicles to give guests access to new parts of their farms," Hardy said. "Horse Country and several of its members are offering or working on merchandise, and one day we would like to have a visitors' center of our own where we can greet guests and provide services. All of these things and more are part of the potential we want to capture." ■

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



Lee Thomas photo/Courtesy of VisitLEX

Explore Central Kentucky

Whether you are entertaining guests from out-of-town or trying to explore a new aspect of your home state, Horse Country and VisitLEX have an array of resources available to create meaningful and memorable experiences.

In addition to a robust website and social media presence, Horse Country Inc. offers a concierge service to answer all questions related to planning the perfect equine tour experience. For more information go to visithorsecountry.com or call (859) 963-1004.

Out-of-towners and locals alike can find activities, events and attractions in the Lexington area through VisitLEX. Whether looking for something to do over the weekend or planning a conference or corporate event, VisitLEX showcases the array of options to eat, shop, play, stay and experience all that Central Kentucky has to offer. For more information go to visitlex.com.

Think beyond the finish line.

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- Thoroughbred Business Year in Review
- Multistate Equine Sales and Use Tax Review
- Kentucky Thoroughbred Horse Farm Operations and Compensation Surveys



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ESOP Can Spell Succession Success



When the fit is right, employee ownership strategy benefits all and strengthens company

BY SUSAN GOSSELIN

WHEN the founders of a company want to exit leadership, most look to sell, but many Kentucky companies have discovered the benefits of another, less common option: becoming an ESOP (Employee Stock Ownership Plan.) Companies that take that leap go from being privately owned, to being employee owned, with profits divided up yearly among employees but placed in a protected fund and disbursed when employees leave or retire.

It's an ongoing corporate structure many companies say saves them a considerable tax burden, improves employee productivity and ensures jobs stay local. Is it one your company should consider?

"ESOPs are a great thing for companies and a great thing for the American worker," said Spencer Coates, president of Bowling Green-based Houchens Inc., one of the largest ESOPs in the United States with more than 18,000 employees nationwide. "We've all seen the fallout when companies sell, with the boarded-up plants and deserted towns they leave behind. Turning your company to an ESOP gives founders the payout they want, while still ensuring those jobs stay in place, generation after generation. Companies have more working capital year to year, and communities get to



*Spencer Coates,
President,
Houchens Inc.*

keep their workforce. It's a win-win-win," Coates added.

That's a conclusion many companies have embraced. In fact, according to The ESOP Association, there are 10,000 in place in the United States covering 10.3 million employees – about 10 percent of the private-sector workforce.

How ESOPs work

When a founder turns over a company to an ESOP, a fair valuation of the company is made. The money for the owner payout is borrowed from a bank, and that money is distributed into equal-sized stock shares. In fact, an estimated 75 percent of all ESOPs were created through borrowing money from a bank, The ESOP Association reports.

Employees are given certain amounts of the stock, based on a percentage of their annual income. Each year, the profits of the company are divided up into shares and placed into this fund. Employees often must become "vested" into the program, earning the full amount after they have achieved full-time status or hit a service milestone.

When an employee leaves the company or retires, they receive their payout, which can usually be rolled into an IRA or paid in cash with taxes deducted. As profits are plowed back into the fund, the value of the employee stock increases. And that money can add up.

According to The ESOP Association, a 39-year-old organization, the average account balance for an individual employee in an ESOP is \$113,318. Numbers like that are possible, the association reports, because the average annual contribution an ESOP company makes, per employee, is 11.8 percent of the employee's income.

Though the company is an S corporation and not an ESOP, Doe-Anderson Advertising in Louisville knows well the benefits an employee stock plan can have. Despite the cutthroat nature of its industry, 102-year-old Doe-Anderson has become one of the oldest continuously running advertising agencies in the U.S., largely due to its employee ownership, said Todd Spencer, president and CEO.

“Having an employee ownership fund allows us to greatly reduce our tax burden. The extra liquidity it gives us really helps. We hold out a certain amount of that stock money for use in potential payouts. But between our insurances and the cash value of the plan, we have plenty of money for investing in new equipment and facilities, or simply floating payroll and accounts payable while we are waiting for our clients to pay us. It’s a great safety net for the company and one that most ad agencies don’t have,” he said.



*Todd Spencer,
President/CEO,
Doe-Anderson
Advertising*

Doe-Anderson became employee owned in 1958, when Warwick Anderson put up seed money for the plan. Employees “buy in” to the fund with their own money, and the value of those stocks increase as the company makes profits. Fifty-seven of its 125 employees have bought into the plan. Their stock value has grown enough over the years to see several stock splits.

The value of the original \$12,500 in employee stock Warwick Anderson purchased would have appreciated to a worth of \$21 million in today’s money, had it stayed in the plan, Spencer said.

ESOP-powered tax benefits

Companies that participate in ESOPs get a whole lot more than the love of their employees. The potential tax benefits can be compelling. Companies that contribute cash or new shares to their ESOP can deduct that amount. For “leveraged” ESOPs, the money a company spends to pay back the loan that created the ESOP can be deducted from taxes, as well.

The tax benefits also extend to employees. Employees only pay taxes on ESOP money when it is disbursed. And even then, employees can roll over a distribution into an IRA with tax advantages or other retirement plan. If they take the distribution, contributions are taxed as income but any gains accumulated are taxed as capital gains.



Alan Taylor, director of BKD Bowling Green, leads a practice that helps companies make the transition to becoming an ESOP. He is quick to emphasize the tax benefits and extra governance that comes with this type of company structure.



*Alan Taylor,
Director, BKD
Bowling Green*

“Company earnings are not taxed under an ESOP when the company is taxed as an S corporation and 100 percent ESOP owned, and that leaves companies with the ability to grow, because they have greater cash flow,” Taylor said. “Companies can use those tax-free dollars to grow the company, and ultimately build the stock’s value. But it takes a great deal of planning and oversight. For instance, at BKD, we help companies plan out five years ahead and longer to accurately predict the amount of money coming out in disbursements, and help them wisely invest in the right assets that will produce the most revenue.”

Companies with an ESOP must have a carefully ordered board with independent directors as well as a strong financial reporting system. This board functions similar to most company boards, and is responsible for strategy and policy making, among other things. An ESOP also has a trustee, who has a fiduciary responsibility

to the ESOP participants. Employees are not legal stockholders in the traditional sense, and generally do not influence directly how the business is run.

It’s a strategy that has often served as rocket fuel for growth. When Houchens began its ESOP in 1988, it was a grocery store chain with 50 stores. It has since become one of the largest employee-owned companies in the United States, owning all or part of more than 40 companies spanning the industries of grocery, construction, insurance, wealth management, technology, healthcare, manufacturing/distribution, and restaurants. Houchens acquired Hilliard Lyons, the Louisville wealth management and financial services firm, in 2008.

John Megibben, vice president and region leader at Cincinnati-based Messer Construction, credited that company’s ascent to \$1.2 billion in revenue to the firm’s switch to an ESOP in 1990.



*John Megibben,
Vice President,
Messer
Construction*

“When we created the ESOP, we were in just one region, with \$100 million in revenue and 100 employees. Now, 26 years later, we are in nine regions, including Louisville and Lexington operations. We have more than 500 members,” Megibben said. “Year

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COVER STORY

over year, we've grown at least 8 percent a year. It's allowed us to not just have inflationary growth but intentional growth.

"In a business like commercial construction, 70 percent of our business is repeat customers," he said. "That's because our customers know when they work with us, they aren't working with employees – they're working with owners, and it shows."

The employee engagement effect

Employees who work at ESOPs feel invested in their company's success, an effect that can be measured. Recent surveys and journal articles cited by The ESOP Association show employees who are employee-owners were four times less likely to be laid off during the Great Recession, and ESOP companies had a \$44,000 per employee sales advantage over their non-ESOP peers.

A full 83 percent of the association's members report that becoming an ESOP had a direct impact on the company's productivity. It's an opinion that is shared by all the interviewees for this story.

Megibben said when Messer made the transition to employee ownership, its turnover plummeted from 7 to 8 percent yearly to 4 percent or less.

"Our turnover is less than half the national average in our industry. So I'm pretty sold on ESOPs," he said. "It takes the rhetoric out of owners versus workers. It takes the focus away from who is getting what, and puts it back on the customer."

Normand Desmarais was part of the founding team that created Covington, Ky.-based Tier1 Performance Solutions, a consulting company that helps clients through talent development, strategic change and organizational evolution solutions. He took his payout and now serves on the company board. Tier1 made the leap to being an ESOP in 2001, Desmarais said, and never looked back.

"Being an ESOP has made us stronger, and creates a terrific environment with

long-term stability for our consultants," Desmarais said. "The people who stay with us get to fully benefit from the company's success. And it makes Tier1 very attractive when we're recruiting. Overall, it works for us. We're growing at a rate of about 25 percent a year, 15 out of the last 16 years. We're estimating by 2020, we'll have 500 people across the U.S."

Should your company do it?

Despite the many benefits of employee ownership, experts warn it's not the right choice for every company.

George Thacker, managing director of New York-based CSG Partners, a boutique investment bank that specializes in ESOP transactions, said the choice isn't always clear-cut. There are some general disqualifiers.

"Is your company over-leveraged already? Is your company young, or in a very young and fast-changing industry?" Thacker said. "Do the owners want to exit within three to 10 years of founding the company? Then creating an ESOP might not be the right thing for you."

"ESOPs work best when a company is already consistently profitable, and in a

business that can benefit from a long-term, stable business strategy," he said.

Andrew Jacobs, member of Stites & Harbison LLC's Lexington law office, agrees.

"Companies who do well with employee ownerships have a lot of things in common. First and foremost, they have strong earnings, and they're not publicly traded," Jacobs said. "They often have older owners who are looking to transition. They might not have kids or grandkids that want to take on the company, or perhaps they're having issues with estate tax. They have strong management already, and have a strong commitment to keeping their people employed in the same place they've always been."

"They want an orderly handover, one that can be carefully planned and seamless. With the right structure and the right legal representation, companies like these can reap the great advantages of employee ownership," he said. "Give employees incentive and they'll share in your success. When they do well, you'll do well." ■

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



Normand Desmarais, Chairman, Tier1 Performance Solutions



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Mark Mitchell, chief accounting officer of Frontier Airlines, and Candace McGraw, CEO of Cincinnati/Northern Kentucky International Airport, announced six new direct flights serving CVG on July 18, increasing the number of direct service routes at CVG to 56.

Time Is Money, Flights Are Golden

Louisville launching guaranteed revenue plan to attract more direct air service to Kentucky

BY GREG PAETH

CABINET for Economic Development officials and residents in the swath of the state that radiates out from the commonwealth's largest city believe Kentucky's business climate would improve to 72 and sunny year-round if airlines provided more non-stop passenger service to and from Louisville International Airport.

State and local officials who focus on business creation and growth as well as a long list of executives who run Kentucky airports all made it clear they believe economic growth has been hampered – and will continue to be – unless it becomes far easier for business travelers to get in and out of the state quickly and efficiently.

“The data is indisputable in terms of the correlation between air access to

major markets and economic growth,” said Terry Gill, secretary of the state's Cabinet for Economic Development. “What we've seen is the business community telling us, quite honestly, that this is a major issue in Louisville. What we're hearing from business leaders is, ‘I can't get to the markets I want to serve from Louisville.’”

In an effort to attract more flights, the state as well as government and business leaders in Louisville announced a Minimum Revenue Guarantee (MRG) program in July designed to entice airlines to provide more service to the state's largest city. Gill and Luke Schmidt, the consultant leading the newly created Louisville Regional Airlift Development (LRAD), said the organization's top priority initially would be to use the MRG inducement with airlines



Terry Gill, Secretary, Kentucky Cabinet for Economic Development



Luke B. Schmidt, Project Consultant, Louisville Regional Airlift Development

TRANSPORTATION



Kentucky business executives and economic development officials want to attract direct flights from Louisville to Los Angeles and to Boston and have launched a new minimum revenue guarantee program to attract airlines.

Louisville travelers because of their flight availability, according to Schmidt and Mary Ellen Wiederwohl, chief of Louisville Forward, the economic and community development agency inside metro government, and a member of the 19-person LRAD board.



Mary Ellen Wiederwohl, Chief, Louisville Forward

that can offer non-stop service to Boston and Los Angeles.

MRGs allieve budget uncertainty for air providers. If traffic does meet the agreed upon revenue minimum, local entities such as LRAD commit the difference to an escrow-type account. The commitment decreases when traffic generates more than the minimum.

The Kentucky air service problem, both Gill and Schmidt point out, extends to the much larger issue of overall population growth and is more than whether business travelers must devote three extra travel hours to, for example, flying from Louisville to Seattle.

Economic growth, job growth and population growth all are linked, according to Gill and Schmidt, who were interviewed separately but provided similar data that had been collected to support the creation of the LRAD, which will oversee the MRG air service recruitment program.

Others grew via air service

Other mid-sized U.S. cities have shot ahead of Louisville in population and economic growth over the past 35 years after they adopted strategies including “air travel as a growth tool,” Schmidt and Gill said. They mention Nashville especially, along with Raleigh and Charlotte in North Carolina, and Austin, Texas, as metropolitan areas now substantially larger than Louisville’s.

“I think that it’s not a stretch to look at population growth as an indication of economic advancement,” Gill said. He provided data that showed dramatic increases in the populations of the cities mentioned as well as the explosive growth of “enplanements” – the number of people who boarded aircraft in those cities.

In numbers of regularly scheduled nonstop flights, Louisville has fallen behind nearby cities that now attract

After Frontier Airlines announced in mid-July it would offer nonstop service to Denver, the Louisville airport said it had 28 nonstop flights, half the number of nonstops available at the Cincinnati/Northern Kentucky International Airport, which is 90 minutes from Louisville International. Indianapolis has 47 nonstop flights, while Nashville emphasizes it provides more than 50.

Besides making travel to and from Louisville far easier for people doing business in the U.S., nonstops to Boston and Los Angeles would facilitate international travel because those cities are key connecting points for air service to Europe and Asia, Gill said.

“Foreign direct investment is a big component of our growth this year,” said Gill, pointing to the \$6.8 billion worth of economic development projects that already have been announced for 2017, when the total will “obliterate the previous high-water mark” for business invest-

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Louisville International Airport has 28 direct flights to other U.S. destinations currently. Economic development officials estimate 500,000 travelers annually in the Louisville market are using flights in Northern Kentucky, Indianapolis and Nashville.

ment. "About a third of that is coming from Europe and Asia," he said.

"Not all businesses obviously have a national or international aspect ... but if companies do have business on a national basis or they do business internationally, it's (air service) a top-three issue," the cabinet secretary said.

A tool for competitiveness

Gill and Schmidt both also said the effort to bring more flights to Louisville is one more example of how Gov. Matt Bevin is trying to make Kentucky more business friendly.

"Obviously Kentucky is a changing state. We have a stronger pro-business climate than the state did two years ago (and) ... Kentucky now has right-to-work, which is a big, big issue – a big, big deal," said Schmidt, referring to the January passage of legislation in early that makes it more difficult for unions to collect dues at businesses where the unions have contracts. "That's put the state in a much more competitive position to go out and attract industry."

Louisville Forward's Wiederwohl made it clear that she's in agreement with Gill and Schmidt about the critical importance of nonstop air service for business growth.

"To be competitive we need this kind of a tool to attract the carriers," said Wiederwohl, referring to the new MRG program. "It's not just Louisville knock-



ing on their (the airlines') doors. It's Oklahoma City and Columbus (Ohio) and St. Louis and smaller cities knocking on their doors."

Schmidt said as many as 500,000 travelers who are within an easy drive of the Louisville airport routinely bypass it and fly out of other airports because of the availability of nonstop flights.

Wiederwohl agreed.

"There are a lot of business and leisure travelers driving to other airports to take advantage of nonstop flights," said Wiederwohl, adding that travelers can drive to the Nashville, Indianapolis and Cincinnati/Northern Kentucky Airport in two hours or less to avoid the complications and time delays that can surface when changing planes.

Louisville has budgeted \$200,000 for the program. The city's LRAD partners might have to contribute, too, to the

pool available for MRG agreements with airlines, but it's too early to know if that will be needed.

Wiederwohl said a nonstop flight to Los Angeles is the top priority for Louisville and that she is confident that there are enough LA-bound passengers to support the flights.

Connectivity is time, time is money

"Connectivity with customers (and) business partners ... is extremely important," said Candace McGraw, CEO of the Cincinnati/Northern Kentucky International Airport, which is located in Hebron. "Even when you can Skype and FaceTime and do webinars, there's no substitution for sitting across the table from the person you do business with – to shake their hand and close the deal. A nonstop will save you time and when you're a large business you're very time sensitive."

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Blue Grass Airport in Lexington has 15 non-stop flight destinations, but its market size is not large enough to financially justify large numbers of additional non-stop flights.

Of course, time is also money.

"When you're a mid-to smaller business, to have to add on an overnight (stay) because the timing doesn't work right, now you've added on the cost of a hotel or a rental car or whatever else you need," McGraw said. "So that's why we're trying to drive as much nonstop traffic as we can."

During the last four quarters, 70 percent of the air travelers at CVG have boarded nonstop flights, said Bobby Spann, vice president of external affairs at the airport, which says it has non-stop flights to 38 of the top 40 business destinations.



Candace McGraw, CEO, Cincinnati/Northern Kentucky International Airport

Not that long ago, when Delta Air Lines had a major hub at CVG and dominated its gates, many travelers in the region flew out of Louisville because the fares in Cincinnati were among the highest in the country. Now that Delta flight numbers and influence have diminished and low-cost carriers are providing service, the airport says its fares rank just south of 40th in the U.S.

McGraw said her airport is growing at 13 percent this year – about three times the national average – and offers far more nonstop flights than Louisville, Lexington, Indianapolis, Columbus and Dayton.

Eric Frankl, executive director of Blue Grass Airport in Lexington, said the availability of nonstop flights is vitally important to many travelers.

"Obviously, if they don't have to make a stop in some hub on the way to the West Coast it's quicker and more efficient for them, and certainly that's their priority ... you know, less hassle," Frankl said.

But he was doubtful that Lexington would be seeing nonstop flights to Los Angeles, for example, anytime soon.

"So much of this is really population based. In Lexington we don't have the population base that would support a direct flight to LA, for example, based on the aircraft they have to use and the number of seats on that aircraft. We would have to have a pretty large population to make that work," Frankl said.



Eric Frankl, Executive Director, Blue Grass Airport

Response to business community

Secretary Gill acknowledged that the minimum guarantee program supported by the state would seem to provide assistance to Louisville that isn't available to competing airports in Lexington and Northern Kentucky.

"We're certainly responding to what we're hearing from the business leadership in Louisville – and that's really what's driving this. Could there be some concern from other markets about not having support? I suppose that's a possibility, but we have not heard from those who are concerned about direct air service out of Lexington or Cincinnati," said Gill, adding that he wouldn't rule talking with the other airports in the future.

Business people have discussed the flight-service issue for years, Schmidt said.

"This whole issue has bubbled up, I would say, over the last two or two and a half years (and) really started with a number of significant business leaders expressing concern about the quality of existing air service at the airport," he said. "We're really talking about access of nonstop destinations out of Louisville. There's been a lot of frustration about that."

Most Louisville flights go to large connecting hubs like Atlanta and Chi-



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cago where travelers change planes to get to their final destination.

"If you're going to be a successful company, and if you're going to base the company in the Louisville region, you want access to the major markets," Schmidt said. "You want to be able to reach your customers who are located in the major markets, and you also want the people who work for you and live in the major markets to be able to get to you easily."

Almost all of the companies receive complaints about how hard it is to get to Louisville, he said.

"We haven't found one company that says the service is terrific and meets all their needs."

Schmidt emphasized he and other members of LRAD, whose governing board includes Lesa Seibert, a member of the Louisville Regional Airport Authority board, are not suggesting the Louisville airport has failed in its effort to attract flights.

Instead, the MRG program announced in July gives the Louisville region an incentive to offer airlines skeptical about whether they can make money with nonstop flights from Louisville.

How it works

Under the MRG program in Louisville, LRAD and a carrier would enter into an agreement that would allow the airline to cover its costs and make a reasonable profit for a year or two. If ticket sales were sufficient to cover those costs, LRAD would not have to provide any funding.

If a flight's monthly revenue target is \$1 million and the flight comes in one month at \$950,000, then LRAD would cover the \$50,000 needed to meet the target, according to Joe Lilly, a spokesman



An aerial view of Louisville International Airport has three main runways. It has international freight service as the worldwide air hub for UPS and ranks seventh in the world for freight volume.

for the Cabinet for Economic Development. And if a flight produces a profit of \$100,000 above that \$1 million goal in a month, that \$100,000 would be carried forward into the next month as a community credit, Schmidt said.

Schmidt and others point out that airports are prohibited by the Federal Aviation Administration to offer incentives like those available through LRAD for specific nonstop flights at the Louisville airport. McGraw explained that airports may offer incentives to carriers that include reduced landing fees or terminal rental fees "as long as the program is open to everyone — carrier agnostic. (They are) fairly common around the country."

"In a general sense, I can say that airlift is important to business growth, but it is somewhat of a chicken/egg situation. Airlines are different from other sectors in the travel industry because they can adjust capacity to demand rather quickly," said Michael Baker, senior editor for transpor-

tation for the *Business Travel News*, which tracks the airline industry carefully. "Whereas a hotel or convention center will take years to build and continue to sit there empty if a region hits rough times, airlines can adjust their networks rather quickly to move flights in and out of airports as demand dictates."

"But, of course, business and especially major conferences/events are going to look at how easy it is to get people in and out of a region when they decide where to open a new HQ, have a major event, etc.," Baker said in an email. ■

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



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Women Worthy of Note

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

BY LORIE HAILEY

OUR occasional feature, Top Women in Business, highlights some of the women around Kentucky and Southern Indiana making an impact in business, the professions, politics and economic development. The intent is to recognize not the household names, but those in key roles whose work ethic and body of work are making important contributions to commerce – and life – in the area.

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

Sara G. Smith



Sara is a native of Coral Gables, Fla., who has lived in Lexington since 1980.

Title/company: CEO of Smith Management Group

How long at company/position: I became CEO in January of 2017. I served as president for over 10 years previously, and was vice president since the company was founded in 1989. I have always served as counsel for the firm as well.

Previous jobs/positions: Before SMG, I was an attorney with Wyatt Tarrant & Combs in Lexington. I started with Wyatt while in law school and continued through graduation and the birth of my second child. Wyatt and I successfully explored the concept of a part-time attorney after my son was born. In my younger days I have worked as a surveyor, baker, house painter and television producer.

Education: Bachelor of Arts from Temple University in American studies; juris doctor degree from the University of Kentucky; mediation training.

Person(s) who most influenced or mentored me: There are many whose character I admired, who taught me ways to think and listen. I had two uncles who were quite different from each other, whose demeanor and intellect I admired and tried to emulate. I was raised by a mother who walked through each day with intelligence, curiosity and responsibility. I have been fortunate to marry a man who is the best father and husband possible, and who has lived up to his promise that I would never be bored. Just ask his kids.

What inspires/drives me: I love watching the next several generations grow into their shoes as people, family members and workers.

Hobby/interests/volunteer work: My interests change regularly. I enjoy cooking, and I love the result of gardening. I have recently learned to make very good jam. I'm learning how to take very good photographs.

My biggest challenge and how I overcame it: The biggest challenge is the one in front of you today.

My advice to younger women in business: Stand up straight, look people in the eye, have a strong handshake and use your full name. And that's just for openers.

Allison Barker



Allison is a native of Spencer, W.Va., who currently resides in Ashland

Title/company: Corporate communications manager, Kentucky Power

How long at company/position: Since 2014

Previous jobs/positions: Corporate communications consultant, Appalachian Power; communications coordinator, West Virginia Department of Education; reporter/editor, The Associated Press; reporter, *Charleston Daily Mail*; anchor, WOAY-TV; reporter, KMPH-TV.

Top accomplishment: A few stand out. As an Associated Press reporter, I was the first reporter to figure out that a missing soldier in the 2003 War with Iraq was Jessica Lynch, the first POW/MIA to be rescued during that war. She was from a small town near my hometown and I was able to talk to her family. While working for a state education agency, I persuaded some well-known actors, including Jennifer Garner and John Corbett, to do free television PSAs promoting reading. At Kentucky Power, I have strengthened our employee communications, media relations and community outreach.

Education: Post-graduate certificate, digital marketing communications, West Virginia University; Master of Arts in journalism and Bachelor of Arts in journalism, Marshall University.

Person(s) who most influenced or mentored me: My mom, who sadly died right before Thanksgiving last year. I miss her every day.

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What inspires/drives me: Family and friends. I love my job but spending time with family and friends is most important.

Hobby/interests/volunteer work: Cooking. I participate in a girlfriends Supper Club where we try different recipes and cuisines each month and take turns hosting. If the guys are good, we invite them to our Christmas event.

Currently reading and/or recent movie/play/concert attended: "Hillbilly Elegy" by J.D. Vance

My biggest challenge and how I overcame it: Learning that not everyone you will work with is ethical and truthful. I learned to keep good records and document everything.

My advice to younger women in business: Find a mentor you respect that you can turn to for advice and guidance throughout your career.

Wendy Dant Chesser



Wendy lives in Jeffersonville, Indiana, "one block away from the house I was raised in," she said.

Title/company: President and CEO, One Southern Indiana

How long at company/position: Almost five years

Previous jobs/positions: President of Cornerstone Alliance, Benton Harbor, Michigan (2005-2012); deputy executive director, Indiana Department of Commerce (2003-2005).

Top accomplishment: Named one of North America's Top 50 Economic Developers of 2015 by Consultant Connect; named the 2016 Chamber of Commerce Executive of the Year by the Indiana Chamber Executives Association.

Education: Bachelor of Science in business, Indiana University Southeast, 1991; earned the Certified Economic

and Community Development Certification in 2010.

Person(s) who most influenced or mentored me: My mother, who has always been the source of my strength.

What inspires/drives me: I am passionate about helping groups of people work together for the common good. It's truly what makes America great.

Hobby/interests/volunteer work: My daughter and her basketball; staying physically active; sports; and live music.

Currently reading and/or recent movie/play/concert attended: My daughter, Joslyn, and I saw Jimmy Buffett in July. She's 9 years old, and this was her sixth Buffet concert!

My biggest challenge and how I overcame it: Defeat is temporary. There is always a way to bounce back.

My advice to younger women in business: My favorite quote: "Act like a lady. Think like a man. Work like a dog."

Jennifer Webb



Jennifer is a native of Berea who currently lives in Richmond.

Title/company: Paralegal specialist, U.S. Attorney's Office for the Eastern District of Kentucky; founder and coordinator of Madison County Youth in Action Inc., an underage drinking and drug prevention coalition.

How long at company/position: 4-plus years at the U.S. Attorney's Office and 10-plus years as coordinator of Madison County Youth in Action.

Previous jobs/positions: District judges' paralegal for the 25th Judicial District; part-time faculty at National College of Business and Technology; retail sales at Morgan's Discount Inc., my parents' business, which they've owned for more than three decades.

Top accomplishment: My two children, Adriannah and Ayden. I am an extremely driven person and I wear many hats, but being a mother is the most important job I will ever have. My children inspire me to help make the world a better place.

Education: Bachelor of Arts in paralegal science, minor in political science, Eastern Kentucky University.

Person(s) who most influenced or mentored me: My parents and grandparents set the work ethic and integrity bars high for me and I have always tried to exceed their expectations. John Lovell was my high school basketball coach and one of my first mentors. He motivated me to be the best I could be and taught me the importance of teamwork. Judge Jeffrey M. Walson took a chance and hired me as a paralegal intern. He was and continues to be one of my biggest professional mentors. Judge Brandy Oliver Brown and Dr. Melissa Jones have been my advisors, constant sources of encouragement, and true friends. Each have urged me to go outside my comfort zone professionally.

What drives me: Simply put, I have an insatiable appetite for serving others and youth advocacy. Many years ago, I met a mother, father and son as they were being led to court. Handcuffed and shackled, all three were suffering from drug addiction. At that moment, I understood how addiction devastated families and how the cycle was so difficult to break. I wanted to help and I knew there'd be no easy solution. I started collaborating with others to create or participate in drug prevention programs designed for youth. I have proposed local and state legislation designed to decrease underage drinking and drug use. I have written or co-written numerous grants to secure nearly \$1 million to fund drug prevention and treatment programs. My commitment to prevention and treatment is renewed (and my heart is broken) each time I meet someone who is addicted to drugs or someone who has lost a loved one as a result of addiction.

Hobby/interests: I love jogging, walking my dog, seeing movies, listening to music, attending my son's sports events, spending time with family and visiting the beach – any beach.

Volunteer work: Madison County Youth in Action Inc.; ECU Paralegal Advisory Board (2006-present); Madison County Youth Impact Team (current); Madison County Teen Court (2003-2012); Madison County Safety Coalition; Madison County Delin-

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WOMEN IN BUSINESS

quency Prevention Council (former secretary); Madison County Agency for Substance Abuse Policy (former chairperson); Madison County Misdemeanor Drug Court (previous grant writer and team member); Telford YMCA Board of Directors (2012-2013); and several other positions.

My biggest challenge and how I overcame it: My lack of confidence and the fear of failure used to be my biggest challenge. Luckily, I have supportive family and mentors who have provided a constant source of encouragement. My faith has allowed me to turn everything else over to God.

My advice to younger women in business: Forgive quickly and never burn bridges because it's critical in building and maintaining personal and professional relationships. Be politely assertive and set your goals high. Pray without ceasing, be driven and look for opportunities to lift up others. When you are having a bad day, doing something kind for someone else will cheer you up!

Priscilla McIntosh



Priscilla is a native of Shelby County who currently lives in Louisville.

Title/company: CEO at The Morton Center

How long at company/position: Eight years as CEO, five years at company

Previous jobs/positions: MCM Accounting, accountant; Compton, Kotte and Associates, accountant

Education (other pertinent training/certification): Indiana Wesley University

Person(s) who most influenced or mentored me: Growing up, it was my grandfather. I have a lot of people at my table helping me now.

What inspires/drives me: Hearing the many voices that once cried now laughing together as a family.

Hobby/interests/volunteer work: Taking long weekend trips with my family to different parks and beaches.

Currently reading and/or recent movie/play/concert attended: I rewatched all the "Twilight" movies with the kids. (I know!)

My biggest challenge and how I overcame it: Trying to be everything to everyone, only to realize that I need to take care of myself first in order for it to balance out.

My advice to younger women in business: Stay strong and believe in yourself, and take care of yourself. No one else can do that for you.

Connie Jo Miller



Connie Jo is a native of downtown Lexington, where she currently resides.

Title/company: Agency principal, Group CJ

How long at company/position: I founded the marketing firm at age 28, on Oct. 19, 1987, Black Monday. (I'm an eternal optimist.)

Previous jobs/positions: I worked for my dad, Harry, at my family's business that my grandfather Barney Miller started in 1922. I started in bookkeeping with my Grandma Bettie, moved to the record department back when they sold 45s, and at 19 I was buying media for the store and doing newspaper and TV ads. That experience with my dad was certainly my kickstart.

Top accomplishment: Transitioning from advertising to more "mindful marketing," public awareness campaigns that change behavior for the good. We've done projects that benefited Fay-

ette County Public Schools, and joined with divisions of Lexington government to make streets safer and our water cleaner. We launched the very first Kentucky Proud campaign for the Kentucky Department of Agriculture, helping farmers diversify away from tobacco. It's been an interesting three decades.

Education: University of Kentucky B.A. in communications/journalism with a minor in economics.

Person(s) who most influenced or mentored me: First was my grandma, Bettie Miller, because she was a businesswoman before there were women in business. And more directly, my father, Harry, taught me the principles of good marketing, how to see things from someone else's perspective and why it is so important to be civically involved. He showed me how to have fun with life.

What inspires/drives me: It may well be a genetic forward momentum that drives me. I'm inspired by very smart people, who usually have great senses of humor, and the arts, the aesthetic, things like really good design (of any kind).

Hobby/interests/volunteer work: I'm a regular Martha Stewart; I love to garden and cook and I'm looking forward to entertaining more often. I've practiced yoga for about 25 years. I have served on boards such as the Bluegrass Trust, Spindletop, and the Headley Whitney Museum. I'm serving my second stint on the LexArts Board, working on novel fundraising ideas like Lexington Restaurant Week and Arty Party's. I'm very proud to serve on the board of The Bluegrass Land Conservancy.

Currently reading and/or recent movie/play/concert attended: "Life of the Party," a biography of Pamela Churchill Harriman, and for a laugh, "Today Will be Different," by Maria Semple.

My biggest challenge and how I overcame it: It was tough in the 1980s to be a young woman starting a business on a wing and a prayer, especially since I was a petite blonde that looked about 16 years old! Persistence, novel ideas and hard work paid off ... after the first decade. Being an entrepreneur and starting your own business with no backing is not easy.

My advice to younger women in business: Tenacity cannot be underestimated. There's almost never one right way to do anything; we all figure it out for ourselves. Surround yourself with interesting people. And start investing now.

Cindy Fiorella



Cindy is a native of Owensboro, where she currently resides.

Title/company: Vice president of workforce and economic development at Owensboro Community and Technical College.

How long at company/position: 25 years at the college, all of which have been in the areas of community outreach and business and industry Services.

Previous jobs/positions: Executive director, Downtown Owensboro Inc.; the Green River Educational Foundation.

Education: Bachelor of Science in education; Master of Arts in organizational communication.

Person(s) who most influenced or mentored me: I was fortunate to serve as the staff representative on the Kentucky Community and Technical College System's inaugural board. Dr. Michael B. McCall and Dr. Keith Bird, president and chancellor, respectively, were two of the most influential individuals I've ever known. For six years, I watched transformational leadership in action, as they utilized their considerable skill sets to motivate stakeholders from two disparate systems to create an innovative, responsive postsecondary system that is considered a benchmark institution across the nation. Their legacy for Kentucky lives on in KCTCS.

What inspires/drives me: My workforce solutions team and community partners! I never cease to be amazed by what focused people can achieve together on behalf of their shared "cause."

Hobby/interests/volunteer work: Since I'm hopelessly drawn to vintage furniture of all eras, my extended family members often draft me to serve as a pseudo interior designer.

My biggest challenge and how I overcame it: Challenges come in all sorts of packages. Some are "good" challenges and can generally be considered an opportunity at hand. Other challenges are "problematic" or distractors. Regardless, I find that plowing through any challenging situation works best for me. If one strategy doesn't seem work, I like to regroup (often with the counsel or aid of my teammates) and try a new tactic.

My advice to younger women in business: Speak up; then engage! Share your thoughts and ideas on how your organization can meet a challenge or new opportunity, even if others hesitate to do so. Volunteer to take on a project or lead an initiative. Seek out the "doers" who share your passions and values. Then enjoy the process of accomplishing something amazing together. ■

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

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A New Vision for Old Things

Young couple grows their vintage and historic rehab brand

ALEX and Emily Riddle appear to be typical young professionals, but their aspirations clearly reveal them as something special. In

March they purchased The Amsden in downtown Versailles and are putting the finishing touches on the once derelict space.

Both in their late 20s, Alex Riddle hails from Woodford County, and Emily from Lexington.

They were high school sweethearts at Lexington Christian Academy and married just after college.

At the time, Alex was working in the coffee industry in Haiti and Emily was working at Street Scene, a vintage retail business in Lexington, and getting her company, Miss Molly Vintage, off the ground. Emily's degree is in art education from University of Kentucky, and Alex started out playing football at Centre College before a shoulder injury prompted a transfer to University of Kentucky. He left UK to pursue his career in Haiti before finishing his degree at Georgetown College.

The Amsden bank building was constructed in 1890, and is one of the oldest buildings in downtown Versailles. The building has been a variety of businesses since the bank closed in 1931. After years of neglect, it's been meticulously renovated to restore much of its original character and is leasing for fall of this year. We asked the Riddles a little more about their motivation on this ambitious project and living the vintage life.

TLR: When did this passion for making old things new again begin for you guys?

ER: For me it has been a life-long passion. Alex is just catching up in the last couple of years, mostly due to our renovation of a historic home in downtown Versailles.

TLR: We live in a world full of disposable things, including clothing and housing. What gives you the desire to buck that trend?

AR: It really causes us physical pain to see these historic buildings throughout Central Kentucky (mostly in downtown areas) waste away and sit empty. We're willing to take the first step because we believe in our vision and think that the community is ready to support small businesses and a revitalization of downtown areas. Emily sees the same thing in the treasures that she finds for Miss Molly Vintage in an old piece of furniture or a vintage piece of clothing.

TLR: With The Amsden on its way to new occupation, what are your other future aspirations?

ER: We hope The Amsden will be the first of many projects in the downtown Versailles area. We know that it will take more than one business to make Versailles the destination spot we envision, but we think this is the right start. We would also love to start flipping houses and doing custom renovations, hopefully also focused in Versailles. And we have a couple of other large projects in our sights.

TLR: Why did you select Versailles as your center of activity?

ER: Alex grew up in Woodford County, and his entire life the family drove past Versailles to get to activities in Lexington. As we grew up, we both saw a lot of potential for downtown Versailles and a lot of people in Versailles who are willing to support a local revitalization. We also just happened to find a home on Main Street in Versailles that we fell in love with, and that anchored us and gave us a "why."

TLR: How have you achieved a balance of reasonable risk and chasing your dreams?

AR: Emily has an incredible vision and passion for what she does, and I'm really blessed to have a full-time job that I love and that supports us so that we are able to take risks through her business and both spend our days exactly the way we want. I work in a "commission-only" role at Rood & Riddle (Equine Hospital in Lexington), so risk is something that I am very comfortable with and even enjoy.

A glimpse inside the kitchen of the Riddle's remodeled Versailles home.



Alex and Emily Riddle are in the process of renovating the historic Amsden building in downtown Versailles.

TLR: Emily, can you imagine yourself doing anything else?

ER: Honestly, no. I always had dreams of owning my own business, but I just had so many different passions and interests to narrow down. When I began working at a local vintage store in college, Street Scene, I fell in love with the retail world and started to see all those interests and passions come together. Without that experience, I likely would have been teaching. I know I would have not been happy teaching and would have been trying to do something creative on the side.

TLR: Alex, what is your day job at Rood & Riddle?

AR: I run sales and marketing for our compounding pharmacy. We do custom medications for horses and are launching into small animal (medications) in the next month. We're a rapidly growing business, and I also enjoy figuring out the operational requirements of keeping up with our growth.

TLR: How have you built your tribe, professionally and personally?

AR: We are both blessed with incredibly supportive families who have been there every step of the way. What we have learned so far is that you aren't going to be successful unless you put the best people around you, and we're really lucky to have incredible partners – a bank, real estate agent, and contractor – who believe in our vision and go above and beyond to make it come true. I like to feel that my strength is putting amazing people around me so that I am the weakest link in the team, and I definitely feel that way about this group.—Abby Laub



Taking Care of the Body and Soul

Movementlust opens in Lexington, offers adult dance classes

When Tamra Graves moved back to Lexington 11 years ago from Los Angeles, a piece of her heart remained on the West Coast.

Today her heart is complete, with the opening of her new adult dance studio, *movementlust*. While wanderlust is the desire for travel, *movementlust* is the desire to move, to dance.

"I moved back and hoped to find a place I could get into performing or take a class, and there was nothing. I was devastated because there was just no outlet for me," the 32-year-old lifelong dancer confessed. "Dance is what defined me. I had always wanted to open a studio because it was my lifelong dream. When I realized there was nothing here for adults, that's how the adult studio took shape."

Married and with two young children, she didn't plan to open her own place until next year – until a space on East Short Street on the second floor of the former Hurst Office Building presented itself. Graves said when she saw the space she knew she had to jump on it.

"My dream was to have a studio downtown, and I wanted to be up on

the second floor or higher," she explained. "That was my vision for the look and feel of the space, and I wanted downtown because we live downtown and love how it's growing. My husband had just opened a new business, and we were thinking if (our life is) going to be crazy right now, why not add some more crazy?"

The simple, open and serene space is relaxing and filled with natural light.

"With it being adult-catered, I wanted it to feel super relaxed and comfortable, especially because a good chunk of people who are coming may not have danced for a really long time, or ever," she said. "I hope to get people who want to start a movement practice. I want people to be comfortable and hang out and chill and grab a glass of wine after, and be moved mind, body and spirit. I want this to be a place where people come to be filled up."

With a mobile app for booking classes, *movementlust* offers ballet, contemporary, hiphop, mindful movement, yoga, mama and baby, and others.

Graves says the studio targets all age and ability levels, and mostly former dancers



*Tamra Graves poses inside of her new adult dance studio, *movementlust*.*

because she knows the desire to dance never goes away, even into adulthood.

"Once college happens, there's nowhere else you can go," she said.

The classes are not about being perfect, Graves said; she simply wants people to walk out feeling like they're floating on a cloud. The studio also offers meditation time for people to come in and "zen out" because "we don't give ourselves enough 'me' time."

"I think some people think of dance as kid's play," she added. "It sounds cliché, but it's just the truth that movement is medicine, and we need as human beings to move our bodies. And it's just so important for those people who don't enjoy 'exercise' to find a way to move their body."

Eventually the space will include a wellness component, as Graves is a certified natural health professional and is studying to become a naturopathic doctor.—*Abby Laub*

Eat Like a Kid at The Cereal Box

ERIC Richardson believes his new concept will appeal to the kid inside everyone.

The Cereal Box, at 612 Baxter Ave. in the Highlands neighborhood of Louisville, is a café with a menu that features breakfast cereals of all types, paired with toppings and various types of milk. In addition, the café offers cereal-based treats – imagine a classic Rice Krispies treat, but made with Fruity Pebbles or Cocoa Puffs – and items like Pop-Tarts.

It starts at \$3 per bowl, including milk, but doesn't end there. Mix and match cereals to your heart's content. Want to mix Apple Jacks with your Froot Loops? Can do. Add bacon and caramel drizzle?

That's allowed at The Cereal Box.

But one of the main attractions is an item Richardson calls The Cereal Killer: a choice of up to 15 cereals with up to 10 toppings, plus milk. The cost is \$20, and the concoction comes in a bowl big enough to toss a salad for an entire family.

The entrepreneur says customers are treating The Cereal Killer as a food challenge, even though he never intended it that way.

"No one has completed it yet," Richardson said, "but there was a girl the other day who came really close."

Indeed, the place has an almost mystical quality, with colorful cereal dispensers along one wall by the counter; boxes of cereal and portraits of cereal mascots adorning the walls, and a flatscreen TV showing classic cartoons. In one corner, sits a TV console from the 1960s with classic Atari games for kids of all ages to play while they wait for their cereal.

One family walked in and eyed the wall menu eagerly, yet nervously. When the first of the three kids stepped up to

order, he grinned sheepishly and said, "Reese's Puffs."

"Reese's Puffs, you got it," Richardson replied. "What kind of milk?"

The young boy smiled again and shrugged. He ended up with 2 percent, but he clearly was enthralled with the idea of ordering breakfast cereal from a long menu, rather than trying to make his way through an entire box before trying a new flavor. Moments later, he and his brothers were choosing which Atari games to play.

Richardson encourages people to wear their pajamas in the store, and as part of the grand opening celebration in July, he sponsored a school-supplies drive for needy children.

A key part of the launch was a guerrilla marketing campaign that created social media buzz by placing 7-foot-tall posters of cereal boxes around Louisville without any explanation.

Richardson feels that not only will it appeal to children but to anyone who grew up on cold cereal, video games and Saturday morning cartoons. That stretches back to kids of the 1970s and beyond, and makes for a potentially large audience.

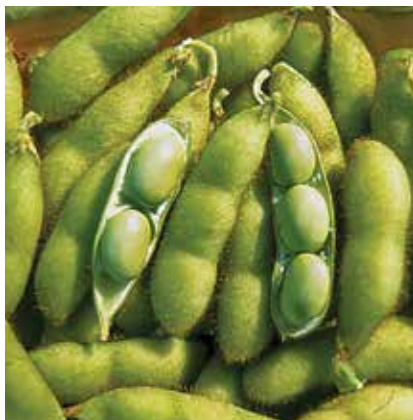
"It's a product that can stretch across generations," Richardson said.

—*Kevin Gibson*



Eric Richardson's new Cereal Box appeals to "kids" of all ages.

THE LANE LIST



KENTUCKY'S TOP AGRIBUSINESS FIELD CROPS

SOYBEAN acreage put in and raised by Kentucky farm operators has increased steadily since 2011 while corn and wheat acreage has varied annually and remained flat overall.

SOYBEANS

YEAR	ACRES PLANTED	ACRES HARVESTED
2017	1,900,000	1,890,000
2016	1,790,000	1,780,000
2015	1,840,000	1,810,000
2014	1,760,000	1,750,000
2013	1,670,000	1,660,000
2012	1,480,000	1,470,000
2011	1,490,000	1,480,000

CORN

YEAR	ACRES PLANTED	ACRES HARVESTED
2017	1,350,000	1,260,000
2016	1,500,000	1,400,000
2015	1,400,000	1,310,000
2014	1,520,000	1,430,000
2013	1,530,000	1,430,000
2012	1,650,000	1,530,000
2011	1,380,000	1,300,000

WHEAT

YEAR	ACRES PLANTED	ACRES HARVESTED
2017	460,000	340,000
2016	510,000	400,000
2015	560,000	440,000
2014	630,000	510,000
2013	700,000	610,000
2012	550,000	440,000
2011	540,000	440,000

Source: National Agricultural Statistics Service surveys



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SPOTLIGHT ON THE ARTS



Musician Tee Dee Young entertains the crowd at Maysville Uncorked, a summer fundraiser for the Maysville Players theater group, in downtown Maysville. The event is one of many that has contributed to Maysville's status as a Kentucky Arts Council Creative District.

Cultural Tourism

Creative placemaking makes summer vacation an arts event in Kentucky

BY LYDIA BAILEY BROWN

I write this month's column while I sit beside a beautiful wildflowered ravine in one of Kentucky's amazing state parks. Watching hikers circle the artistic sculptures on one side of the field and soccer nets on the other, I can't help but rejoice that I'm immersed in something spectacular – cultural tourism in Kentucky.

I have lived cultural tourism my entire life. It started in my family five generations ago down South. My great-grandparents were hoteliers throughout Georgia. They ran inns, restaurants and gardens, inviting tourists to visit the region, including the design-driven town of Madison, a rare untouched Victorian town on Atlanta's outskirts. Madison was saved by troops on both sides in the Civil War because of its cultural and artistic relics and beautiful architecture, art collections, academic history, culinary crafts and artistic gardens through-

out the town. As a teenager, my mother helped her parents manage the beautiful, sun-soaked Jekyll Island off Georgia's coast. The island, a former millionaires' playground, had been abandoned and was run-down. In the early 1950s my grandfather, Barney Whitaker Sr., had a stroke of genius and rented the island from the state, and his family of five restored the artistic properties and amenities. They knew that people from all walks of life love culture, appreciate art and architecture, good music, excellent food and hospitality... and grandfather suspected that people might travel to soak it in.

My relatives recognized that the combination of hospitality, adventure, arts and history make for a fantastic experience. Today, the intentional design of such an impacting location is a field called creative placemaking, which, according to the National Consortium for Creative Placemaking, is a new way of making communities more livable and prosperous through the arts, and making them better places for the arts. Creative placemaking is about more than public art or performing arts centers. It is about making places better for everyone.

There are regional, national, even international conferences on creative placemaking for community planners, municipal leaders and arts and history buffs to study the science, economic development and politics of these community projects. That's because a large

number of wise business and community leaders in arts and tourism started recognizing trends – those same trends my family noticed generations ago – that people come to these places in droves. People love to vacation in creative and culturally meaningful places. They invest their time and spend their money, but with great excitement to those attempting to sustain these communities, these visitors make memories at these places. Creative placemaking sustains communities.

The Kentucky Arts Council recognizes communities that are making an effort to maintain the cultural and artistic life of these special places in Kentucky over time. There are dozens of thriving communities that draw in visitors for cultural tourism around the commonwealth, and there are more springing up. As of spring 2017, Kentucky has been able to recognize seven special communities that have gone and continue to go the extra mile to provide, maintain and market their unique and strong cultural value and hospitality.

If you have not recently visited one of Kentucky's Official Creative Districts, spend some time enjoying one of these amazing communities: Bardstown;; Berea;; Covington;; Danville;; Maysville;; Paducah;; and our most recently added district, Owensboro. You won't be disappointed.

To become a Kentucky Creative District, each of these communities proved they are places where the arts are integral to building community, engaging residents, encouraging entrepreneurship and attracting visitors.

Maybe your family has been part of this cultural tourism trend – and maybe you are the key to your community's cultural future! According to a 2013 report by Mandala Research, a cultural tourist in the United States spends 60 percent more, approximately \$1,319 per trip, compared with \$820 for U.S. leisure tourists.

To me, it is a natural thing to do – to want heritage, history and beauty to continue. I guess it just runs in my family. I'm betting it might in yours, too! ■

To learn more about Kentucky Arts Council's Creative Districts go to arts council.ky.gov or call Mark Brown at (502) 892-3115.



Horse Cave's Creative District is home to the Horse Cave Repertory Theater as well as many other arts and entertainment venues.



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



Baseball great Joe DiMaggio was one of many major league stars who depended on a Louisville Slugger bat when they stepped up to the plate.

Take In a Game, See a Bat Made

- **Louisville Slugger Museum**
sluggermuseum.com (877) 775-8443
- **Bowling Green Hot Rods**
bghotrods.com (270) 901-2121
- **Florence Freedom**
florencefreedom.com (859) 594-4487
- **Lexington Legends**
lexingtonlegends.com (859) 422-4867
- **Louisville Bats**
batsbaseball.com (855) 228-8497

history at the Louisville Slugger Museum.

The commonwealth's teams and affiliates include:

- **Bowling Green Hot Rods** (Single-A Midwest League affiliate of the Tampa Bay Rays)
- **Florence Freedom** (Independent, Frontier League)
- **Lexington Legends** (Single-A South Atlantic League affiliate of the Kansas City Royals)
- **Louisville Bats** (Triple-A International League affiliate of the Cincinnati Reds)

If you go to a game, you're likely to get hooked when you park yourself in the fresh air and watch the boys of summer speeding around bases, out-throwing runners and sliding into home. You'll need sustenance – frosty suds and steaming-hot brats, perhaps – for all the cheering it takes to help land your team on top at the end of nine innings.

Anyone who says baseball can be boring, with long stretches of inaction, hasn't attended a game recently. The Florence Freedom, for example, features Fall Beer Fest on Aug. 26, with 20 on-site breweries hawking 40-plus different craft beers. Check the teams' websites for a variety of game-day activities, many directed toward kids.

Can't attend a game? You can watch via video or live on MiLB TV or TuneIn Radio.

Batter Up!

While away a summer day at the baseball park

BY KATHERINE TANDY BROWN

GROWING up in Hopkinsville, I remember that the treat of each summer was the Pennyrile Fair. Stifling-hot days filled with crazy-fun carnival rides, sloppy chili dogs, sticky cotton candy and with any luck, giant plush stuffed animals. I remember one enormous red-and-white teddy bear that my dad won for me when I was 8 by knocking down a stack of weighted wooden "milk bottles." He threw a baseball with such force that it actually broke the one it hit. I remember the carny's mouth dropping open at the power of that hurled orb and the joy in my heart as I

carried Red Bear to the car. That's when Daddy told me he'd played a bit of minor league baseball – as a pitcher – and when I fell instantly for that summer game...cap, glove and bat!

Kentucky's love affair with hardball began in July of 1865, when the Louisville Grays hosted the first baseball game played west of the Alleghenies under standard rules and trounced the Nashville Cumberlands. These days, fans can follow four in-state professional minor league teams – either in-person or via multimedia options – and learn about the game and its thrilling

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If you're a baseball fan, the 16,000-s.f. Louisville Slugger Museum awaits as nirvana on Louisville's Museum Row. Even if you're not a fan, this treasure is chock full of fascinating facts and interactive displays for every age and interest.

"If you love America's game or if you love history, the museum has something for you," says Lucy English, marketing and communications manager. "We've been a part of the Louisville culture and identity since 1884."

That's the year the first Louisville Slugger bat was crafted by "J.H. Hillerich, Job Turning." Now the Hillerich & Bradsby Co., the firm is still cranking them out. In 1997 Louisville Slugger became the official bat supplier of Major League Baseball. Through the years, their bat client contract list has included such household names as Ted Williams, the Boston Red Sox slugger and the last major leaguer to bat over .400 in a season; Joe DiMaggio, the New York Yankee who established a record 56-game hit streak that many experts believe will never be bested; Jackie Rob-



inson, who broke the Major League Baseball color barrier in 1947 when he signed with the Brooklyn Dodgers; and of course, George Herman "Babe" Ruth, who went on to become the greatest home-run hitter of all time and is recognized as the best ever to play the game. His promotion for Louisville Slugger led to it becoming the most recognized brand in baseball.

Opened in 1996, the museum features a signature wall with 6,000-plus autographs of major league players, including "the Babe;" an inspirational film about the game; and galleries of rare collections, where you can hold bats used by such heroes as Mickey Mantle and Cal Ripken Jr. You can take a selfie with a 12-foot-long limestone baseball glove, or see if you can face down a 90-mile-per-hour fastball.

Museum admission includes a 30-minute tour of the Slugger factory, which makes 1.8 million bats per year. You'll see bats made; learn about different bat-making materials, finishes and colors; and hear about how picky players are about their bats. In the past, a craftsman needed four hours to set up a turning lathe to carve a specific bat model. However, thanks to today's computer technology, the factory can make a bat for every player on your favorite team's starting lineup three times over in the time it takes a visitor to complete

Babe Ruth's promotion for the Louisville Slugger bat led to it becoming one of baseball's most recognized brands.

that tour. While there, you can even have a bat made with your name on it.

Through Jan. 7, 2018, catch an exhibit of sculptures, portraits and stadium replicas built entirely of LEGO bricks. A model of Milwaukee Brewers' Miller Park constructed of more than 35,000 tiny bricks has a retractable roof that moves.

When you leave the museum, be sure to have your photo taken with the 120-foot-tall, world's biggest bat at its entrance. Then stroll down the Louisville Slugger Walk of Fame that stretches a mile down Main Street. On it, player honorees are enshrined with a bronze caste of the bat model they used and a bronze home plate with their career highlights.

On a heartwarming note, every Mother's Day, Louisville Slugger gives two pink bats to every Major League player, one for their favorite "lady," and one to sign and be auctioned off to raise funds for breast cancer research. That's a home run in anyone's ball park. ■

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



A 120-foot bat stands outside the Louisville Slugger Museum in downtown Louisville.



Lexington Ranked Among U.S.'s Best Cities for New Grads

LEXINGTON ranks seventh among best cities for new college graduates, according to a study by SmartAsset, a personal finance technology company headquartered in New York. Lexington was ranked 18th in 2016. Nearby Cincinnati was ranked No. 1 in this year's study.

SmartAsset looked at the 108 largest cities in the U.S. and considered how each would suit a recent college grad, ranking cities based on how affordable, fun and job-friendly it is.

SmartAsset said of Lexington, "Residents with bachelor's degrees are seeing more jobs this year, with the unemployment rate down by 2 percent, despite the drop in job postings. On average, college grads are earning more than they were last year as well."

"Luckily, the rent remains affordable, landing Lexington in the top 25 in this metric overall," said SmartAsset. "In fact, the overall cost of living is basically right at the national average, placing it as the 19th-best out of all the cities we looked at. That leaves you some nice space in your budget to head to the growing number of entertainment and dining businesses in the city. Plus, Lexington's bars snagged the second-best Yelp scores in the top 10."



Kentucky Gems

THE Boone Tavern Hotel in Berea has been recognized by hotel price-comparison platform HotelsCombined as the Best Hotel in Kentucky.

HotelsCombined's Recognition of Excellence awards recognizes independent hotels/accommodations only, shining the light on boutique hotels, bed and breakfast inns, and resorts.

Finalists for the Kentucky award included the Cliffview Resort in Slade, 1818 Main Street Bed and Breakfast in Glasgow, and The Hotel Sync in Bowling Green.

More than 100,000 hotels across were considered for the awards, which were reviewed based on criteria such as customer ratings, the quality and quantity of user reviews, the absence of recurring or unresolved issues, social media posts, blogs and forums.



Boone Tavern, Berea



Cliffview Resort photo

Cliffview Resort, Slade

"These hotels aren't just a place to stay while you're traveling," said HotelsCombined's Chris Rivett. "Their keen attention to detail and customer experience makes each hotel on our list a destination in itself."

International Outboard Grand Prix Comes to Louisville

WORLD-class powerboat racers will compete on the Ohio River in front of Waterfront Park in downtown Louisville on August 18-20, 2017, in the Inaugural Louisville Regatta Grand Prix.

"Our mission is to bring the sport of powerboat racing back to its former glory," said International Outboard Grand Prix (IOGP) President Mike Schriefer. "This means bringing our Grand Prix series to Louisville – one of North America's most prestigious waterfront parks – for the next three years. Louisville, with its great waterfront community and horsepower heritage,

has been at the top of the list of major cities where we want to host a high-performance powerboat race and festival."

The event will feature high-performance competitive outboard racing, examples of green technology, motorsports, and exciting racing action. The event will also feature a beach party, barbecue challenge and waterfront music festival with live bands.

The Inaugural Louisville Grand Prix is the third stop on the IOGP F1 ChampBoat calendar, and the first event for the IOGP X-Boat Series, which will run its 32-foot catamarans on a longer two-mile course.

For information and advance ticket sales, visit LouisvilleGrandPrix.com for details.

International Outboard Grand Prix photo



Bicycling in Bourbon Country

A brand new cycling event will debut in Central Kentucky this fall, combining several of the state's signature tourism industries into one weekend.

The Bourbon Country Burn is a three-day cycling event scheduled for Sept. 29-Oct. 1.

Cyclists will stop at six different bourbon distilleries throughout the event while being able to experience the beauty of Central Kentucky's historic horse farms on the region's scenic back roads. Daily distance options range from 20 miles to 100 miles.

Routes of all lengths are looped, which will return riders to the Bourbon Base Camp at the Kentucky Horse Park. Live entertainment, food, and – of course – bourbon tastings are scheduled for the event. Camping will be available at the Horse Park, and the Fairfield Inn & Suites Marriott – Lexington North is the partner hotel for those wanting less rustic lodging.

Registration is open to riders 21 years and older and limited to the first 500 registrants. For more information, visit bourboncountryburn.com.



Interactive Machine Teaches Lifesaving Skill to Travelers – in Less than 5 Minutes



American Heart Association photo

A new kiosk at the Cincinnati/Northern Kentucky International Airport gives travelers the opportunity to learn how to administer hands-only CPR in under five minutes.

THE Cincinnati/Northern Kentucky International Airport (CVG) is one of seven airports across the nation to offer a new training kiosk that teaches travelers how to properly use hands-only CPR. The process of learning the technique takes only about five minutes and travelers can learn about it while they wait for their flights.

Each year, more than 350,000 cardiac arrests occur outside the hospital, and about 20 percent occur in public places such as airports. Hands-Only CPR has been shown to be as effective as conventional CPR for cardiac arrest when it occurs in public, and CPR can double or triple a victim's chance of survival. The interactive

kiosks are designed to train large numbers of people on this simple, lifesaving technique.

Each kiosk has a touch screen with a short video that provides an overview of Hands-Only CPR, followed by a practice session and a 30-second test. With the help of a practice mannequin, or a rubber torso, the kiosk gives feedback about the depth and rate of compressions, as well as proper hand placement – factors that influence the effectiveness of CPR.

More than 20,000 visitors have learned Hands-Only CPR from American Heart Association kiosks installed in 2016 at Chicago's O'Hare International; Indianapolis International; Hartsfield-Jackson Atlanta International; and Baltimore-Washington International. Cleveland Hopkins International and Orlando International joined Cincinnati/Northern Kentucky International in unveiling their kiosks this summer. The CVG kiosk is located on Concourse A, Gates A6-A22.

"Our nation's airports have proven to be a great way to extend our educational campaign to train people on the lifesaving skill of Hands-Only CPR and, help meet the Association's goal to double bystander response by 2020," said Craig Samitt, chief clinical officer at Anthem, Inc. "By expanding the availability of the training kiosks, we're hopeful that more people will feel confident to administer Hands-Only CPR on a stranger or someone they love."

The Corvette Experience

IF you've ever dreamed of taking a Corvette out on the racetrack, here's your chance. The National Corvette Museum in Bowling Green has added two new options to their list of intriguing offerings.

The Corvette Experience consists of three 20-minute, on-track sessions alternating with three classroom sessions. Drivers will be behind the wheel of a 2017 Corvette Stingray Z51 for laps around the 3.15-mile road course, built for speed. Participants will receive lunch and a VIP guided tour of the National Corvette Museum as part of the package.

The Corvette Experience is priced at \$599. Upcoming opportunities are scheduled for Aug. 19, 20, 30; Sept. 4; Oct. 21, 22; Nov. 3, 12; and Dec. 1, 15. Advance reservations are required and space is very limited. For reservations, call (270) 777-4509.

With the Corvette Touring option, guests can drive either an automatic or manual Z51 Corvette on the track with a pace car for four laps. The cost of Corvette Touring is \$199. Guests are urged to call ahead to schedule.

If just riding in a Corvette is enough for you, that's also now an option. For \$20, you can take a three-mile, 10-15 minute ride in your choice of a 1966 Rally Red Convertible 327, a 1979 Corvette Red Coupe or a 2003 50th Anniversary Convertible. Rides can be booked at the museum's admissions counter and are available Monday-Friday from 9 a.m. -3 p.m.



National Corvette Museum photo

Keeping it Clean

HEALTH experts have long told us that one of the most effective ways to stay healthy is to wash our hands frequently. And most of us associate hot water with eradicating germs. However, new research shows that you don't need to scald your hands to get rid of bacteria. It seems that for effective hand hygiene, water temperature matters less than time.

The finding runs counter to U.S. Food and Drug Administration guidelines recommending that food establishments and restaurants deliver water at 100 degrees Fahrenheit for hand washing, the researchers said.

Scientists at Rutgers University in New Jersey said they found that cold water is as effective as hot in getting rid of harmful bacteria and other germs. What's more important, they said, is that people scrub their hands with soap for at least 10 seconds.

"People need to feel comfortable when they are washing their hands, but as far as effectiveness, this study shows us that the temperature of the water used didn't matter," said Donald Schaffner, a specialist in food science at the university.

"Also, we learned even washing for 10 seconds significantly removed bacteria from the hands," Schaffner said.

The study appears in the June issue of the *Journal of Food Protection*.



Correction

THE Market Review of Greater Louisville, an annual publication produced by Lane Communications Group, recently ran the incorrect photo of Steve Trager, chairman and CEO of Louisville-based Republic Bancorp Inc. We sincerely regret the error.



Steve Trager

KENTUCKY PEOPLE

LOUISVILLE: DUKE ENERGY FOUNDATION AWARDS TALENT DEVELOPMENT GRANT TO ONE SOUTHERN INDIANA



One Southern Indiana, the chamber of commerce and economic development organization for Clark and Floyd (Ind.) counties in the Louisville metro area, is the recipient of a \$20,000 Duke Energy Foundation grant to support the 1st Talent Development Initiative. Pictured here at the check presentation are (left to right) Wendy Dant Chesser, president and CEO of One Southern Indiana; Lisa Huber, government and community relations manager for Duke Energy; Jason Lopp, attorney and incoming chairman for 1st Investor Relations Committee; and Misty McCammack, senior economic development manager for Duke Energy.

ELIZABETHTOWN: DONATION FROM UNITED BANK SUPPORTS LOCAL POLICE DEPARTMENT FOUNDATION

United Bank recently presented a check to the Elizabethtown Police Department Foundation to support their work in Hardin County. Pictured here are (left to right) Carl Bee, Marilyn Ford (United Bank), Elizabethtown Police Chief Tracy Schiller, and James Watson (United Bank).



PRESTONSBURG: HIGHLANDS REGIONAL MEDICAL CENTER PARTNERS WITH UK'S MARKEY CANCER CENTER



Highlands Regional Medical Center in Prestonsburg has formed an alliance with the University of Kentucky Markey Cancer Center that will provide more patients in Eastern Kentucky access to specialty care such as clinical trials and advanced technology. Pictured here at the announcement are (left to right) Markey Cancer Center Affiliate Network Medical Director Dr. Tim Mullett, Highlands Regional Medical Center oncologist/hematologist Dr. Suaty Arora and HRMC/Markey patient Dennis Dorton.

LEXINGTON: CLS HOLDS CELEBRATION TO MARK 15-YEAR ANNIVERSARY



Creative Lodging Solutions (CLS), a Lexington-based company that specializes in corporate lodging solutions, recently celebrated its 15th year of business and nearly \$1 billion in total bookings. Pictured here at the company festivities are (left to right): Carolyn Hundley, chief culture and development officer; Tim Mullarkey, chief technology officer; and Sarah Brown, vice president of marketing.

LOUISVILLE: ANNUAL GOLF TOURNEY BENEFITS NONPROFIT CEDAR LAKE



The 7th annual Cedar Lake Golf Tournament, sponsored by Commonwealth Bank & Trust Co., was held on June 19 at the Hurstbourne Country Club in Louisville. All proceeds from the event went to the benefit of Cedar Lake, the region's largest private nonprofit care provider for adults with intellectual and developmental disabilities. Pictured here at the event are Cedar Lake Board Lodge and INC. Chairman John Willis (left) and Commonwealth Bank and Trust President John Key.



We'd love to feature photos of your event! To submit a photo for the Kentucky People section, please send details of the event and the names and titles of people featured in the photo to editorial@lanereport.com, with Kentucky People in the subject line. High-resolution photos (minimum 300 dpi) are required to reproduce well in print.



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*PBS: Learn More Report, 2015

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