

The Lane Report

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DECEMBER 2017

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BUSINESS-SAVVY APPROACH SCORES \$8 BILLION IN ECONOMIC DEVELOPMENT DEALS

Activist New Leadership and New Laws
Are Fueling Kentucky's Best Year By Far

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LANE ONE-ON-ONE:
DR. ROBERT DiPAOLA
Dean, University of Kentucky College of Medicine



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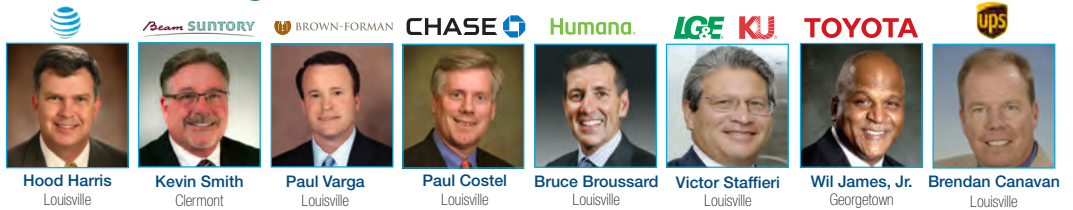
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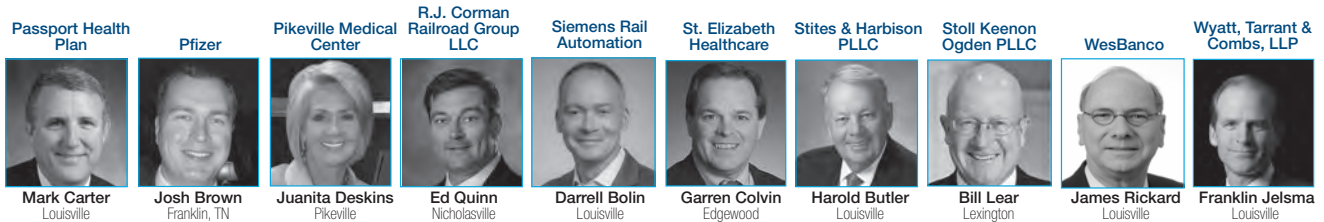
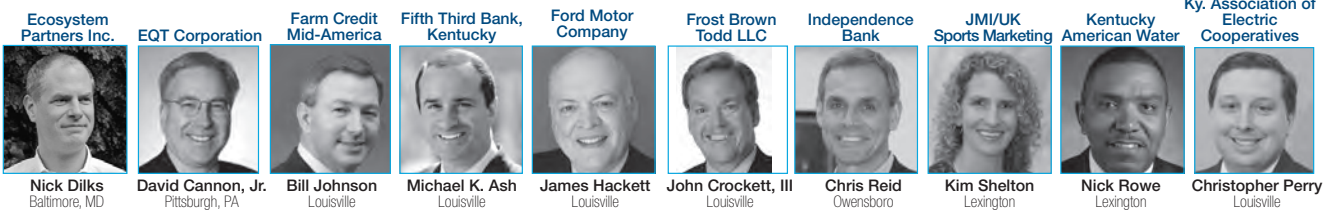
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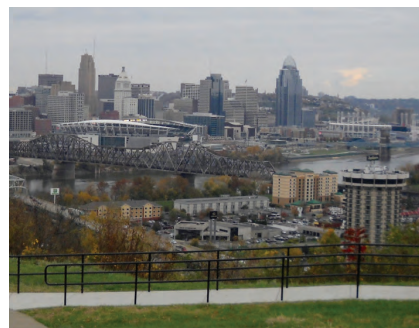
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Transportation study seeks solutions for traffic bottlenecks at the Brent Spence Bridge



On the Cover

Kentucky in 2017 has had a record dollar amount of economic development project announcements, more than \$8 billion, under the leadership of, from left, Vivek Sarin, executive officer for the Cabinet for Economic Development, Gov. Matt Bevin and Economic Development Cabinet Secretary Terry Gill.
(Photo by Marvin Young)

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Faster Lane

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PERSPECTIVE

THE CASE FOR TAX REFORM

Changes could help ignite U.S. economy

BY PAT FREIBERT

If the House of Representatives GOP Tax Plan survives Senate approval and is signed by President Donald Trump, it will be the single biggest tax cut in American history – bigger even than the Ronald Reagan tax cuts in the 1980s. The Reagan tax cuts introduced an era of economic growth and prosperity for American taxpayers lasting for decades.

The House GOP Tax Cut and Jobs Act is designed to ignite America's economy to produce more job opportunities and higher wages for American workers. First of all, it would lower the corporate tax rate from 35 to 20 percent, thereby removing the main reason for American companies leaving the United States. Presently, the U.S. has one of the highest corporate tax rates in the world. When corporations leave to relocate overseas, Americans lose those job opportunities to other countries.

The President's Council of Economic Advisors has shown how a lowering of corporate tax rates in a number of other countries has boosted wages. The Tax Cut and Jobs Act would benefit the middle class in two ways: from a growing economy resulting from the corporate tax reduction, and a doubling of the standard deduction for individual tax filers. The plan doubles the standard deduction to \$12,200 for single filers, and to \$24,400 for married couples, creating a significant benefit for middle-income taxpayers. In addition, the proposal lowers most rates.

Whether or not the tax reform proposal can pass in this Congress is questionable because of the hyper partisanship in Washington at present. The time for pure partisanship and petty reasoning on policy issues is during a political campaign, not after the people have made their choices in an election. When the campaign is over and the leadership has been duly elected, it is time to set partisanship aside and to focus on the needs of the nation. That time is now.

Those in Congress who vote against tax relief for overtaxed American workers had better have a very good explanation for their constituents; indeed

for the whole country. This is the best opportunity for tax relief in decades.

So what is America to do? While major issues like tax reform go unresolved, scandals swirl in Washington. Congress seems unable to resolve important issues like sustainable health-care reform, relations abroad with other countries, a national crisis with drugs/opioids raging throughout the population, attacks on our shores by terrorists, violence against law enforcement officers, and delays in helping restore areas of the nation hard hit by natural disasters. And then there are the numerous scandals regarding sexual crimes by powerful men in Hollywood, Washington and the news centers in New York.

Citizens are not unreasonable in their expectations of better behavior and effective results from those they elect to represent them in the nation's capital. Tax reform and relief is the linchpin to other changes in Washington, and would go a long way to help restore the people's faith in the federal government. Mere simplification of the tax system would truly benefit the average American. Taxpayers deserve to be liberated from a tax process based on a code consisting of hundreds of pages of arcane gobbledygook that employees of the IRS themselves do not understand nor can they explain. The insult to taxpayers is that it is complicated on purpose to benefit certain taxpayers at the expense of others.

Give Americans a break – reform and reduce taxes, and simplify the filing process. Americans know better how to provide for their own needs with their own money if the government will only allow them to keep more of their earnings. There is a point beyond which Americans will no longer allow further confiscation of their hard-earned income.

The selling points for this plan are (1) simplification and (2) more money in private hands. The spending decisions of politicians have already put our country \$20 trillion in debt, and they should not be trusted with more taxpayer money.

What a Christmas present to the American people that would be – a tax cut and tax simplification.

Peace and Merry Christmas to all people everywhere. ■



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

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FAST LANE

A compilation of economic news from across Kentucky

LEXINGTON: \$70M METRONET DEAL HAS PUT LEXINGTON ON TRACK TO BE THE NATION'S LARGEST GIGABIT CITY



LEXINGTON'S entire urban service area will have access to gigabit internet service within the next three to four years through **MetroNet**, an Indiana company that is investing \$70 million to build a fiber-optic network throughout the city.

Internet data is currently delivered over copper telephone wires, coaxial cable, and fiber-optic cable, which is made of glass. Copper and coaxial cable used by telephone companies and cable-television companies limits the speed

of transmission. Over a fiber-optic network with gigabit speeds – 1,000 megabits per second – a 90-minute high-definition movie can download in 30 seconds rather than 30 minutes.

Gigabit cities have fiber-optic networks that cover the city, rather than just certain neighborhoods. Currently, Chattanooga, Tenn., is the nation's only gigabit city, with Huntsville, Ala., on track to be the second. Lexington will be the country's largest gigabit city. MetroNet currently plans to build throughout Lexington's urban boundary, but could move beyond that, said MetroNet President John Cinelli.

Construction is slated to begin in early January and the company hopes to be offering internet, telephone and television service as soon summer 2018.

MetroNet has built and operated fiber-optic networks in more than 35 towns and cities in Indiana and Illinois, including Evansville, Ind., its home base.

LOUISVILLE: ALMOST FAMILY, LHC MERGER WILL CREATE AMERICA'S SECOND-LARGEST HOME HEALTH COMPANY

ALMOST Family, one of Louisville's largest public companies, is merging with a Louisiana healthcare services company in an all-stock transaction that will create the nation's second-largest home healthcare provider.

Almost Family's merger with **LHC Group Inc.** will produce a company with 781 locations in 36 states. The combined company, which will operate under the LHC name, will have more than 31,000 employees and revenue of \$1.8 billion.



"The complementary nature of our two firms provides incredible fit, adding clinical, operational and financial strength, and depth without any meaningful conflicts or overlaps in management, geography and service capabilities," said Almost Family Chairman and CEO William B. Yarmuth. "By combining the best of both our long track records of success and patient-focused cultures, we will be able to accomplish much more together than either of us could possibly achieve alone."

Yarmuth will remain as a special advisor of the combined company, with current LHC Chairman and CEO Keith Myers serving as chairman and CEO of the combined company. Steve Guenther, current president and principal financial officer of Almost Family, will be named chief strategy officer.

The combined companies' home office will be located in Lafayette, La., with personal care services, healthcare innovations and other support services operating out of Louisville.

SHEPHERDSVILLE: BUS MAKER NEW FLYER HIRING 550 FOR \$28M FABRICATION PLANT

ONE of the nation's largest bus manufacturers is investing \$28 million to establish a bus and coach parts fabrication facility in Shepherdsville that will create up to 550 full-time positions.

Minnesota-based **New Flyer of America Inc.** is leasing and upgrading a 300,000-s.f. facility that will fabricate parts for New Flyer transit buses, **MCI** motor coaches and spare part for **NFI Parts**, all of which are business units of the company's parent company, **New Flyer Industries Inc.**



New Flyer of America Inc. produces a line of transit buses under the Xcelsior brand.

New Flyer of America President Wayne Joseph said the company selected the Kentucky site due to its available workforce, lower operating costs and central location relative to the company's other U.S. manufacturing plants.

Joseph said targeted processes for the new facility "include hose manufacture, injection molding and thermoforming plastics, metal fabrication and machining, powder coating, and electrical component manufacture – the majority of which are currently supplied by third parties."

Production at the new Bullitt County facility is expected to begin during the second quarter of 2018 and be fully operational by December 2019.

NFI Group currently employs 176 people at parts distribution centers in Louisville and Hebron.



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BARDSTOWN: BOURBON BOOM CONTINUES WITH NEW \$150 MILLION STOLI PROJECT



Stoli Group's new \$150 million facility in Bardstown will be home to the company's American Whiskey Division, which includes the company's 140-year-old Kentucky Owl brand.

STOLI Group has broken ground on a \$150 million project at Bardstown's 420-acre **Haydon Materials Quarry** that will feature a distillery, visitors center, cooperage, rickhouses, bottling center and restaurant.

Kentucky Owl Park will be home to the company's newly created American Whiskey Division, which includes its 140-year-old Kentucky Owl brand.

Site prep and construction for the project's first phase – which includes the distillery – could begin early next year, with an opening targeted for 2020. The first phase will create 57 of the park's anticipated 77 full-time jobs.

Stoli Group purchased the Haydon Materials Quarry, formerly Cedar Creek quarry, to provide a unique topographical setting for the park and to establish it as one of the premier destinations on the **Kentucky Bourbon Trail**. Their plans include a freshwater lake for fishing and recreation, a gourmet restaurant, a convention center and hotel, a vintage passenger train and a refurbished train station.

LOUISVILLE: HUMANA CUTTING 2,700 JOBS, SELLING OFF ITS LONG-TERM CARE UNIT

HUMANA has reached an agreement to sell its wholly owned long-term healthcare business, **KMG America Corp.**, and is eliminating 2,700 jobs companywide as it moves into 2018, when the company will no longer be participating in the Affordable Care Act.

KMG is being sold to **Continental General Insurance Co.**, a Texas-based insurance company that provides long-term care, life and annuity coverage to approximately 93,000 members. KMG's subsidiary, **Kanawha Insurance Co.**, includes Humana's closed block of non-strategic commercial long-term care insurance policies that serves approximately 30,100 policyholders.

Based on the terms of the definitive agreement, Louisville-based Humana expects to record a net loss associated with the sale of approximately \$400 million. The transaction is expected to close in the third quarter of 2018.

News of the KMG sale followed Humana's announcement that it will be eliminating approximately 2,700 jobs systemwide, a figure that represents 5.7 percent of its total workforce. The cuts will be achieved through both a voluntary early retirement program and layoffs. According to local reports, some 1,150 employees had opted for early retirement as of mid-November.



BUSINESS BRIEFS

BEATTYVILLE

■ Faced with aging facilities and a growing inmate population, the **Kentucky Department of Corrections** has signed an agreement with **Core-Civic** that will allow the DOC to transfer approximately 800 inmates from the **Kentucky State Reformatory** to the **Lee Adjustment Center** in Beattyville. With state prisons full and most county jails operating above capacity – some by more than 200 percent – the state is working with private prisons to cope with the growing inmate population. Kentucky Justice Secretary John Tilley says the **Kentucky Justice and Public Safety Cabinet** is working with an expert panel to control taxpayer spending on prisons while simultaneously strengthening public safety through a smarter, more deliberate approach to crime.

BOWLING GREEN

■ **Southern Recycling** is investing \$6 million to construct a 60,000-s.f. scrap processing facility on 45 acres in Warren County. The facility will be the company's second operation in Warren County, where it was founded in 1985. The company now employs 117 people across full-service processing facilities in Bowling Green, Owensboro and Nashville, Tenn., and processes and ships 10,000 tons of metal scrap and recyclables each month.

CRESTWOOD

■ **Yew Dell Botanical Gardens** has received a \$4 million anonymous gift to support its mission of promoting sustainable gardening and landscape planting in the region. Executive Director Paul Cappelletto said the gift will fund the construction of a commercial nursery operation that will allow Yew Dell to introduce the best plants from its breeding and evaluation work into the market and help develop an ongoing revenue stream to support its research, conservation and education work. Yew Dell has been placed on the National Register of Historic Places and has been listed by *Horticulture Magazine* as one of the Top 10 Destinations Gardens in the U.S.



ERLANGER

■ The **Enzweiler Building Institute**, operated by the **Building Industry Association of Northern Kentucky**, has been awarded a \$12,700 grant from the **RC Durr** foundation and \$10,000 from the Partners for a Competitive Workforce (PCW) initiative to help fund a daytime high-school introduction to the institute's skilled trades training program. The program allows students from Boone County, Kenton County and Ludlow Independent Schools, to learn hands-on trade skills. "We are facing the largest workforce shortage in the skilled trades since WWII," said BIA Executive Vice President Brian Miller. Miller noted that the **U.S. Bureau of Labor Statistics** has determined that more than 46,500 new skilled-construction trade professionals are needed in the coming decade to fill the jobs being vacated in just seven trades.

GHENT

■ **North American Stainless** has completed a new \$150 million bright and annealing line at its facility in Ghent, creating 36 new full-time jobs. The project, announced in March 2015, also includes a new cold rolling mill. Since establishing NAS in 1990, Madrid-based **Acerinox** has expanded the Carroll County facility 11 times, investing more than \$2.6 billion. NAS is already the largest stainless steel producer in the U.S. and holds 35 percent of the North American market share. The mill employs more than 1,400 people.

HARLAN

■ The **Kentucky Communications Network Authority** has delivered a "hut" to the Kentucky State Police Post 10 in Harlan that is part of the **KentuckyWired** high-speed fiber-optic cable network that will be ultimately be installed in every Kentucky county. The hut will serve as a connection point for KSP to link to the 288-strand fiber cable, helping troopers communicate with other first responders and government agencies by transmitting and receiving data, downloading files and accessing cameras, traffic information, photographs, criminal records, blueprints, and other information involved in responding to emergencies. The first portion of the KentuckyWired network is expected to be functional in 2018.

BUSINESS BRIEFS

HARRDSBURG

■ The **James B. Haggin Memorial Hospital** in Harrodsburg is now part of the **Ephraim McDowell** family of healthcare services, a Danville nonprofit that also operates hospitals in Danville and Stanford along with 50 other non-hospital healthcare facilities. Vicky Reed, Haggin Memorial CEO, said the agreement provides financial stability and benefits for Haggin employees and will enable the hospital to make some needed capital investments. Once Haggin Memorial is fully incorporated into the Ephraim McDowell Health system, the name will be changed to **Ephraim McDowell James B. Haggin Hospital** but will continue to have a local board of directors and chief administrative officer who will be part of McDowell's senior leadership team. Financial terms of the agreement have not been disclosed.



HIGHLAND HEIGHTS

■ Beginning in January, **Northern Kentucky University** will begin offering an accelerated online registered nurse to bachelor of science in nursing (BSN) program, as well as an accelerated online master of business administration program (MBA). The accelerated programs are geared toward offering solutions for working adults with personal and professional commitments who need to adapt to changing work-force needs. In March, NKU will launch

additional degree options with a variety of bachelor's and master's degrees, including a business administration degree with focuses in general business, global supply chain management, management and marketing; health science; health informatics; criminal justice; psychological science; library informatics; sociology; and integrative studies; and a post-master's doctor of nursing practice.

INEZ

■ **Kentucky Power** has awarded a \$500,000 **American Electric Power Foundation** grant to the **Kentucky Educational Development Corp.** to fund the Go Online and Learn (GOAL) project in Eastern Kentucky. GOAL links 36 high schools in 20 counties with virtual field trips to places such as the Great Barrier Reef in Australia and the **911 Tribute Museum** in New York. The program also connects Eastern Kentucky students with distinguished professors and learning institutions, such as **Harvard** and **MIT**, as well as students in other countries, all at no cost.

LEXINGTON

■ The National Institutes of Health has awarded a five-year, \$2.88 million grant to a researcher at **Sanders-Brown Center on Aging** to study a drug's potential to prevent Alzheimer's disease. Ai-Ling Lin, an assistant professor at Sanders-Brown, hopes to demonstrate that low doses of Rapamycin, a drug commonly used as an immunosuppressant for organ transplant recipients, can restore brain function before the disease changes in the brain affect a person's memory.

■ **Space Tango**, a Lexington-based company that focuses on the use of microgravity as a platform for research and manufacturing, has partnered with **Airbus Defence** to combine their respective commercial programs for greater utilization of the **International Space Station**. According to Space Tango co-founder and CEO Twyman Clements, the partnership allows Space Tango to offer its services to a wider spectrum of use-cases and customers around the world.

■ Lexington-based **Creative Lodging Services**, a provider of long-term lodging and travel management and payment, has been acquired by **Fleetcor Technologies Inc.**, an Atlanta company that is a global provider of commercial payment solutions. Founded in 2002, CLS has grown to approximately 250 employees and reserved more than 13 million traveler nights, representing nearly \$1 billion in total bookings. Fleetcor Chairman and CEO Ron Clarke said, "We like the strategic fit with CLS. They focus on slightly different clients with full-service, long-term stay requirements, typically stays greater than five nights. Fleetcor, via CLC Lodging, has typically served clients' short-term lodging needs, primarily through a self-service booking model. Both client sets have overlapping lodging needs, therefore we expect the acquisition to strengthen our hotel network through increased room nights."

LOUISVILLE: \$6.7M GRANT FOR UofL WILL SET UP SUPERFUND RESEARCH CENTER

THE University of Louisville has received a \$6.7 million grant from the **National Institutes of Health** to become one of fewer than two dozen Superfund Research Centers across the United States.



The five-year grant comes after a 20-year effort by the university to secure Superfund money for environmental study and will establish a new, multidisciplinary center at UofL that will support the federal Superfund Hazardous Substance Research and Training Program.

UofL was one of five new Superfund Research Center sites funded in 2017, bringing the number across the nation to 23, including such institutions as the **Massachusetts Institute of Technology**, **Columbia University** and **Duke University**.

The grant to UofL comes through the National Institute of Environmental Health Sciences Superfund Research Program, which funds university-based research on human health and environmental issues related to hazardous substances. The program's goal is to understand the link between chemical exposure and disease, reduce that exposure and better monitor the effects on health.

Researchers will study how chemical exposures, particularly to chemicals known as volatile organic compounds (VOCs), contribute to the incidence, prevalence and severity of cardiometabolic disease as it relates to cardiovascular disease, type 2 diabetes, obesity and fatty liver disease, all of which are significant problems in Kentucky.

FRANKLIN: FRITZ WINTER OPENS \$110M IRON FOUNDRY FOR U.S. AUTO MARKET

Fritz Winter North America held a ceremonial inauguration in late October for the first phase of its iron-casting foundry and manufacturing facility in Franklin, a large-scale project that will produce brake rotors and bring some 200 new jobs to southwest Kentucky.

The company's Germany-based parent, **Fritz Winter Eisengießerei GmbH & Co. KG**, invested \$110 million in the initial phase, which could grow to about \$194 million with a planned expansion. Total employment could surpass 300.

Founded in Stadtallendorf, Germany in 1951, Fritz Winter is a world-market leader in the production of cast-iron engine blocks and heads, brake rotors and drums, flywheels and hydraulic housings. It serves the international car and truck industry and has developed a competitive advantage in lightweight and material-specific design. The family-owned company began exporting to the U.S. in 1966 and currently employs 3,700 people worldwide.

The company cited Kentucky's central location between American-owned automakers in the northern U.S. and European-owned automotive assembly plants in the South. The location is also expected to produce opportunities for new business with customers with Kentucky and across the Midwest.

"After we have supplied the American market from Germany for more than 50 years now, our first iron foundry in the USA is an important milestone of our globalization strategy," said Fritz Winter Chief Financial Officer Ulf M. Kranz.



WINCHESTER: TOUCHSTONE ENERGY COOP DEDICATES COMMUNITY SOLAR FARM



Kentucky's Touchstone Energy Cooperatives – a group of 16 electric cooperatives that serves 87 Kentucky counties – held a dedication ceremony on Nov. 1 for its new 60-acre community solar farm, located along Interstate 64 between Lexington and Winchester. The farm will have more than 32,000 panels that are available to be licensed by homes and businesses served by the energy cooperatives. For a one-time payment of \$460, participating members receive a 25-year license for one of the panels and will get credit on their monthly power bill for the value of the energy generated by their share of the solar farm.

STATE: KY COMMUNITY BANKS CONCUR FEDERAL REGULATORY RELIEF TOO SLOW

A survey of community bankers across the nation indicates that Kentucky bankers – like others across the nation – are frustrated with the slow pace of federal regulatory relief for community banks and impediments to small-business lending.

The survey, released by the Conference of State Bank Supervisors and the **Federal Reserve**, asked community bankers detailed questions in respect to five key areas: economic trends, regulation, small-business lending, management succession and technological innovation.

Kentucky bankers said they were particularly frustrated with the lack of regulatory relief surrounding the Home Mortgage Disclosure Act, the TILA-RESPA Integrated Disclosure, and Qualified Mortgage rules.

Kentucky bankers said the primary impediments to small-business lending included minimal small-business formation, excessive competition, regulatory scrutiny and lack of qualified appraisers in rural, insular communities.

Employees in compliance, information technology and lending are in high demand and have high marginal costs if replaced. Due to the fast pace of change and increased cybersecurity threats, hiring employees with sufficient IT skills is particularly difficult.

BUSINESS BRIEFS

LEXINGTON/LOUISVILLE

■ **RJE Business Interiors**, a regional provider of workplace solutions, has opened two new showroom locations in Lexington and Louisville. The new showrooms, both located in the downtown areas of their respective markets, showcase a variety of interior construction, furniture and technology solutions. The Indianapolis-based company recently moved into the Kentucky market after its purchase of **Systems Design Inc.** earlier this year.



LOUISVILLE

■ The **University of Louisville** has received a \$13.8 million award from the **National Institutes of Health** to study a new type of adult cardiac stem cell that has the potential to treat heart failure. Conventional treatments for heart failure have consisted of surgery or medications, which can alleviate symptoms but do not cure the disease. In contrast, Dr. Roberto Bolli, director of UofL's Institute of Molecular Cardiology, has been focusing on how to repair the heart through the use of stem cells to regenerate heart muscle in the area that has died following a heart attack and replace the scar tissue with new muscle, thereby making the heart stronger and able to pump more blood. The grant is one of the largest grants for medical research in the school's 219-year history.



■ Louisville-based private equity firm **Blue Equity** has acquired spirits, beer and wine retailer **Liquor Barn** from Canada-based Liquor Stores N.A. Ltd. Liquor Barn has 15 retail locations in Kentucky, including six locations in Louisville, six in Lexington, and stores in Danville, Bowling Green and Elizabethtown. Blue Equity currently owns and operates multiple **Party Mart Stores** in Louisville, which offer a large selection of spirits, beer, wine and party supplies.

<h1>12</h1> <p>INDUSTRY SPECIALTIES</p>	<h1>LARGEST</h1> <h2>CPA & ADVISORY FIRM IN KENTUCKY</h2>	<h1>7</h1> <p>MCM OFFICES IN 3 STATES</p>
<h1>50+</h1> <p>DIFFERENT CERTIFICATIONS</p>	<h1>120+</h1> <p>original leadership articles composed in 2017</p>	<h1>MCM</h1> <p>CPAs & ADVISORS</p>
<h1>350</h1> <p>EMPLOYEES</p>		<h1>BEST PLACE TO WORK IN KENTUCKY</h1>

BUSINESS BRIEFS

LOUISVILLE

■ **Guilford-Johnson Flooring**, a portfolio company of Louisville-based **Blue Equity LLC**, has purchased **Mastercraft Flooring Distributors**, one of South Florida's leading floor-covering distributors. Guilford-Johnson, headquartered in Jeffersonville, Ind., is one of the flooring industry's largest business-to-business residential, commercial and architectural flooring wholesale distributors. The acquisition adds 30 employees to Guilford-Johnson's 175-member staff.



■ **Churchill Downs Racetrack** is investing \$32 million to improve the parking and transportation experience for guests traveling to the **Kentucky Derby**. The project will feature a significantly enlarged, highly efficient bus depot and additional transportation infrastructure for more than 170,000 guests who attend the Kentucky Derby each year, while also enhancing the overall traffic and parking flow for those who visit the racetrack throughout the

year. The first phase of construction is now underway and is scheduled to be complete prior to the start of the 2018 Spring Meet. The second phase of the project will begin after the 2018 Kentucky Derby and will be completed prior to the 2018 **Breeders' Cup World Championships** on Nov. 2-3, 2018.

■ **Material Handling Systems Inc.**, a Louisville-based provider of advanced parcel sortation systems engineering and equipment, has acquired **Atronix Engineering Inc.**, a control systems integrator headquartered in Atlanta, and **Advanced Production Systems Inc.**, a Louisville company that specializes in engineering, design and assembly of control panels. MHS CEO Tony Mouser said his company has had long-standing relationships with both of the recently acquired companies. The acquisitions will expand MHS' geographical and customer footprint as well as its product portfolio and service offerings. Financial details of the acquisitions were not released.

■ The **Kentucky Derby Museum** has launched a \$6.5 million renovation and expansion project that will add more than 11,000 s.f. of new space, including an entirely new third floor to house administrative offices, a large conference room and storage areas. On the ground level, the project will provide seating for educational programming and 7,400 s.f. of covered space that can be used for events such as weddings, dinners and parties. With the addition of the new rental space, the museum will be able to host events for up to 1,300 people.

■ **Mesa Airlines** plans to open a new crew domicile in Louisville in early 2018 in response to the company's continued growth. The regional carrier has doubled in size in the last four years and continues to expand its fleet. The Phoenix-based company currently operates 142 aircraft with more than 615 daily system departures to 121 cities. Mesa has approximately 3,100 employees and plans to hire an additional 1,000 over the next two years.

NICHOLASVILLE

■ Following a highly successful first year, Nicholasville-based animal nutrition specialist **Alltech** will select another cohort to participate in its global ag-tech accelerator program. The three-month program will be hosted at Ireland's leading startup hub, **Dogpatch Labs**, and will conclude in Lexington in 2018 at the ONE: The Alltech Ideas Conference, where startups will have the opportunity to present to more than 4,000 attendees and some of the world's premier thought leaders. In its first year, the accelerator received 183 applications from 38 countries. The startups selected received an average funding of \$3.5 million each and \$35 million collectively and had direct access to the founder and management of Alltech as well as the ability to drive business development through Alltech's global network. The deadline for the upcoming cohort is Dec. 22, 2017.



LEWISPORT: \$400M EXPANSION BY ALERIS ADDS TO KY AUTO ALUMINUM INDUSTRY



Aleris is a global leader in the manufacture and sale of aluminum rolled products, with approximately 13 facilities across North America, Europe and China.

ALERIS Corp. has opened a \$400 million expansion at its Lewisport facility that brings new capacity, equipment and expertise to produce aluminum auto-

body sheet for the automotive industry.

Gov. Matt Bevin lauded the company for the project, noting it would ensure ongoing employment for nearly 1,000 Kentuckians and would help the state attract additional investments and jobs.

Aleris, headquartered in Cleveland, Ohio, is a privately held, global leader in aluminum rolled products and extrusions, aluminum recycling and specification alloy production, and operates 13 production facilities in North America, Europe and Asia. The company serves a range of industries, including aerospace, automotive, building and construction, industrial, rail and trucking. The 1.6 million s.f. mill in Hancock County opened in 1966.

Lewisport is the company's first site in North America that is equipped with aluminum auto-body sheet finishing capabilities. The expansion included the addition of heat treatment and finishing capabilities, including a new wide cold mill, two continuous annealing lines and an automotive innovation center, which includes a state-of-the-art research and development center in Detroit.

Kentucky has emerged as a hotbed of aluminum production in North America due in large part to the increasing federal standards automakers face for greater fuel economy and lower emissions. Vehicle producers are cutting weight – and therefore fuel consumption – through lightweight aluminum body panels, suspension parts, structural pieces and mechanical components. Aluminum-related companies have announced 92 new-facility or expansion projects in Kentucky since the beginning of 2014, representing more than \$2.6 billion in corporate investment in less than four years.

FRANKLIN: TAEYANG METALS LOCATING ITS FIRST U.S. FACILITY IN KENTUCKY

A company that makes fasteners and cold-rolled steel products for the automotive industry is investing more than \$15 million to establish a manufacturing plant in Franklin that will create 76 new full-time jobs.

Taeyang Metals plans to build a 101,000-s.f. facility on a 30-acre site in the **Henderson Interstate Industrial Park** near I-65 that will be the South Korea-based company's first location in the United States. The new location, which is slated to open by September 2018, will enable the company to better serve its customers in the United States and expand its global market.

Founded in South Korea in 1974, Taeyang has become a leading supplier of fasteners and cold-forged products, including high-strength bolts, specialty fasteners and screws for automotive and other industrial markets. Since 2004, the company has expanded to operations to China and India. Taeyang's customers include **Fiat Chrysler Automobiles**, **General Motors**, **Hyundai/Kia**, **Cummins Diesel Engine**, **DMAX**, **Allison Transmission** and **Metaldyne**.

STATE: KY WINS GRANT TO INTEGRATE PRIMARY & BEHAVIORAL HEALTHCARE



THE Kentucky Cabinet for Health and Family Services has been awarded a federal grant to implement a five-year, \$10 million project that will integrate primary care and behavioral health in two regions of the commonwealth.

Kentucky was one of three states chosen by the **Substance Abuse and Mental Health Services Administration** to receive the grant.

The Kentucky Department of Behavioral Health, Developmental and Intellectual Disabilities (BHDID) will implement the Kentucky Care Integration project with two service region providers: **Centerstone of Kentucky** and **Mountain Comprehensive Care Center**.

"While we have been at the forefront of a devastating substance abuse crisis, we have also been at the forefront of developing innovative solutions," said Cabinet Secretary Vickie Yates Brown Glisson. "KCI is another tool that will help us establish integrated treatment systems that address the unique health needs of individuals who require treatment from both primary care and behavioral health providers."

Work on the KCI project has already begun, with the formation of local implementation teams and advisory councils.

BUSINESS BRIEFS

OWENSBORO

■ **Brescia University** has announced the cost of undergraduate tuition for its online course fees will be frozen for the next four years. The current tuition rate of \$425 per credit hour and online course fees of \$50 will be in effect until spring 2022. BUonline offers over 10 degree options at the certificate, associate and bachelor level that are available for full completion in online format.

WESTERN KENTUCKY

■ **WellCare of Kentucky** has awarded a \$25,000 grant to **Pennyridge Allied Community Services** to fund travel services for medical- and school-related transportation for low-income individuals and families. The transportation program was developed after WellCare community health forums with area residents identified transportation as the most urgent service gap for health in western Kentucky. The medical transportation program will be implemented in Christian, Caldwell, Crittenden, Livingston, Lyon, Todd and Trigg counties, while the school transportation program will be offered only in Caldwell County.

STATE

■ Kentucky Agriculture Commissioner Ryan Quarles and Kentucky equine organizations are praising an agreement between the United States and China that allows for the resumption of **live equine exports** to China. In 2015, China placed a hold on the importation of live horses from the United States due to concerns about equine infectious anemia (EIA), an infectious and potentially fatal viral disease of members of the horse family. The new agreement, which Quarles called "a game-changer for Kentucky's horse industry," clears the way for the importation of all breeds of U.S. horses, including high-quality Thoroughbred racing horses, to China, where a rapidly expanding racing industry has emerged.



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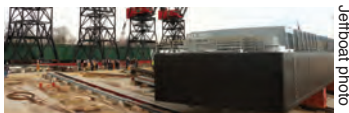
INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Jeffboat LLC** has filed papers with the State of Indiana providing notification of the company's intent to lay off approximately 278 workers at its Jeffersonville, Ind., location. The move comes in response to what the company called an industry-wide decline in demand for the barges that it produces. According to **One Southern Indiana**, the chamber of commerce for Clark and Floyd counties, the company employed 1,060 people as of June 2017.



Jeffboat photo

■ **Berry Global Group**, an Evansville, Ind., company that specializes in the manufacturing and marketing of plastic packaging products, has announced its plans to acquire the **Clopay Plastic Products Co.** for \$475 million in cash. Clopay is a global supplier of printed breathable films as well as an innovator in the development of elastic films and laminates. Berry CEO Tom Salmon said the acquisition will bring together complementary production capacities and better position the company within the fast-growing health and hygiene markets.

■ **Liberty Mutual Insurance** is investing more than \$14 million to expand its operations in Carmel, Ind., just north of Indianapolis. The expansion will add up to 400 new jobs by 2021.

■ **SmartBox**, a company that offers digital and web marketing services for dentists, is investing more than \$1 million to expand its operations in New Albany, Ind. The expansion will double the company's existing footprint and will create up to 100 new jobs by 2022.

OHIO

■ **Multi-Color Corp.**, a Cincinnati-based company that specializes in producing labels, has completed its acquisition of the labels division of **Constantia Flexibles**. The cash and equity transaction was valued at approximately \$1.3 billion. The acquisition will provide additional growth opportunities for Multi-Color in home and personal care through **Constantia Labels'** European operational footprint and assets, and for Constantia Labels in food and beverage through Multi-Color's U.S. operational footprint and assets. A stronger combined footprint in Asia will provide further revenue opportunities.



print and assets, and for Constantia Labels in food and beverage through Multi-Color's U.S. operational footprint and assets. A stronger combined footprint in Asia will provide further revenue opportunities.

■ **Progressive Insurance** is expanding its operations in Cleveland, where the company is headquartered. The project will bring 900 new jobs to the area and retain nearly 10,000 positions.

■ **Autolive-Nissin Brake Systems** is building a new \$61 million facility in Findlay, Ohio, that will be dedicated to the production of brake systems for the global light-vehicle market. ANBS executives said selection of the Findlay site, near Toledo, was determined by the presence of a skilled and experienced workforce to run the production and facility operations and the proximity to Ohio's automotive supply chain.

■ **Dana** has invested \$70 million to triple the size of an existing 100,000 s.f. building that will be used to produce enhanced versions of the Dana 30 and Dana 44 axles. The expansion is expected to create 300 jobs by 2020.

TENNESSEE

■ **M&M Industries** is investing more than \$42 million to expand its plant in Chattanooga, where it manufactures plastic pails, plastic open-head containers and custom packaging for the chemical, pharmaceutical, healthcare, construction materials and other industries. The expansion will create 110 new jobs.

WEST VIRGINIA

■ **WesBanco Inc.** and **First Sentry Bancshares** have announced plans to merge in an all-stock transaction. WesBanco operates 172 financial centers throughout Indiana, Kentucky, Ohio, Pennsylvania and West Virginia and had assets of \$9.9 billion as of Sept. 30, 2017. First Sentry operates five locations in West Virginia and had assets of approximately \$666 million as of Sept. 30. Both banks are headquartered in West Virginia.



INDIANA: INDIA-BASED ENGINEERING FIRM TO HIRE 500 FOR NEW U.S. HQ

AXISCADES, an India-based provider of product engineering solutions, has announced plans to locate its North American headquarters in Indiana, creating up to 500 new jobs by the end of 2023.

Axiscades plans to invest nearly \$10 million over the next five years to establish its U.S. operations and address the engineering needs of U.S.-based original equipment manufacturers. The company provides product-engineering solutions to aerospace, defense, heavy engineering, automotive, energy, medical and healthcare companies.

As of mid-November, the company still had a short list of potential sites on which to locate its new facility but said it plans to make its final decision by the end of the year and expects to be operational by April 2018.

Axiscades currently employs more than 1,900 associates across North America, Europe and Asia, including approximately 250 engineers in North America who are stationed at the company's offices in Peoria, Ill., and Montreal, Canada, and on-site at its clients' facilities. The company plans to begin hiring for engineering jobs in Indiana next spring.

Pending approval from the **Indiana Economic Development Corp.** board of directors, the IEDC has offered AXISCADES up to \$4.3 million in conditional tax credits and up to \$500,000 in training grants. The incentives are performance-based, meaning that until Indiana residents are hired, the company is not eligible to claim incentives.

TENNESSEE: NEW TYSON PLANT BRINGS 1,500 NEW JOBS TO WEST TENNESSEE

TYSON Food Inc. is investing more than \$300 million to locate a new operation in the west Tennessee community of Humboldt.

The project will create more than 1,500 jobs and represents Tyson's biggest investment in Tennessee and the single largest investment in Gibson County's history.

Arkansas-based Tyson is one of the world's largest food-processing companies, producing chicken, beef and pork under the Tyson, **Jimmy Dean**, **Hillshire Farm**, **Sara Lee**, **Ball Park**, **Wright**, **Aidells** and **State Fair** brands. Tyson currently has four facilities in Tennessee, where it employs some 5,000 employees.

The new Humboldt facility will include a hatchery, processing facility and feed mill, and is set to be fully operational by 2019.

The new plant will produce pre-packaged trays of fresh chicken for retail grocery stores nationwide and is expected to process 1.25 million birds per week. The payroll and payments to farmers from the new operation, along with its purchase of grain and utilities, is expected to generate an annual economic benefit to the state of Tennessee of \$150 million.

The Humboldt plant is the second major economic development project Tyson Foods has initiated in Tennessee this year. In August, the company announced an \$84 million expansion of its Union City operations, which is expected to add 300 jobs to the existing 1,000-plus workforce.

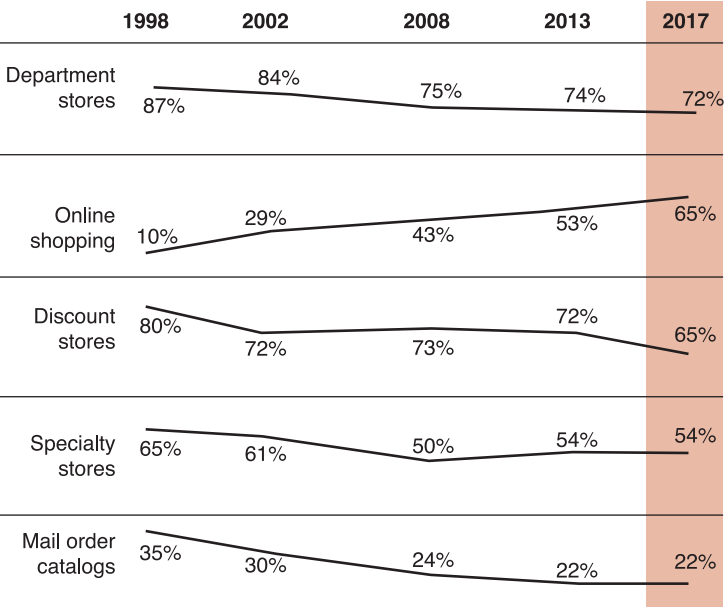


Tyson's new Humboldt plant will produce pre-packaged trays of fresh chicken for retail grocery stores throughout the country.

HOLIDAY SPENDING TRENDS

According to a recent Gallup poll, 65 percent of U.S. adults say they are likely to shop online for Christmas gifts this year, up 12 percentage points from four years ago and continuing a steady growth in online shopping. Still, 72 percent say they are likely to shop at department stores this year, more than any of the other four shopping options tested in the survey.

CHRISTMAS SHOPPING INTENTIONS BY VENUE, SELECTED TREND
(% very/somewhat likely to shop using each venue)

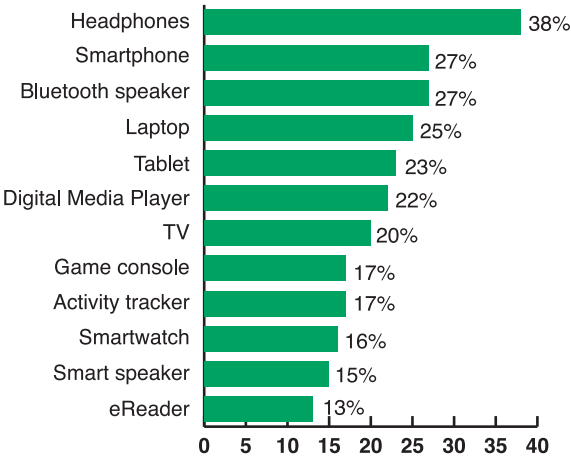


Source: Gallup

2017'S MOST-WANTED TECH GIFTS

As technology plays an increasingly large role in our lives, it's no surprise that it also features prominently under the Christmas tree. According to the Consumer Technology Association, 68 percent of U.S. adults plan to buy at least one tech gift this year, spending an average total of \$478 on smart devices, consumer electronics and tech accessories.

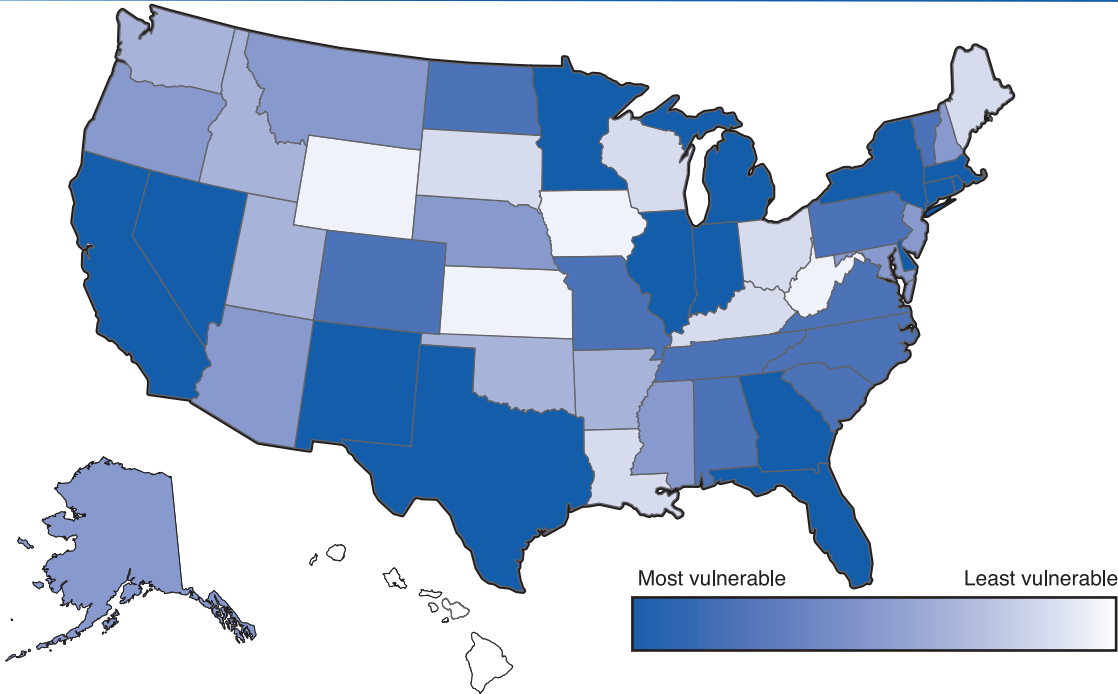
THE MOST WANTED TECH GIFTS IN 2017
(% of U.S. adults planning to purchase the following items as a gift this holiday season)



Source: Statista

STATES MOST VULNERABLE TO IDENTITY THEFT AND FRAUD

According to the Identity Theft Resource Center, 2017 is on track to register the highest number of data breaches since the center began tracking them in 2005. The center's most recent Data Breach Report shows some Americans are more susceptible to identity theft and fraud than others, depending on where they live. Kentucky was among the safest areas, ranking 44th, but experts continue to warn that everyone is vulnerable to identity theft and fraud and encourage consistent diligence and care when dealing with personal information.



Source: WalletHub

CORPORATE MOVES

New leadership for Kentucky businesses

ACCOUNTING

■ **Kristin McDonner** and **Howard Wagner** have been elected as new partners and principals of Crowe Horwath. Both McDonner and Wagner work out of the firm's Louisville office.

BANKING/FINANCE

■ **Michael Wiener** has joined Town & Country Bank and Trust Co. of Bardtown as chief investment officer.



Michael Wiener

■ **Thomas Hager** has been named president of WealthSouth, a division of Farmers National Bank of Danville.



Thomas Hager

ECONOMIC DEVELOPMENT

■ **Ellen S. Kuhn** has been named member relations and sales manager for One Southern Indiana, the chamber of commerce and local economic development organization for Clark and Floyd, Indiana, part of the metro Louisville market.

■ **Mark S. Snell** has been appointed president and chief executive officer of the Greater Owensboro Economic Development Corp.

■ **Jeff O'Brien** has been named director of Develop Louisville.

■ **Deborah Bilitski** has been named deputy director and vice president of the Waterfront Development Corp. in Louisville. She succeeds **Mike Kimmel**, who is retiring on Jan. 31.

EDUCATION

■ **Jonathan Pruitt** has joined the University of Louisville as chief financial officer. Pruitt comes to the position from the University of North Carolina System, where he was senior vice president for finance and budget and chief financial officer.

■ **Ashish Vaidya** has been elected president of Northern Kentucky University. Vaidya will assume his role as president of NKU on July 1, 2018.



Ashish Vaidya

■ **Kathleen Driskell** has been promoted to director of Spalding University's Low Residency Master of Fine Arts in Writing program. She succeeds **Sena Jeter Naslund**, who co-founded the program in 2001.

■ **Ande Durojaiye** has been named vice provost for undergraduate academic affairs at Northern Kentucky University.



Ande Durojaiye

FOOD/SPIRITS/HOSPITALITY

■ **Andrea Zahumensky** has been named chief marketing officer of Louisville-based KFC U.S.

■ Lexington-based restaurant chain Fazoli's has announced the following appointments: **Jeff Sturgis**, chief development officer; **Rodney Lee**, chief financial officer, and **Jodie Conrad**, vice president of marketing.

GOVERNMENT

■ **Hilda Legg** has been named state director of the U.S. Department of Agriculture office of Rural Development in Kentucky.

■ **Greg Ladd** has been named executive director of legal services and general counsel for the Kentucky Department of Local Government.

■ **Shelly L. Alvey** has been appointed commonwealth attorney for the 55th judicial circuit of Kentucky.

■ **Brian Lacefield** has been appointed executive director of the Kentucky Farm Service Agency.

DEPARTURES

■ **Timothy Tracy** is leaving his position as provost for the University of Kentucky at the end of the year to become the chief executive officer of Cincinnati-based Aprelia Pharmaceuticals.

HEALTHCARE

■ **Jim Mattingly** has been named chief financial officer and executive vice president of Louisville-based ResCare Inc.

■ **Denise Dunn** has been named chief nursing officer at Baptist Health Madisonville.

LEGAL

■ **Elizabeth Barrera** has joined the Lexington office of McBrayer, McGinnis, Leslie & Kirkland.

NONPROFIT

■ Kosair Charities in Louisville has announced the following appointments: President – **Keith Inman**; Director of Development for Impact Giving – **Sarah Hugenberg**; Director of Development – **Chris Day**; and Director of Development – **Taylor Davis**.

REAL ESTATE

■ **Aubrey Meiners** has joined Horizon Commercial Realty in Louisville as marketing administrator. She succeeds Krystal Kettler, who has joined the firm's property management team.

RETAIL

■ **Richard Reilly** has been named president of Galerie, a Hebron confectionery and gifts company.

OTHER

■ **Kevin Mays** has been named executive vice president and chief financial officer for Owl's Head Alloys, a Bowling Green secondary aluminum recycling company.



Again, WUKY has partnered with God's Pantry Food Bank's Backpack Program to supply 1500 backpacks to at-risk youth in Central Kentucky...

For every donation made to WUKY during the month of December, three special Sponsors will fill a backpack for children in need.

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ON THE BOARDS

Kentuckians named to organizational leadership roles

AMERICAN ACADEMY OF PHYSICAL MEDICINE & REHABILITATION

■ **Darryl L. Kaelin** has been named president of the American Academy of Physical Medicine & Rehabilitation. Kaelin is professor and chief of the Division of Physical Medicine and Rehabilitation at the University of Louisville.



Darryl Kaelin

BLUEGRASS COMMUNITY AND TECHNICAL COLLEGE

■ **Theodore Vittos** and **Brian Houillion** have been appointed to the Bluegrass Community and Technical College board of directors. Vittos, of Lexington, is a business/marketing professional with Lexmark. Houillion, of Frankfort, is a special assistant to the secretary of the Kentucky Public Protection Cabinet.

CENTRE COLLEGE

■ **Jennie Peaslack Carlson** and **Sandra Frazier** have been elected to the Centre College board of trustees. Carlson is chief human resources officer for U.S. Bancorp. Frazier is founder of Louisville-based Tandem Public Relations.

COMMISSION ON SMALL BUSINESS ADVOCACY

■ **Sundeep Dronawat**, **Barry Eveland**, **Robert Devin Hudson**, **Darren K. West** and **Kristel Simon Smith** have been appointed to the Commission on Small Business Advocacy. Dronawat, of Prospect, is an entrepreneur. Eveland, of Hanson, is president of Rocket Oil Co. Hudson, of Villa Hills, is an attorney. West, of Barbourville, is self-employed. Smith, of Frankfort, is executive director of Eastern Kentucky University's Innovation and Commercialization Center.

COMMUNITY TRUST BANK

■ **Chad C. Street** has been appointed to the board of directors of Community Trust Bank Inc. Street is the owner and president of East Kentucky Oral and Maxillofacial Surgery in Pikeville.

GREATER LOUISVILLE INC.

■ **Nikki Jackson** and **Eddie Tyner** have been named to the board of directors for Greater Louisville Inc., the Metro Chamber of Commerce. Jackson is senior vice president and regional executive of the Louisville branch of the Federal Reserve Bank of St. Louis. Tyner is regional president of *The (Louisville) Courier-Journal* and Gannett Inc.

HOPKINSVILLE COMMUNITY COLLEGE

■ **Hollis Necomb White III**, **Shana M. McCombs** and **Franklin Darrell Crawford** have been appointed to the Hopkinsville Community College board of directors. White, of Hopkinsville, is owner of Propulsys, Inc. McCombs, of Hopkinsville, is owner of Roller Dome Funplex. Crawford, of Hopkinsville, is pastor of Living Hope Baptist Church.

INDEPENDENT STATIONERS

■ **Hope Hurst Lanham**, of Hurst Office Suppliers in Lexington, has been elected to the board of directors of Independent Stationers. Independent Stationers is a nationwide member-owned business products cooperative.

KENTUCKY BOARD OF AGRICULTURE

■ **Rebecca Lynn Brady**, **Anthony James Cowherd**, **Mary Bach**, **Charles Boyd II**, **Billy Glenn Turpin**, **Mark Reding**, **Samuel Moore**, **Marc Brian Ashby** and **Sharon Furches** have been appointed to the State Board of Agriculture.

KENTUCKY BOARD OF AUCTIONEERS

■ **Joseph F. Grimme** has been appointed to the Kentucky State Board of Auctioneers. Grimme, of Fort Thomas, is an attorney with Fessler, Schneider & Grimme.

KENTUCKY BOARD OF HOME INSPECTORS

■ **Larry Joe Walden** has been appointed to the Kentucky Board of Home Inspectors. Walden, of Scottsville, is a maintenance tech with Winterwood, Inc.

KENTUCKY BOARD OF LICENSED PROFESSIONAL COUNSELORS

■ **Andrea Drake Brooks** has been appointed to the Kentucky Board of Licensed Professional Counselors. Brooks, of Campton, is a counselor educator and clinical supervisor at Lindsey Wilson College.

KENTUCKY BOARD OF NURSING

■ **Robyn Ann Wilcher** and **Michele Dickens** have been appointed to the Kentucky Board of Nursing. Wilcher, of Versailles, is a regional clinical director for Providence Group Health Care. Dickens, of Campbellsville, is a professor of nursing at Campbellsville University.

KENTUCKY HOUSING CORP.

■ **Tammy Weidinger**, **Joanna Shake**, **Lisa Mann** and **Kimberly Thapar** have been appointed to the Kentucky Housing Corp. board of directors. Weidinger, of Fort Thomas, is president/CEO of Brighton Center Inc. Shake, of Owensboro, is community and economic development director for the Green River Area Development District. Mann, of Russell Springs, is executive director for Lake Cumberland Housing Agency Inc. Thapar, of Edgewood, is a realtor.

KENTUCKY PUBLIC TRANSPORTATION INFRASTRUCTURE AUTHORITY

■ **Richard Crist**, **Rebecca Ruby Swansburg**, **William Boggs** and **Jordan Lanham** have been appointed to the Kentucky Public Transportation Infrastructure Authority. Crist, of Florence, is a civil engineer and real estate developer. Swansburg, of Louisville, is chief marketing officer for Stonewood Financial. Boggs, of Maysville, is an insurance agent with State Farm. Lanham, of Philpot, is a project manager for Western Kentucky Minerals.

KENTUCKY STATE POLICE PERSONNEL BOARD

■ **Daniel Joseph Smoot**, **Jarred Ball** and **Russell Eugene Harney** have been appointed to the State Police Personnel Board. Smoot, of London, is retired from the Kentucky State Police, Operation UNITE and Appalachia HIDTA. Ball, of Frankfort, is an executive advisor with the Kentucky Office of Homeland Security. Harney, of Dry Ridge, is retired from the Kentucky State Police and currently serves as an assistant professor of criminal justice.

KENTUCKY TELEHEALTH

■ **Deborah Burton**, **Erika Skula**, **Dr. Brett Oliver**, **Dr. Janet Mills** and **Timothy L. Olsen** have been appointed to the Telehealth Board. Burton, of Lexington, is telehealth program manager for KentuckyOne Health. Skula, of London, is president and CEO of Adventist Health System's Manchester Memorial Hospital. Oliver, of Georgetown, is a physician with Baptist Health. Mills, of Louisville, is a pharmacist with the University of Louisville Hospital. Olsen, of Wilmore, is director of psychological health with the Kentucky Army National Guard.

KENTUCKY TRAVEL INDUSTRY ASSOCIATION

■ The Kentucky Travel Industry Association has elected its officers and new board directors for the coming year: Chair – **Randy Newcomb**, Kentucky Lake Convention and Visitors Bureau; Chair-Elect – **Stacey Bowman**, The Group Travel Leader; Immediate Past Chair – **Vicki Fitch**, Bowling Green Area Convention and Visitors Bureau; Treasurer – **Victor Patel**, Best Western – Corbin Inn; Secretary – **Eric Summe**, meetNKY; Travel and Transportation Director – **Sean Higgins**, Mint Julep Tours; Convention and Visitors Bureau Director – **Karen Williams**, Louisville Convention and Visitors Bureau; At-Large – **Cynthia Bohn**, Equus Run Vineyards; **Joy Brown**, Morehead Tourism; and **Tricia Noel**, Hopkins County Convention and Visitors Bureau.

THE LEXINGTON CENTER

■ The Lexington Center has elected new officers for the coming year: Chair – **Craig Turner**; Vice Chair – **Holly Wiedemann**; Secretary – **Ray Ball**; and Finance Chair/Treasurer – **Robert Elliston**. New appointees to the board include **Patrick Madden** and **Ann Bakhaus**. They join **Brent Rice**, **Deirdre Lyons**, **PG Peeples**, **Willis Polk**, **Thomas Gaines**, **Bill Farmer** and **Kevin Stinnett**. The Lexington Center manages and maintains Rupp Arena, the Lexington Opera House, the Lexington Convention Center, The Shops at Lexington Center and Triangle Park.

LOUISVILLE REGIONAL AIRPORT AUTHORITY

■ **John A. Moore** has been appointed to the Louisville Regional Airport Authority. Moore is chairman and CEO of Louisville-based Atria Senior Living.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

■ **Lewis Diaz** has been elected chair of the board of the directors of the Northern Kentucky Area Development District. Diaz is a partner at the law firm of Dinsmore & Shohl.



Lewis Diaz

SOMERSET COMMUNITY COLLEGE

■ **Jean Allison Cherry**, **Marshall Todd**, **Phillip D. Duncan**, **Gary Wayne Napier** and **Jonathan E. Arnett** have been appointed to the Somerset Community College board of directors. Cherry, of Somerset, is a physician. Todd, of Nancy, is a residential contractor. Duncan, of Monticello, is a plant manager with East Kentucky Power Cooperative. Napier, of London, is an attorney. Arnett, of Somerset, is president and CEO of Southern Petroleum.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Dr. Robert DiPaola

Dr. Robert DiPaola became dean of the University of Kentucky College of Medicine in March 2016. Previously he was director of the Rutgers Cancer Institute of New Jersey and vice chancellor for Cancer Programs, Rutgers Biomedical and Health Sciences, responsible for all research, clinical and administration of a National Cancer Institute (NCI)-designated Comprehensive Cancer Center and led the successful renewal of NCI designation. DiPaola has been leader of the Prostate Cancer Center at the Rutgers Cancer Institute of New Jersey; chief of medical oncology at Robert Wood Johnson Medical School; national chairman of the GU Committee of the Eastern Cooperative Oncology Group; and a member of the National Cancer Institute review and steering committees. He has a bachelor's of science and medical degree from the University of Utah; completed an internship and residency in internal medicine at Duke University Medical Center; and completed a fellowship in hematology-oncology at the University of Pennsylvania Hospital in Philadelphia.

USING RESEARCH STRENGTH TO IMPROVE CARE FOR KY'S UNIQUE MEDICAL NEEDS

Dr. Robert DiPaola, dean of the UK College of Medicine, discusses how research muscle is being focused on the state's worst health problems

BY MARK GREEN

Mark Green: You've lived, trained and worked a variety of places. What attracted you to the dean's job at the University of Kentucky College of Medicine?

Dr. Robert DiPaola: I finished medical school at the University of Utah, and went to Duke University Medical Center for my internal medicine residency and internship. My background is in oncology, and I did a fellowship in hematology-oncology at the University of Pennsylvania Hospital in Philadelphia. Following that, I went to New Jersey; I was at the Rutgers University system about 24 years. I participated in growing an NCI-designated comprehensive cancer center, and I was its director. I also served as a vice chancellor of cancer programs that ran throughout Rutgers University.

In spending my career looking at one important aspect of healthcare, specifically prevention and treatment of cancer, I always felt very passionate about looking at the community and figuring out ways to help with its well-being. Where were healthcare disparities that we could help improve leveraging the strengths in a large, academic organization? Those strengths usually came in the form of research and discoveries that could be applied to the patients, as well as education and excellent, exceptional clinical care.

When I saw this position, what's here is a remarkable, incredibly exceptional academic medical center with all those components: research, and education, and exceptional clinical care, and growth of its capabilities to serve the community and the commonwealth of Kentucky. With those strengths there is the opportunity to really serve a community in need. In Kentucky, we're ranked No. 1 in cancer mortality, we're ranked within the top 10 or 15 in diabetes, stroke, cardiovascular disease, etc. There's addiction and many other needs. A lot of it relates to the need for access to care and bringing the best care to various communities. I felt I could be really passionate about leveraging our strengths here to solve those challenges for the community in Kentucky.

MG: What aspects of your previous career most played into preparing you to take on the role of dean at UK?

RD: When you look at taking an area of healthcare to its highest level, one of the models is the nation's NCI-designated comprehensive cancer center model. The National Cancer Institute within the National Institutes of Health, or NIH, designates and supports cancer centers around the country when they achieve extraordinary excellence in bringing the strengths of research to clinical care.

That model and being a leader in trying to grow and recruit for great research strength will make it grow for a purpose: to have impact in the clinic.

I served on committees and participated in site visits to designate cancer centers. I have served as chair of the parent committee for NCI, going around the country chairing site visits to designate the cancer centers, including the largest ones. I've seen what's best in class around the country.

I have a background in cancer research in prostate cancer. I've done everything from laboratory research to large clinical trials, including national clinical trials that have led to changes in the standard of care. I've served as chair of the Eastern Cooperative Oncology Group, one of the national committees that generate large clinical trials that lead to changes in care. I see the ability to take science and change the standard of care; that has impact not on a single patient in the clinic but has impact nationally, has impact globally.

Those experiences led me to think about opportunities to leverage strengths and impact patient care. Here, we launched the Multidisciplinary Value Program to get at the concept of how to help an academic medical center with great strengths leverage them to help with great needs in clinical care and do this rapidly. If there's a discovery in a laboratory, it could take 10 years before it gets into the clinic. We've worked out a way with the MVP to do this much more rapidly. With specific criteria, we form teams where the strongest scientists team up with the strongest clinicians, and if they can solve a problem – get science to the clinic in a clinical trial today – they can apply and we support them with funding to get their idea launched. This past year we got 30-plus applications, and we awarded nine teams. Each now is taking an area of discovery from the UK College of Medicine and getting it to patients today.

One example is the science on stroke research here under Dr. Gregory J. Bix (M.D., Ph.D). Dr. Bix has grant funding; he's a superstar in the laboratory. What he thinks about day and night is, how do you improve care for stroke, which is a real clinical care problem in Kentucky as well as elsewhere? He found recovery can happen faster where there's a stroke in a large vessel if at the same time you put a catheter in and remove the stroke – the clot – to re-perfuse the brain (restore circulation) you instill compounds to get the vessels to open up a little more. You've got to do that rapidly. He found if you infuse simple magnesium and verapamil, which is a cardiovascular drug (for high blood pressure, severe angina and arrhythmia), at the

same time you remove this clot, you're able to get better brain recovery.

He partnered with a neurosurgeon, Dr. Justin Fraser, who does the clinical procedure to remove the clot. We awarded them an MVP team. The two of them created a clinical trial. Patients coming in today now have an option of not only getting the treatment that might be the best standard of care – bringing in a catheter to remove the clot – but at the same time infusing these agents. It gives a patient an option that wouldn't have been available before. They did this all within a year.

And it's now eight times that – eight additional MVP teams. Another team came up with a cancer drug for colorectal cancer. There's another team in addiction medicine. There's one team looking at a better, more effective way to treat patients who have addiction and who get admitted to the hospital because of a complication and reduce the chance that they'll go back and get addicted again.

This is taking the strengths of a great academic institution and bringing it to impact the needs of Kentucky rapidly. It's that transdisciplinary approach. What excites me most is being able to leverage what we have that's unique in a center like this.

MG: If an MVP team's idea is fulfilled and works, does it propagate out to everybody else?

RD: Absolutely. You might look at an MVP team as having an opportunity to conduct a clinical trial, publish the results, and now it becomes even more broad than just an opportunity for patients in Kentucky. They apply for federal grants, go to podium sessions nationally to broadcast what they're doing here and the results. That's how you lead to new standards of care and national impact for us.

Of the nine MVP teams, six have put in for federal grant funding; four have been awarded funding. We supply some money, which is small in comparison to what gets amplified (by grants). We've created an infrastructure to take what we do as academic business and put it with the need on the clinical end.

MG: How do UK College of Medicine facilities compare to peer institutions?

RD: We do very well in terms of facilities in key areas. Our new medical center hospital facility is incredible; not much beats that. We also do very well on the research; the new (\$265 million) Research Building 2 (RB2) slated to open midyear 2018 will be state-of-the-art. It'll allow for additional recruitment of more superstars like Dr.

Bix, more strength to do more of what I just described. We're always looking to upgrade and build in terms of next steps for the education end, but our facilities compare incredibly well. The university leadership and our president have had the vision and foresight to see those needs as we grow on the research end, and on the clinical end, and see the needs of building a large health system to serve the public.

MG: Does the design of RB2 implement collaboration with the clinical side?

RD: It does. If we leverage what we do well in an academic medical center, we're going to leverage that research piece with the clinical piece, so that new building is going to be very important. It's meant to be very transdisciplinary or interdisciplinary, to bring people together. (Among its many features, the collaborative research space includes: six floors of wet laboratory space with 96 benches clustered into six-bench neighborhoods; four floors with 234 offices for researchers within the connector building linking RB2 to the Biological Biomedical Research Building that is called the Appalachian Translational Trail; full modern vivarium for animal work in the basement; shared use core imaging, behavioral and metabolic facilities with cutting-edge equipment.)



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MG: What is the breakdown between in-state and out-of-state students among the 547 enrolled in the College of Medicine?

RD: In the freshman class there's about 20 percent out-of-state versus 80 percent in-state. Overall, about 75 percent are in-state students. But the other concept that is important is we have these College of Medicine expansion site campuses. One of the goals here is serving Kentucky; we don't have enough health-care workers and physicians. The two expansion campus sites we're developing are in Bowling Green and in Northern Kentucky. We already have some students in Morehead; there is discussion of hopefully expanding that as well. But the first full expansion campus that will come online is in Bowling Green. We're enrolling students now, and the first class will be next year. That would add, on top of the number you see here, approximately 30 new students coming in each year. So an additional 120 for the whole expansion sites class once we get through four years.

In terms of the campus expansions, we start asking the questions, from the standpoint of in-state/out-of-state, who is likely to come back to Kentucky to serve in Kentucky? With our current campus, about 25 percent will stay and do their residency here. Most go out and do residency, but a good percentage come back. If you ask what overall percentage of those we train come back to Kentucky, it's somewhere between 45 percent and 50 percent. So about half will end up coming back, helping Kentucky. When we thought about the campus expansions, we believe there will be a higher percentage coming back because more applicants seem to be from local regions in Kentucky. But it's already a significant percentage.

MG: Is the shortage of doctors in the U.S. and Kentucky largely in the rural areas, while urban areas are adequately served?

RD: The biggest shortage is the need for more primary care physicians that serve rural regions. But we also have additional need, in hub areas like Lexington where many patients come for care such as organ transplant, for physicians to handle needs of high-specialty areas. But if you look at the statistics, the majority of need is in primary care in more rural regions, and for patients who need specialty care to have access to it from a distance. We want to try to serve the public as best we can in their communities.

MG: Is the college able to influence what type of specialties and practices students go into?

RD: We don't force an excited student applicant to go in one direction or

another. We provide an exposure in terms of where the future of medicine is going, an understanding of where the needs are. The students are smart. So they look at where the needs are. They come in very passionate to serve communities, and they seek out experiences that relate to that. Many of them do come back and serve in Kentucky. We have opportunities for residency throughout the state. The Rural Physician Leadership program in Morehead, which is for that third- and fourth-year student, is also another opportunity for students who are just very dedicated to serving those rural communities.

MG: Is there a link between the new satellite campuses and the previously existing Rural Physician Leadership Program that the College of Medicine has with Morehead State University and regional providers in that area?

RD: These satellite campuses are opportunities where we have very strong partners. To set up any campus in this state, especially at a distance from Lexington, we need both an academic partner and a clinical health system or medical center partner. It means understanding the state and where we could get partnerships like that, and then doing it in a sequential manner.

We've certainly had an effective partnership with The Medical Center at Bowling Green and then Western Kentucky University. We look at it as an opportunity to offer something that will help their academics overall, because now they'll have a medical school campus. Their students – including those at Gatton Academy, which is incredible – will have opportunities to interact and to grow and maybe even do research projects. All of those things came into play: effective partners and a situation where we could grow a campus with excellence. It is the same thing with Northern Kentucky University and St. Elizabeth Healthcare.

In Morehead, we've had a great partnership already, with St. Claire Regional Medical Center in Morehead, in terms of the Rural Physician Leadership Program. (Ten UK medical students per year can do third- and fourth-year studies in Morehead with MSU, St. Claire and area hospitals and clinics.) And there is discussion in terms of opportunities to also grow that in time.

MG: How much interaction is there between the College of Medicine and Kentucky's hospitals and provider systems?

RD: There's a lot in our great specialty areas. For instance, the Markey Cancer Center has a network of affiliates throughout the state to be sure we're being as helpful as we can as an academic medical

center. We have a research network throughout the state where they can conduct clinical trials. We have a stroke network throughout the state. We work with a collaborative of hospitals that get together in various partnership opportunities.

One initiative we just launched called Precision Medicine can do genomic gene sequencing on patients. The majority of it is with cancer patients; they can get their tumor analyzed doing gene sequencing, and then a molecular tumor board meets to reason out the best option of therapy for the exact genes that are abnormal in that particular individual. When people talked about lung cancer in the past, they usually talked about three or four different types. Gene sequencing might see 200 different combinations of gene changes very specific to a particular individual, and in many cases we now have targeted therapies specific to those gene changes. Our various affiliates for the Markey Cancer Center could have the opportunity to, even at a distance, get those genes analyzed and have that team meet for a patient in another part of the state.

I launched something like that in about 2012 (at Rutgers), and we published on that. Over the population at large where patients' standard therapies weren't any longer effective and you did gene sequencing, the percentage of patients you could come up with a new therapy for was fairly high, somewhere between 35 percent to 45 percent. These are for patients who didn't have an option. And the percentage is increasing as we get better therapies.

There's an additional percentage for whom it just helps guide therapy. An average cancer has usually more than one gene alteration. What we're heading toward in terms of improvements is a Precision Medicine approach, which would include more of a cocktail, so to speak, of targeted agents that are hitting those multiple genes.

MG: How much instruction focus is there on the use of big data in medicine?

RD: It's important. We have access to big data in a lot of different ways in the research world and the clinical world. Institutions are combining data under some sort of umbrella to keep it safe and so forth. The cancer center belongs to a group of institutions called ORIEN that share data on patients. You want to know not only if your institution treated 1,000 patients and got a certain result but what's going on in other institutions.

Internally, we have a data warehouse for our clinical data so we can look at it and learn clinically how to improve upon results; what parameters relate to a particular outcome or might be changed? Look-

ing at and being able to have access to big data and analyze it is becoming incredibly important for research and education; our learners need to understand how to reach out and get lots of data.

We tell our freshman students that by the time they graduate the amount of evidence has probably almost doubled. To be able to access and manage evidence and data is going to be a critical piece of their skill set. As we train the future generation of our physicians, they need to get better and better at managing data, using it for patient care, and doing it within systems that evolve. A physician needs skills to communicate with a patient for their best care in the context of new technology. And it's not just big data; it's the new technology. Electronic medical records systems allow us to access data that we couldn't before and help us with documentation, but in some cases they slow processes or make it less personal.

We spend a lot of time trying to help our students learn that, and the next generation of physicians will be more adept at being able to navigate that. There are now programs – IBM Watson is an example – that are able to help with decision-making with large components of data. We teach our students that evidence is changing so rapidly, but decisions still need to be made

– even with some degree of uncertainty. You may not have all the evidence, but a physician still must decide how to make that decision.

MG: There is a competition among all fields for skilled workers. Does the UK College of Medicine recruit?

RD: Students have a choice, especially the best students, in many different schools. Some come here because we have certain programs they like; some come because they like Kentucky, and they might have done undergrad here. Even though there's always competition, we get many more applications of incredibly qualified applicants than we can take, over 3,000 to 4,000 applications. We interview 400-plus and take about 140 for each year's class. That's one of the reasons we need to expand the class. The average GPA and the average MCAT scores are just incredible.

MG: What characteristics do you look for in assessing a potential medical school student for admission?

RD: Obviously you look at academics in terms of their GPA and especially in science and STEM-related classwork. We do look at MCAT scores, but we also look at the student in many other ways in terms of their ability, how they come

across in an interview setting. We have an admissions committee; it is a large group that does that assessment independent of any one of us, including me. It looks for the qualities of the future physician who is going to need to think critically, be able to work with patients well, those kinds of characteristics. This is done under the umbrella of an independent admissions committee.

MG: Do you have a closing statement?

RD: As an institution, the University of Kentucky really has done everything possible to address the growth in talent, infrastructure and bringing that together to have the greatest impact for the needs of Kentucky. It's allowed all of us who come here to be able to carry out what we do well. That quote about "we are the University for Kentucky" is very important. We couldn't do it in isolation in a large university structure without that vision of paying attention to the infrastructure, the talent and being able to serve. ■



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

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Help Wanted But Hard to Find



Kentucky schools rushing to prepare workers
for a wealth of cybersecurity jobs

BY DEBRA GIBSON ISAACS

WORKFORCE demand for information security analysts is projected to grow 28 percent from 2016 to 2026, much faster than the average for all occupations, the U.S. Labor Bureau of Statistics reports.

This growth in jobs, however, is not being matched by an equivalent growth in the number of people qualified to fill those positions – not even close.

The nonprofit Center for Cyber Safety and Education has been forecasting a global shortage of 1.5 million skilled cybersecurity workers by 2020. The organization, which credentials security professionals, now has upped that estimate to a 1.8 million worker shortage by 2022.

“This is reflected by the extraordinarily high number of professionals across the globe who indicate that there are not enough workers in their depart-

ments,” the center said this year in its latest report, which found a third of hiring managers plan to boost their security teams by at least 15 percent.

One reason is that the number of security incidents is escalating, according to Vignan “Vigs” J. Chandra, professor and coordinator of the network security and electronics technology program at Eastern Kentucky University.

Meanwhile, the use of internet web robots or “bots” – automated software scripts that can operate from nearly any network-connected device – is on the rise. For example, *Wired* magazine recently reported that the Reaper IoT botnet has infected more than 1 million networks.

Cybersecurity is an increasingly serious problem for businesses and individuals, with constant change in the field of information technology making the definition of an adequately skilled worker a moving target.

“Technology changes quickly. Cybersecurity changes rapidly,” said Joe Danaher, chief information security officer for Integrity IT. “You must have the ability to adapt. As in most industries, true innovators in IT are self-motivated to learn, curious, adaptable and creative thinkers.”



Dr. Vignan “Vigs” J. Chandra, Coordinator, Network Security & Electronics Program, Department of Applied Engineering and Technology, Eastern Kentucky University



Joe Danaher, Chief Information Security Officer, Integrity IT

Kentucky schools are responding

It all factors into the strategic calculations of colleges and universities across Kentucky. Public, private and for-profit alike, higher-education institutions are rapidly creating and expanding programs to educate and train people for the profession, as well as leading the way on myriad other ways to address cybersecurity.

In late November, the University of Louisville won a \$580,000 federal grant to expand training for cybersecurity specialists.

The grant, from the U.S. National Security Agency and the Department of Homeland Security, supports two interdisciplinary programs among three

UofL schools: the J.B. Speed School of Engineering, the College of Arts and Sciences, and the College of Business.

The first program will teach cybersecurity measures to public safety employees, and the other will use off-the-shelf hardware and software to design new cybersecurity teaching methods.

The two new programs are an extension of UofL's Cyber Security Initiative, which also offers a graduate certificate in network and information security. They are designed for advanced computer professionals as well as students majoring in disciplines other than computer engineering and computer science. Taking a multidisciplinary approach, the credential includes courses from both the computer engineering and computer science departments.

UofL founded its own cybersecurity lab in 2008. Open to students wanting to research security-related topics, the lab's claim to fame is that it was the site of the world's first research in "artimetrics," a field of study aimed at identifying, classifying and authenticating bots, software and virtual-reality agents.

"We are all geared up to enhance our cybersecurity education offerings and help fill the skills gap in this area of national priority," said Adel Elmaghraby, professor and chair of the Speed School's computer engineering and computer science department and principal investigator.



Adel Elmaghraby, Professor and Chair, Computer Engineering and Computer Science Department, Speed School of Engineering, University of Louisville

UofL's work in cybersecurity has been recognized before. In 2014, the U.S. Department of Homeland Security and the National Security Agency designated UofL a National Center of Academic Excellence in Cyber Defense Education (CAE-CDE); that designation recently was extended through 2019.

Creating a bigger worker pool

Meanwhile, the NSA's Centers of Academic Excellence in Cyber Operations Program is intended to "broaden the nation's pool of skilled workers capable of supporting a cyber-secure nation," according to its website.

The NSA recognizes three Kentucky schools as CAE-CDE: UofL, Northern Kentucky University in Highland Heights, and most recently the University of the Cumberlands in Williamsburg.

NKU offers a cybersecurity certificate in both traditional and online formats. The certificate includes knowledge of a broad range of tech-

nologies as well as an understanding of government laws and policies related to computer crime. It is designed so that students have a demonstrated understanding of NSA-specified core knowledge units of computer security.

Down in Williamsburg, the University of the Cumberlands offers both associate's and bachelor's degrees in information technology that integrate technical skill and general education knowledge.

"One key differentiator for our program is that many of our courses are

mapped to industry certifications," said Donnie Grimes, chair of UC's School of Computer and Information Sciences and vice president for information services. "Since employers use certifications as a way to validate knowledge, our graduates will have a much easier time getting jobs. They will also command much higher starting salaries."



Donnie Grimes, Chair, School of Computer and Information Sciences, University of the Cumberlands

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WORKFORCE DEVELOPMENT

Pat Cowherd, right, dean of the School of Business, Economics and Technology at Campbellsville University, talks with prospective students.

New Ph.D. program

One of the newest cybersecurity programs is a Ph.D. at Campbellsville University, which began just this October. Designed for working adults, the management program allows students to specialize in one of three areas: cyber technology management, leadership management, or human resource management.



Patricia H. Cowherd, Dean, School of Business, Economics and Technology, Campbellsville University

"This is such a relevant area, said Patricia H. Cowherd, dean and professor of the School of Business, Economics and Technology.

The course description reveals why. Students take classes in disaster recovery/business continuity, legal and ethical issues, and evolving issues in cyber warfare. Students do everything from learning to defend information and computer networks from attacks, to repairing a company's technological infrastructure after an attack, to developing a disaster recovery plan.

Designed for working adults, the three-year program is mostly online but does have a once-a-year residency requirement during which students have workshops in topics such as APA formatting, library resources and how to access university services.

The Ph.D program is an outgrowth from the school's established master's program in information technology management.

Those in the field should plan on furthering their knowledge in as many ways as they can, according to Danaher.

"Upon graduating, experience is key. Standard classroom learning is not enough," he said. "The best IT employee has experience in incident response along with a foundational knowledge of technology and practical



application. Internships, apprenticeships and real-scenario lab work are critical aspects of technology training programs. Certifications are a valuable expectation in order to advance in the field. For a cybersecurity focus, you must add a sound knowledge of networking, exposure to security tools, and an understanding of Python programming language."

Getting into the field

While Campbellsville's Ph.D program is the only doctorate-level program, there are numerous entry points into the cybersecurity field. Most offer a certificate, undergraduate or graduate, in a specific area.

The Kentucky Community and Technical College System offers many of these programs. Each of its 16 colleges has an information security or a Security+ AA/AS degree and/or certificate program, according to Mary Hemlepp, senior communications strategist for KCTCS.

The Security+ certificate is a single course designed to help students pass the CompTia Security+ certification exam, a recognized first step in the tech world. KCTCS's information security specialist certificate is more involved, although it still allows students to focus

on tech issues without completing general education courses.

It can be difficult to differentiate programs using the cybersecurity nomenclature. Programs at many schools are more focused on traditional information technology with some cybersecurity coursework added in as the issue and the jobs related to computer security have become a booming concern in recent years.

EKU, for example, offers a bachelor's degree in network security and electronics. It is a more traditional program that prepares students to provide computer and network administration expertise for software users in a broad range of work environments.

Since 2011, the university in Richmond also has offered a computer forensics and security concentration within its computer science degree program. It is one of only two national accredited undergraduate digital forensics programs in the United States. (University of Central Oklahoma is the other.) Coursework concentrates on the growing area of computer system administration, database security, network security, computer forensics, information assurance, and related security techniques.

"To prepare our graduates to protect computer networks now and in the future, we require (them to learn) a



The University of the Cumberlands' Cyber Team meets throughout the academic year and participates in competitions against other universities from around the world. The competitions ask teams to assume administrative and protective duties for resources designed to emulate various scenario and scores them on their ability to detect and respond to outside threats, maintain services, crack passwords, and perform forensic investigations on a previous attack.



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WORKFORCE DEVELOPMENT

The University of the Cumberlands master's in information security systems program provides curriculum mapped directly to Department of Homeland Security and National Security Agency cyber security education standards. UC is a member of the National CyberWatch Center, a national consortium of colleges and universities focused on cyber security education.

combination of both software and hardware tools and technologies,” said ECU’s Chandra. “Our programs are attempting to do so through structured learning activities at the bachelor’s and master’s level.

“The master’s program in applied engineering and technology management with a concentration in network security management (AETM-NSM) allows graduates to plan, implement and analyze computer network systems with an emphasis on security considerations, solve technical problems, and manage projects,” he said. “The MS (AETM-NSM) provides opportunities for expanding the computer network security skillset needed by network managers for maintaining existing computer networks and for integrating with legacy ones.



ECU offers an accelerated 3+2 program that allows students to earn both a bachelor of science in network and security electronics and a master of science AETM-NSM degree within five calendar years.

“Undergraduates with proven academic ability entering the 3+2 program take specific graduate-level classes, which are counted in both their under-

graduate and graduate degrees,” Chandra said. “ECU also offers a concurrent graduate enrollment option, which allows undergraduate students to take a much broader selection of graduate-level classes.

“Following approval by our professional advisory committee earlier this semester, we are planning on an updating our BS degree program to reflect

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our focus on cyber systems as well as network security and its management in the upcoming academic year.”

Stairsteps rather than acceleration

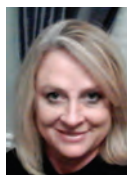
Rather than dual-track acceleration, Sullivan University’s College of Information and Computer Technology, with headquarters in Lexington, uses what it calls a “stairstep” approach. It started with certificate programs and has continued to add courses and degrees as needs have changed. This allows students to build a foundation of technical skills and then add higher-level skills such as cybersecurity.

The university offers certificates as well as bachelor’s and master’s degrees. Undergraduate options include the cybersecurity administration certificate and the cybersecurity professional certificate, according to Julie King, Sullivan’s dean of the College of Information and Computer Technology.

“We offer a lot of classes in Security+ certification,” King said. “Often, students earn a certificate and then come back for an associate degree and then a bachelor’s degree, and ultimately a master’s degree. If they already have a degree in another

area, students come back and focus on the cybersecurity aspect.

“We have seen a lot of statistics that show more demand than people (with qualifications) to fill the jobs in cyber-security. That’s why we went in this direction. We want to prepare as many students as possible in security. It looks like a really good area to find employment.”



*Julie King,
Dean, College
of Information
and Computer
Technology,
Sullivan
University*

Learning cyber skills online

Sullivan is one of the many schools that offer degrees online. Sullivan’s associate degree in computer network security and forensics is an example. It covers programming and basic software and hardware components as well as courses in forensics needed to recover and decrypt data. Sullivan offers a bachelor’s degree in computer network security and forensics online as well as a master’s degree in cybersecurity.

Virtually all of the certificate programs are offered online. In addition, many universities offer specific pro-

grams online. For instance, the University of the Cumberlands’ master’s degree in information systems security is entirely online. At ECU, both the bachelor’s and master’s programs can be done online.

Ongoing education

With a field that is literally changing every day, ongoing education is also becoming essential. In addition to degree programs, Northern Kentucky University (NKU) has offered a cybersecurity symposium for the past 10 years. The symposium brings together IT and security professionals and security and privacy attorneys for a one-day event focusing on cybersecurity challenges, legal issues, risk management, and best practices.

NKU also offers degrees, of course, including a cybersecurity certificate that is focused on the essentials of secure networks, databases and operating systems.

Likewise, Western Kentucky University (WKU) in Bowling Green runs the WKU Small Business Accelerator, which has produced Millstone Labs, a provider of cyber forensics software and hardware to law enforcement.

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WORKFORCE DEVELOPMENT

There was a large turnout for a recent workshop by Shawn Waldman, the founder of Secure Cyber Defense, on cybersecurity at the University of Louisville. The workshop was a Louisville Microsoft Users Group program.

WKU also offers a multidisciplinary graduate degree program in homeland security sciences, a multidisciplinary approach including physics, biology and chemistry to detect, quantify, prevent, and decontaminate chemical, biological, radiological, nuclear, and explosive (CBRNE) threats. The program features a hands-on, real-world research component.

Coming soon to a computer near you

Cybersecurity is not the only aspect of computer science set for explosive growth.

"The field of networking is getting set to see its next big boom with the emerging Internet of Things (IoT) where more and more devices get Wi-Fi enabled and are able to communicate over the network," said ECU's Chandra. "There is a need for preparing students to handle both the electronic and computer aspects of these technologies. The



background in electronics we provide for students along with use of device hardware and software will enable them to learn the management and security of smart devices. With the upcoming IoT allowing for more devices to connect to the internet, the need for grads

who can work with both electricity/electronic devices interfaced with computer/network systems is likely to grow by leaps and bounds." ■

Debra Gibson Isaacs is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

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Business-Savvy Approach Scores \$8 Billion in Economic Development Deals

Kentucky in 2017 has had a record dollar amount of economic development project announcements, more than \$8 billion, under the leadership of, from left, Vivek Sarin, executive officer for the Cabinet for Economic Development, Gov. Matt Bevin and Economic Development Cabinet Secretary Terry Gill.

Activist leadership and new laws are fueling Kentucky's best year by far

BY SUSAN GOSSELIN

WHEN it comes to economic development, it's fair to say Kentucky is on a roll. In 2015, the commonwealth set an all-time record of \$5.1 billion in new corporate investment. But in 2017, the Kentucky Economic Development Cabinet shattered that record, bringing in more than \$8 billion spread across 155 projects around the state, with December deals yet to add to the pile.

That's \$8 billion in new headquarters and manufacturing plants, new expansions and reinvestments, and most important, new hires. It is estimated this year's economic development efforts will net the state 13,100 new jobs – the most job growth Kentucky has seen since 2006.

It's a number Terry Gill, secretary of Kentucky's Cabinet for Economic Development since January, points to with pride.

"We're very fortunate to have a business-minded governor. With the right policies in place and resources at hand, we've been able to get what we need to create a truly streamlined cabinet.

We've improved morale and set new records, and we've done it all with only about 75 employees – about half the staff this department had at its peak.

"We've been able to do it because there's a real sense of urgency here, and a group of people who understand the



Terry Gill, Secretary, Kentucky Cabinet for Economic Development

Marvin Young photo





Craig Bouchard, center, chairman/CEO of Braidy Industries, said in announcing the company's plans to invest \$1.3 billion to build an aluminum rolling mill in Greenup County that Kentucky's legislation in January 2017 making it a right-to-work state played a direct role in the decision to locate in the commonwealth.

world of risk that entrepreneurs live in, because we've lived it ourselves. So we're able to make quick decisions, clear the way with permits and connect them to state resources faster than the competition. And it's been making a big difference."

Kentucky was already on many corporations' radar. Last March, *Site Selection* magazine held its prestigious annual Governor's Cup recognition and named Kentucky seventh nationally for 2016 in absolute total projects, beating out many far larger states. *Site Selection* ranked Kentucky second in number of projects per capita.

Kentucky won the Governor's Cup for projects per capita in 2015 and 2014. Texas has taken the past five consecutive Governor's Cups for total projects.

A regulatory approach primed for growth

Gill credits the cabinet's success this year to a favorable economy overall and Kentucky's passage in January of the Right to Work Act, which allows employees to individually choose whether or not they wish to join a union, if they work in a unionized workplace.

"It is hard to overemphasize the impact the passage of Right to Work has had on our efforts," Gill said. "When companies are sitting around a board room table trying to decide where to build and grow, they begin by looking at a map that shows where the right to work states are, and they start only with those. Now that we have that barrier removed, the floodgates have opened. We are getting invited to the table for deals we wouldn't have been before."

Gill specifically cites the Cabinet's recent deal with Braidy Industries, which announced this spring it would build a \$1.3 billion aluminum rolling plant in northeastern Kentucky, employing 550 people to make metal sheeting for the automotive, aerospace and

defense industries. During the announcement news conference, Braidy's CEO Craig Bouchard credited the right to work legislation as a key factor in why it decided to locate in Kentucky.

It's all part of a Bevin administration push to develop a more business-friendly state government. In addition to right-to-work, the legislature abolished prevailing wage regulations for contractors working on public projects. In April, a public-private partnership law was passed. The law authorizes state and local governments to use public-private partnerships to develop transportation and other types of infrastructure projects – a move designed to get infrastructure needs addressed more quickly around the state.

"If we don't address these things, businesses won't come. They won't feel good about expanding or moving here," Bevin said. "No state wants to be known as being at the bottom of the financial barrel. We have to get our house in order, and we've been very up front about what we're going to do. Passing right-to-work has been a huge driver for what we're doing in the state. Now we need to pass tax reform and deal with the pension program."

"So far it's all been positively received by businesses in the state. Companies and private capital go where they're welcome and where the state's budget is in order."

In July 2016, the Bevin administration took a business-friendly approach to the state's labyrinth of development regulations with its Red Tape Initiative. The initiative encourages business people, state



Craig Bouchard, CEO, Braidy Industries



Matt Bevin, Governor, Commonwealth of Kentucky

employees and consumers to identify burdensome regulations and offer suggestions for improvement – submitting them at redtapereduction.com.

Approximately half of the state's 4,700 regulations have been reviewed, according to the administration, resulting in 152 being repealed, 337 targeted for repeal, 184 amended and 424 targeted for amendment.

High-profile deals

Braidy Industries is far from the only major company attracted by Kentucky's more business-friendly platform. Chief among the very high-profile deals the Cabinet for Economic Development completed this year is Amazon's announcement in January that it will build its first-ever Amazon Prime Air shipping hub for nearly \$1.5 billion at the Cincinnati/Northern Kentucky International Airport, creating 2,700 jobs. And the move is expected to attract more development in and around the airport – companies like iServe Products, a fast growing online retailer that last April announced plans to open a 100-job fulfillment center in Northern Kentucky.

In October, Toyota Motor North America Inc. opened its \$80 million Production Engineering Manufacturing Center in Georgetown. More than 600 engineers who work at the facility are there to connect Toyota's vehicle design teams and production lines at Toyota's 14 North American factories – demonstrating the company's ongoing commitment to growing its operations in Kentucky.

With more than 155 business development projects slated to be final by the end of the year, Gill is quick to credit the Cabinet for Economic Development team, which is a blend of long-time employees who know the regulatory landscape and leaders from C-suite corporate America.

Gill, for instance, started at the Cabinet in January, after serving as president of OneTouchPoint, a \$140 million business-communication services organization, and as president and CEO of FetterGroup.

Gill was joined in May by Vivek Sarin, executive officer in the Cabinet for Economic Development, himself a founder and president of Juvo Co., a professional services firm, and the long-time CEO of trailer and towing-equipment maker Shelby Industries LLC in Shelbyville. Sarin is a five-year board

Amazon has begun operations for its first Prime Air hub at the Cincinnati-Northern Kentucky International Airport in the existing air freight facilities of DHL Express. It will build its own facilities on airport grounds directly across the street. The project investment is estimated to be \$1.49 billion and to bring an eventual 2,500 to 2,700 new jobs.

member of Bluegrass Economic Advancement Movement, launched by mayors Greg Fischer and Jim Gray of Louisville and Lexington.

Gill and Sarin draw equal salaries and consider themselves to be “co-leaders” of the Cabinet, an approach they say allows them to divide and conquer, and speed up the number of deals closed.

“We know what it’s like to sit in a CEO’s chair, and live in the world of business risks,” Sarin said. “In order to drive continuous improvement in what we do, we have to be willing to take more creative risks, as well. When companies are coming here, they get the kind of expert help they need to get a go/no-go decision quickly. We are getting very good at shepherding them through permitting and regulations and land-use issues, quickly.

“When other states are fiscally stronger than us, we have to sell other things,” he said. “And for us, that’s personal service, a good workforce, and the ability to get them up and running here fast.”

Build ready/work ready

One of the most challenging parts of relocating, expanding or building a business is site selection. And Kentucky has developed a build-ready program designed to take months off the selection and building process. Kentucky Build Ready certification allows local communities to prepare in advance the permitting, renderings, site pads and more for companies that are looking to develop large facilities. Currently, the state has 15 certi-



*Vivek Sarin,
Executive
Officer,
Kentucky
Cabinet for
Economic
Development*

fied Build-Ready locations around the state and certification efforts underway for a half dozen others. A list is at Select-Kentucky.com.

Once a company is interested in a site, its next question is usually “will there be a ready, qualified workforce available to me at this location?” To answer this question quickly, the state has created a rigorous certification program called Kentucky Work Ready Communities. To be certified, a county must meet metrics for high school graduation rates and holders of National Career Readiness Certificates – a credential respected coast to coast – and demonstrate community commitment, encourage post-secondary educational attainment, offer soft skills development programs and have fast, consistent internet service. All of Kentucky’s 120 counties are either certified or actively pursuing it.

Early this year, Bevin, along with the Cabinet for Economic Development, announced that 40 projects will receive \$100 million in investment through the Work Ready Skills Initiative, with another \$100 million round scheduled for 2018.

The Workforce Ready Skills Initiative brings together private employers, higher-education institutions, high schools, technical schools and community workforce development organiza-

tions around the idea that students should be trained for specific, technical skills they will need. The program gives companies an ability to customize training programs that fast track students into jobs in advanced manufacturing, healthcare, IT, business services, construction trades, transportation and logistics. The first 25 projects in round one are projected to train more than 30,000 Kentuckians annually.

To aid students in paying for their training, a Work Ready Kentucky Scholarship program is covering tuition for students and adults enrolling in more than 4,000 certificate programs offered by Kentucky’s state and private universities and community and technical colleges. Information and access to the program is at HelpWantedKy.com.

The Kentucky Federation for Advanced Manufacturing Education is a similar program, but with a twist. KY FAME students study part of the week and work part of the week at a sponsoring company, getting paid as they go. Students graduate debt free and in most cases end up with a full-time job with their sponsor. KY FAME now has 225 member companies in chapters across the state, with 650 students enrolled in this year’s fall semester.



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COVER STORY

Gov. Matt Bevin, in car, checks out a 2018 Camry with Toyota Motor Manufacturing Kentucky President Wil James (right) and Masami Kinefuchi, Consul General of Japan in Nashville, following Toyota's announcement in April in Georgetown that it would invest \$1.33 billion to upgrade TMMK.

"The pendulum is swinging back to U.S. manufacturing," Sarin said. "Companies are coming around to the idea that total costs for doing business here are less than if they work overseas. But in order for this to work, overcoming the skills gap and addressing workforce development issues will be critical. It's our goal to become best in class in that effort, and we're well on our way."

Kentucky's efforts appear to be working. *Site Selection* magazine just ranked Kentucky's workforce development first in the south-central region for the second consecutive year in 2017, taking into account state workforce expenditures, certifications and readiness scoring by the U.S. Chamber of Commerce Foundation. Kentucky's high school graduation rate of 87.5 percent in 2014 was among the highest in the nation, according to a 2016 report by the Everyone Graduates Center at the John Hopkins School of Education and Civic Enterprises.

A regional approach

The key to these efforts, Gill said, is in looking at the commonwealth as a region with its own discrete economies, strengths and weaknesses. He said their economic development emphasis is primarily geared to several key industry segments, including: automotive; aerospace; primary metals; healthcare/pharmaceutical; food/beverage; logistics/distribution; agribusiness; chemicals; and plastic/rubber.

"We have natural industry clusters that are growing up in our state, and we need to exploit those," Gill said. "For instance, in Louisville you have the healthcare, insurance and aging-care industries that are growing up. With the Amazon Prime and DHL Hubs in Northern Kentucky, and the UPS Worldport in Louisville, logistics and aerospace companies are coming in to base themselves near those resources."

"The same could be said around our automotive plants like Toyota, which is becoming a technical and design center for the company, and perhaps, the industry at large. We need to align our efforts so we can encourage entrepreneurial activity around those segments," he said.

Gunning to be tops in manufacturing

Part of the Cabinet's vision for Kentucky is to make it a major manufacturing hub for North America. And the state is already well on its way to that goal. Kentucky's manufacturing GDP is \$36.2 billion. More



than 4,460 manufacturing facilities operate in Kentucky, employing more than 245,000 people and accounting for one in six private-sector jobs.

Furthermore, these jobs pay more than industry averages – \$56,000 annually compared to an all-industry average of \$42,000.

"When we talk about Kentucky to manufacturing companies, we have a great story to tell," Gill said. "We have tremendous natural resources, and our utility rates are some of the lowest in the nation. We have a tremendous workforce that is ready to work. We're located at the intersection of so many interstates, and within a short drive of most of America. When you combine that with the logistical powerhouses we have in the area – UPS, FedEx, Amazon Prime, DHL – there are a lot of compelling reasons for a business to locate in Kentucky," he said.

The state has seen big gains in its automotive industry. Kentucky is the nation's third-largest producer of passenger cars and trucks. On a per capita basis, Kentucky ranks No. 1 nationally by a very large margin. The commonwealth has 525 motor vehicle-related facilities, including four assembly plants, employing more than 101,000 people. Since 2009, the state's vehicle output more than doubled without the addition of a new assembly plant, due largely to the reinvestment in and expansion of existing facilities.

In April, Toyota announced a \$1.3 billion upgrade of its 30-year-old operations in Georgetown, adding to hundreds of millions it had pumped into TMMK in recent years. In June, Ford announced it will invest another \$900 million to support production of its 2018 aluminum-bodied Lincoln Navigator and Ford Expedition in Louisville. General Motors has also announced major investments in its Kentucky facilities since 2015.

Logistics brings it all together

Because Kentucky is situated at the center of a 34-state distribution area in the eastern United States, it has the strategic high ground when it comes to loca-

tion. Kentucky's borders lie within 600 miles of more than two-thirds of the U.S. population.

It is an advantage the state has exploited. The state has six commercial airports and dozens of regional airports. Louisville International Airport is ranked third nationally in 2017 as a logistics leader, according to *Business Facilities* magazine. The Cincinnati metro area airport located in Northern Kentucky ranks ninth. But with the addition of the Amazon Prime Hub, CVG's numbers should be set to grow exponentially.

Candace McGraw, CEO of the Cincinnati-Northern Kentucky International Airport, said she's looking forward to working with the Cabinet as well as the Northern Kentucky Chamber of Commerce to build on the development around the airport.

"We have 450 direct employees of the airport but 13,000 employees who work at some part of our campus through our vendor/partners. Our airport is already a DHL Express super hub, and with Amazon Prime Air's new cargo hub coming in soon, those employment numbers will skyrocket," McGraw said. "We're able to do all this because our airport has the advantage of being very 'land rich.' We have 5,500 acres, and our plan is to make much of that land available to other companies in logistics, travel and aircraft maintenance. It's a symbiotic relationship that helps all our businesses grow, together."



Candace McGraw, CEO, Cincinnati-Northern Kentucky International Airport

Building on success healthcare

While the Cabinet generally stays out of the development of hospitals and physician offices, it does get involved in the development of the myriad businesses that serve healthcare, including aging-care companies, diagnostics, pharma

manufacturing/testing, medical supply and logistics companies, and more.

CTI Clinical Trials and Consulting is one such company that had its ribbon cutting in Kentucky this year, bringing 500 jobs to the area. CTI CEO Timothy Schroeder moved his company from Blue Ash, Ohio, across the river to Covington and he said he couldn't be happier with the new location.



Timothy Schroeder, CEO, CTI Clinical Trials and Consulting

"A lot of people think that you can't do business if you aren't on one of the coasts, but we haven't seen that to be true. Northern Kentucky offers as much or more as other places in the country – great universities, good communities and ultimately amazing people, which is key to business success. Kentucky also offers a low cost of doing business in comparison to other states, as well as a stable work force that is not transient and willing to stay in the state for the duration of their careers," Schroeder said.

"I would tell anyone looking to locate here to call us. We will tell them what an amazing experience and process it has been for us over the past two years," he said. "We'd also encourage them to talk to the people in Kentucky, both at a state and local government level. Network with as many business owners in the community and they will tell you why they love having their company in the area."

From January through October 2017, the Cabinet closed eight deals with healthcare companies totaling about \$52.5 million; they will bring more than 400 jobs to the commonwealth in industry sectors such as pharma call centers and distribution centers, healthcare data analytics, medical equipment, dental insurance and more.

Louisville is building on its distinction as the largest cluster for aging-care companies in the world. It just welcomed a new \$34 million headquarters project for ResCare, one of the nation's largest providers of home care to seniors and those with disabilities. Slated to open next year, the deal ensured ResCare would keep its headquarters and the 340 employees who work there in Louisville.

Taking Kentucky's business global

It's more than American-owned companies growing the state economy. Through June 2017, Kentucky announced nearly \$1.81 billion in economic development projects with foreign owned companies. That foreign-direct investment will result in 2,200 additional full-time jobs in the coming years.

Export efforts have been paying off as well, with the state shipping now to 200 countries in total dollar amounts that are increasing year over year to never-previously-seen levels. Kentucky exported \$29.24 billion in goods and services in 2016, an increase of 5.8 percent, or about \$1.6 billion, over 2015. In the first eight months of 2017, exports are up another 4.1 percent over the same period last year.

"When it comes to economic development, we have our foot on the gas," Bevin said. "I'm a lot more engaged; I get involved. They're not used to a governor

being as hands on, but that makes a difference. We're just getting warmed up here in Kentucky."

"The question we have to ask ourselves is, where do we want to be in 10 years?" said Gill. "I want Kentucky to become the sort of place young people are moving to, because it's a true career destination. I want Kentucky to be known as the place that can attract and retain the best and the brightest. I think we're well on our way." ■

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



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Business Community Wants Ky. Tax Reform

Changes required to be competitive with border states and encourage investment

STATE elected officials indicate they are committed to accomplishing major tax reform in the near future, perhaps early next year. As this issue went to the printer, federal officials were finalizing the biggest change to the U.S. tax code in 30 years. *The Lane Report* sent a solicitation to a variety of business officials in Kentucky asking what they would like to see happen. The responses we received show strong business community for Kentucky tax code reform that simplifies it, lowers corporate rates, eliminates the inventory tax, relies more on sales tax revenue and removes many current exemptions, incents business investment and raises cigarette taxes.

Tax Reform Ideas



Robert Quick
President/CEO,
Commerce
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"Tax and regulatory policy at all levels of government must be guided by a well-researched, balanced approach. It must provide for necessary public investments and expenditures, while avoiding policies that are disincentives to economic growth and private-sector employment and investment. State and local tax code changes should encourage long-term growth, and provide revenue options so local governments can tailor tax policy to local conditions. Commerce Lexington encourages lawmakers to develop policy that helps ensure Kentucky remains competitive with its surrounding states. We urge lawmakers to evaluate existing tax policies and proposed changes by considering their intended or unintended consequences; avoiding burdensome conditions; promoting a climate that encourages business investment and job growth; providing sufficient revenues; ensuring stability over time; examining fairness, while not discouraging economic activity, employment or wage growth; and creating cost-efficient compliance measures."



Carl T. Howard
President and
CEO, Fazoli's

"The tax code and tax rates are crying for an update. The proposed new federal tax code bill has the potential to impact the economy and lives of U.S. citizens. The big unknown is whether the new tax code effect will be positive or negative. An overhaul is badly needed, but it deserves to be thoroughly analyzed and not rushed to market. The last major tax revision took a year to be fully vetted before it was implemented. Until we have all the specifics, it's hard to have a meaningful opinion. While I have not read the bill, on the surface I agree with the corporate income tax reduction and repatriation. Until the economy responds to the changes, I would like to see more of the burden placed back on businesses receiving the largest part of this benefit. Do not put the first tab on any U.S. citizen and keep it that way until we start to see the benefits."



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Computer
Services Inc.

"Personal and corporate rates should be reduced gradually over time, replaced by a broader-based sales tax on consumables by people. Do not make the mistake of including a business-to-business services tax; that failed when attempted in several states. From an economic development perspective, eliminate the inheritance tax and move to single-factor apportionment for multistate revenue companies. Today's multifactor apportionment discourages headquarters from locating in Kentucky. Out-of-state companies typically pay a lower effective Kentucky tax. The inventory tax should be eliminated; however, since the revenue is local, suitable replacements will be needed for local taxing districts. Amend the constitution to allow a local-option sales tax. I have wit-

nessed the great successes with this item in Florida for years. It forces local leadership to prioritize items that can muster local voting support."



Diane Medley
Managing
Partner, MCM
CPAs &
Advisors

"Tax reform that is good news for the business community is going to be good news for the vast majority of our clients. A tax system focused on being business friendly will yield dividends for all Kentuckians. We need to look at examples of our bordering states, including Indiana, Ohio and Tennessee, to model a more business-friendly system. Tax savings should be geared toward reinvestment and relocation incentives that will increase the number and size of our current and potential Kentucky businesses. Corporate tax rate changes that allow them to reinvest in and grow their organizations will be beneficial for companies and communities as a whole. Should these changes come to pass, I hope companies will use it as an opportunity to raise wages, increase their workforce, invest in company infrastructure, and support their communities in general."



Matt Tackett
President/CEO,
Kentucky
Association
for Economic
Development

"The Kentucky Association for Economic Development supports tax policy modernization. Pro-growth policy will create a more business friendly Kentucky and strengthen the commonwealth's competitiveness in a national and global marketplace. Tax codes that attract corporate investment will create high-wage jobs and accelerate Kentucky's ascension as the manufacturing and engineering epicenter of the United States."



Luther Deaton Jr.
Chairman,
President and
CEO, Central
Bank

"Tax reform is essential to moving Kentucky forward to embrace the 21st-century economy. We should focus on building a business-friendly climate that reduces tax rates and exemptions and broadens the tax base. Lower tax rates will be possible if we simplify the tax code, eliminate the inventory tax, reduce the inheritance tax's impact on family-owned businesses and reduce special-interest exemptions that stand in the way of progress. We need to examine the personal

income tax that encourages individuals to split their residency with states without a personal income tax. Our legislators need to stand up higher education and promote business expansion that will create a wide range of job opportunities for all our citizens. Once that's accomplished, our state will start moving on sound financial footing that will address long-term pension reform."



Kent Oyler
President/CEO,
Greater
Louisville Inc.

"Because GLI represents the bi-state Greater Louisville region's business community, we see first-hand how companies on the south side of the river are disadvantaged by Kentucky's unfriendly business tax climate. GLI supports a far more simple and competitive tax code that promotes growth and investment while putting Kentucky on an equal footing with adjacent states like Indiana and Tennessee. Moving to a consumption-based system, expanding the sales tax, decreasing personal and corporate income taxes, and eliminating the inventory tax are all important steps that will put Kentucky on the path to economic success."



Amanda Shawaluk
Media
Relations
Director,
Crowe
Horwath LLP

"Kentucky's current tax system places a disproportionate burden on businesses with facilities and employees in the state because the apportionment factor (the formula used to determine how much of a company's income is subject to tax in each state) includes Kentucky payroll and Kentucky property investments. Kentucky tax reform should have a goal of not imposing a higher tax burden on businesses investing in Kentucky."



Stephen Gray
President/CEO,
Gray
Construction

facturing strength means higher paying jobs across the U.S. and that means more

"As an engineering, architecture and construction company, issues like tax reform that impact our manufacturing customers also affect Gray. At a federal level, Gray Construction believes corporate tax reform would put the U.S. economy on a stronger path, especially in the manufacturing sector. Manu-

facturing strength means higher paying jobs across the U.S. and that means more tax revenue. A lower tax rate and immediate expensing would enable manufacturers to reinvest through new capital investments or expansions and distribute the additional income to employees. But for tax reform to really have the impact the U.S. needs, businesses need to behave responsibly. That means tax savings should be reinvested in ways that grow the economy and add jobs, not simply passing savings on to shareholders."



Dave Addisson
President/CEO,
Kentucky
Chamber of
Commerce

"If Kentucky is going to truly compete, our tax code must be improved. Business leaders tell us the system is too complex and compliance is too costly. Numerous economic development experts say our code creates a competitive disadvantage because it punishes economic productivity. A modernized tax code should encourage

investment, productivity and higher wages for Kentuckians. The chamber is on record in favor of a consumption-based tax system, repealing the inventory tax, lowering the corporate income tax and increasing the cigarette tax." ■

TOURISM WORKS FOR KENTUCKY



Tourist Activity in Shelby County

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.

STABLES, TABLES
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Congestion Relief for Northern Ky.

Transportation study seeks solutions for traffic bottlenecks at the Brent Spence Bridge

BY ABBY LAUB

REGULAR bottleneck congestion on Interstates 71 and 75 across the Brent Spence Bridge spanning the Ohio River between Cincinnati and Northern Kentucky is at the forefront of state and local government agendas.

Built in 1963 for \$10 million, the bridge named for Newport, Kentucky-born U.S. Rep. Brent Spence is a key link for 10 states from Michigan to Florida. It was designed for 80,000 cars a day, but today sees an average of 170,000 a day with an ever-increasing number of trucks, according to Bob Yeager, Kentucky's chief District 6 engineer in the Covington office.

"I've driven this bridge every day since I got my license in 1968, and I've seen the truck traffic increase," Yeager said. "The bridge is structurally sound, but functionally obsolete."

The American Transportation Research Institute ranks the I-71/75 river crossing as No. 5 on its list of the Top 100 traffic bottlenecks in the country. Roughly 3 percent of the nation's gross domestic product crosses this busy trucking route each year, according to a 2009 study from

the Texas Transportation Institute. That equates to \$417 billion, more than the total GDP of roughly 150 of the countries in the world.

Yeager likened the Brent Spence – one of the first four bridges crossing the Ohio River in Greater Cincinnati – to a house outgrown by its large family.

"It is incremental," Yeager explained. "You had two children, then three, and then four and maybe made some adjustments, and then five, and think, 'How did I get here?' I have to bite the bullet and buy a new house. So that's where we are."

According to the Brent Spence Bridge Corridor project, traffic congestion on the Brent Spence Bridge costs an average of 3.6 million hours of delay for passenger cars every year; roughly 1.6 million gallons of fuel are wasted annually due to traffic congestion.

An early 2015 estimate put the cost of replacing the bridge at \$2.6 billion. It will require new ramps and realigned links

Transportation officials in Kentucky and Ohio are trying to develop a plan to improve flow at the Brent Spence Bridge, at right, on which heavily traveled Interstates 75 & 71 cross the Ohio River between downtown Cincinnati and Northern Kentucky. It is rated one of the nation's five worst traffic bottlenecks. Designed for 80,000 cars a day when it opened in 1963, it averages 170,000 vehicles daily now.

with major infrastructure changes on each side, especially for more urbanized Cincinnati. It could take a decade or more. Meanwhile, every year's delay in the start of construction is increasing the price that taxpayers will eventually bear by nearly \$75 to \$85 million in inflation alone.

Fixing the bridge problem is not simply a matter of building a new, bigger one. The entire transportation corridor – in Ohio and Kentucky – needs to be examined, which is what state transportation officials were busy doing in 2017 after Kentucky Gov. Matt Bevin commissioned a study to figure out the best approach to fixing the expensive problem. The results of the study are due at the end of 2017, and transportation officials say that although the report will not have price tags or timelines it will present the best next steps for the first time.

The Brent Spence Bridge Strategic Corridor study includes an examination of the Cincinnati Eastern Bypass as proposed by the Citizens for the Cincy Eastern Bypass. The proposed facility would begin in Kentucky along I-71 in Gallatin County and would cross I-75 and extend northeast to I-71 in Warren County, Ohio, and continue north to I-75 in Warren County, Ohio.

In the meantime, the bridge is undergoing routine maintenance to support smooth and safe travel. It is structurally viable for long-term use. Currently the Kentucky Transportation Cabinet is managing the bridge maintenance and repair projects in partnership with the Ohio Department of Transportation.



Bob Yeager,
Chief Engineer,
Kentucky
Transportation
District 6

A primary option being considered to improve traffic would build a second span alongside the Brent Spence Bridge with one carrying northbound traffic and the other southbound traffic. At least as complicated as building a new bridge will be revamping and creating new ramps and roadway links, especially on the Cincinnati side where historic buildings and an electrical substation would need to be moved.

Most recently a new deck overlay was completed, renovating the driving surface. Additional lighting was added, lane stamping was added to improve visibility and give better directions for drivers. The bridge's original six lanes were divided among two driving decks, but renovations in 1986 eliminated the emergency lanes to widen the bridge to four lanes on each deck. Since then periodic maintenance and improvements have been made on the structure.

"They made the lanes 11 feet (wide) instead of 12 and took away the shoulders," Yeager said. "It was a tremendous improvement but not a lot of effort, kind of like adding an extra bed to a bedroom in a house. About 15 or 20 years ago we rebuilt the cut in the hill; it was a steep, curvy hill that led into the bridge, so we straightened it out."

Improvements to the existing structure can only do so much, though.

The Transportation Cabinet's study should reveal the next steps toward an ultimate goal that will include adding another new bridge. The master plan involves the entire corridor.

"It would be a second circle outside of I-275 – an outer loop that would go to Boone County and connect with Ohio," explained Jack Moreland, president of Newport-based Southbank Partners. "It basically said that we may need an alternate route, but that doesn't replace the need for the upgrade of the Brent Spence."



Work in summer 2017 to replace the deck of the Brent Spence Bridge as well as improve lighting and drainage brought lane closures that worsened delays already estimated to total 3.6 million hours annually.



Or maybe they build a (new) bridge that's part of the outer loop. If you look at the success of Louisville with the Gene Snyder and the Watterson expressways, it makes sense we should have a second loop around our area, too. I think we actually need to do both an outer loop and the (new downtown) bridge."

Regardless of what the master plan will look like, he said the plan is for a new bridge to be added right where the current bridge is. He speculated that the existing Brent Spence would carry Interstate 71 and a new bridge would carry Interstate 75, the traffic backbone of the eastern United States.

"The plan we have currently is a (new) bridge next to it. Keeps it in play, putting another next to it," Yeager said. "It's 59 years old and still has a lot of life left in it. We would try to put it back as close to its original (six-lane) configuration as possible. If we 'got more bedrooms' we'd take the bunk beds out and we could put a bed back in."

The study, due out any day, will analyze all of these options and make a recommendation for next steps for the corridor. Local leaders are hopeful that the Trump administration's focus on infrastructure may culminate in some funding dollars.

Moreland said there is not a lot of consensus on how to pay for the project. He said Northern Kentuckians are reluctant to see tolls. He estimated a bridge project could cost several billion dollars with perhaps somewhere in the \$800 million range coming from the federal government.

It's a big price tag, and regardless of the delays and high costs in the future, Moreland said he hasn't heard of it negatively affecting business in Northern Kentucky.

"I haven't heard of a single instance where someone said they weren't going to locate here because of the (disrup-

tion of years of) new construction," he said. "People think, 'Well the old bridge is there and we're using it, and it's not costing us anything,' but that's just not correct. Every morning the traffic backs up into southern Kenton and Boone County to go across that bridge. There is rarely ever not a backup. You have to wait, and that's costing you money. It's a cost by not having a new bridge."

But Moreland senses that the make-do mood is shifting.

"There might be more tolerance for some kind of funding mechanism today than there was three years ago," he said, "but I can't prove that at all."

Yeager agrees that the bridge issue ties in to employment and economic development. The I-71/75 bridge is the main connector from airport in the Northern Kentucky and downtown Cincinnati. However, he also pointed out that the region has bridges that are underutilized.

He hopes the long-anticipated \$26 million Route 9 project now underway to connect AA Highway to the Taylor Southgate Bridge in Newport will take traffic off the Brent Spence and provide access to East Covington across the new 12th Street bridge. The hope is that the new roadway will spread bridges traffic out and make conditions better than they are now, which would boost the economies of Northern Kentucky's river cities.

Until a master plan is complete, the studies will continue to evaluate what is best for the economy, aesthetics, traffic and environment in the entire region – in a crucial piece of road that affects the entire nation. ■



Jack Moreland,
President,
Southbank
Partners

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

EMERGING LANE

Kentucky's young professionals and creatives



Courtesy Krysta Manning



Courtesy Liz Toombs

New Businesses That Give Back

Two entrepreneurs focus on others, launch brands

FOR two entrepreneurs this December marks a season that is both busy and rewarding. Liz Toombs and Dr. Krysta Manning focus on giving back not only during the annual holiday season of giving but year round.

In Louisville, Manning is opening the doors at the all-new Solstice Dental & Aesthetics. It culminates years of giving back through dentistry and serving in the Air Force.

Manning is a former captain in the U.S. Air Force, the mother of triplets and dedicated to serving the community's most at-risk citizens. Manning previously worked as a dentist at Louisville's Home of the Innocents, while completing an MBA in entrepreneurship at the University of Louisville.

She served as a general dentist in the U.S. Air Force Dental Corps in Colorado. Prior to the Air Force, she graduated from University of Louisville's Dental School in 2010 and completed a fellowship in developmental dentistry serving adults with neurodevelopmental disabilities.

A Russellville native, Manning received her bachelor's in pre-med from Transylvania University in Lexington. She and her husband, Ryan, became parents in 2013 to two daughters and one son. They were born on the summer solstice, inspiring the name of her new business.

In Lexington, Liz Toombs, president of PDR Interiors, recently completed a rebrand of her previous business, Polka Dots & Rosebuds Interiors.

Toombs is a certified interior decorator and president of a 9-year-old company that specializes in fraternity and sorority

housing, corporate spaces, residential design and holiday decor. Toombs also is seeing the results this December of a scholarship at the University of Kentucky that she and her husband founded in honor of her late mother.

We asked the women how giving back is incorporated into their businesses.

Dr. Krysta Manning

TLR: What spurred you to join the Air Force?

Krysta Manning: I didn't join the Air Force until after I began dental school. When I received my very first student loan statement, the sticker shock sent me straight to the recruitment office.

Joining the Air Force gave me freedom from debt as well as a wealth of experience through world-class continuing education. I joined as a second lieutenant in April 2007 while I completed dental school, transitioned to active duty in 2011 and served at Peterson Air Force Base and then the Air Force Academy in Colorado Springs until 2014.

TLR: Why did you decide to start Solstice?

KM: The first seven years of my dental career were spent doing dentistry as a public servant. While I loved the work that I did, I felt limited. I decided that if I really wanted to be mindful of every detail, I would have to be the one making the decisions.

TLR: How do you juggle work and triplets?

KM: Our triplets are 4½-years-old, so while it seems like I've done a lot if you write everything down in a list, there were periods when I scaled back to focus on my children. In fact, I left the military so that I could work part-time and focus on my children. As they began to grow, I started to have a little more freedom. I also found that I had more motivation than I ever had pre-children.

TLR: You have a business model that will emphasize giving back. Can you talk about that?



Krysta Manning

Far left: Solstice Dental & Aesthetics opened at the end of 2017.

Left: PDR Interiors is the re-brand of a 9-year-old business.

KM: Giving back is one of the major focuses of our office. My team volunteered with Smile Kentucky before our office was finished. We are currently working with a couple of nonprofits on projects that will benefit their missions. We are also planning an adopt-a-charity initiative at our office. Each month, we'll select a nonprofit to sponsor, and a percentage of our profits for the month will go directly to that charity.

TLR: Did serving in the Air Force play into your business aspirations with Solstice?

KM: Serving had a huge impact on my ability to start this business. In addition to giving me a solid clinical foundation, it also provided me with financial freedom. It also provided me with an additional educational opportunity through the use of the GI Bill.

PDR President Liz Toombs

TLR: What was your inspiration in making the creative changes with your brand?

Liz Toombs: PDR is simply a shortened version of Polka Dots & Rosebuds. It was a logical step to make the name more concise. The abbreviated name reflects our maturity, and the new color scheme possesses the timeless quality we strive for in our work. We chose to incorporate the Greek key as it is a classic emblem found in fabrics and accessories, and it also serves as a nod to our niche projects, which are "Greek" housing on college campuses.

TLR: What's your advice to other small brands that may be considering a branding change?

LT: Don't be afraid to go for it. Businesses naturally grow and evolve over time, so it's OK to make changes to accommodate that growth.

TLR: As the holidays approach, many people talk about giving back, but few actually do it. Can you talk about the scholarship that you launched?

LT: The scholarship is to honor the memory of my mom who passed away from renal cell carcinoma (kidney cancer) in 2012. The scholarship recipient is a University of Kentucky College of Agriculture, Food and Environment student who has lost a parent from cancer. My husband and I are both alumni of this college, and he worked in philanthropy and alumni relations for the college for 10 years. The driving purpose for the scholarship is to aid a student who struggles to stay in school after losing their parent. Going to college is hard to navigate, and so is losing a parent. To have to deal with both at the same time is devastating.

TLR: How do you like to give back?

LT: I am passionate about anything relating to mentoring others. I have been heavily involved in the Junior League of Lexington for the last eight years, and I invite college students to intern with my company to learn the ins and out of the decorating world.—Abby Laub



Liz Toombs



Powering Eastern Kentucky

Young professionals are leaders in their fields

IN 2009, Kevin R. Smith founded Young Professionals of East Kentucky (YPEK) to foster networking and leadership among young business people and entrepreneurs. At the time, he was director of strategic initiatives with



Kevin
Smith

Inez Deposit Bank, and now operates his own general practice law office in London. Nonprofit YPEK is going as strong as ever because Smith believes in promoting the resources of the Eastern Kentucky.

"YPEK strives to enhance the abilities of young professional leaders to develop forward thinking, innovative approaches to improve the communities throughout East Kentucky and to nurture their vision and passion to fuel the region's business and social climate with new energy and initiatives," Smith said.

While there are models for YP organizations through chambers of commerce around the country, Young Professionals of East Kentucky is an independent entity based on the desire to connect, grow and lead.

The other 300 members of YPEK are engaged in efforts to have a positive impact on 32 counties in Eastern Kentucky. It has sponsored regional issue forums, networking events, a women's conference and annual awards banquet in London, Manchester, Pikeville, Ravenna, Somerset and Whitesburg.

Early on, YPEK was a founding partner with Morehead State University and Alice Lloyd College for a business accelerator program called the i2b Entrepreneurs Academy, with i2b standing for "invention + innovation = business." The academy was the first of its kind in Eastern Kentucky to provide mentoring, training and business support for young professionals.

Smith co-founded another nonprofit in 2014, Rural Up, to provide computer technology classes for middle school and high school students throughout Appalachia, and a deep love of learning drove the Clay County native to further his own education.

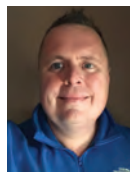
The graduate of Union College in Knox County went on to earn a J.D. at the University of Kentucky College of Law, and then an MBA from UK. Next, he attended Princeton University in New Jersey, where he earned a master's degree at the Woodrow Wilson School of Public and International Affairs and was elected by his peers as the president of the Graduate Student Government.

Standout board members

On the board of YPEK is Jonathan Gay. When Smith was gathering a group of people to form Young Professionals of East Kentucky in 2009, Gay was one of the first to join. At the time, he was with the Kentucky Innovation & Commercialization Center program at Morehead State University's regional campus in West Liberty. Since 2013, Gay has been the director of the Kentucky Innovation Network at Morehead, which is 20 miles from his home in Flemingsburg.

He grew up in Leslie County and, like Smith, is a sole proprietor attorney in addition to his full-time job with the Kentucky Innovation Network. KIN supports entrepreneurs with business consulting, networking and programs for startups.

"YPEK has been a valuable partner in celebrating entrepreneurship, helping host events related to entrepreneurship, and recognizing successful entrepreneurs



Jonathan
Gay

in the region," he said. "Our region is undergoing significant changes, and it is extremely important that we think and act collectively to better understand and overcome our challenges."

Tim Robinson joined YPEK in 2013 and although he "aged out" of the organization last year when he turned 40, he is still an avid ambassador for YPEK.

"I'm a big fan of Kevin's," he said of founder Smith. "I believe he's one of the up-and-coming leaders in our state."

Five years before his involvement with YPEK, Robinson had been a prosecuting attorney in Louisa, Ky. He resigned to open an addiction recovery center called Karen's Place, a grassroots effort that became a state-licensed operation and transitioned into a healthcare facility. Karen's Place in Lawrence County is now part of Addiction Recovery Care.

"I was a raging alcoholic," he said. "I was a lawyer who was a drunk. I got sober, and I help other people get sober. There is a big need for addiction treatment in the state."

As founder and CEO of Addiction Recovery Care, Robinson and 200 employees operate a network of 13 treatment centers, including residential treatment centers in Lawrence, Boyd, Fleming, Harlan, Jackson and Pulaski counties, and outpatient centers in Lexington, Louisa, Mount Sterling and Prestonsburg.

ARC also promotes vocational rehabilitation and job training with programs like the Peer Support Academy.

"People in the business community are finding it hard to find employees who can pass drug screens," said Robinson, who is a fan of second-chance employers. "The business community in general is going to have to move from a zero-tolerance policy. Addiction is like any other disease that needs treatment and support." —Kathie Stamps



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Robinson

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THE LANE LIST

KENTUCKY'S TOP 30 PROJECTS BY INVESTMENT THROUGH NOV. 2017

KENTUCKY economic development is having its best year ever, by far, in dollar terms. Announced projects for new and expanded industry surpassed the previous record annual total in May, and at the end of November totaled about \$8.2 billion. And state, local and private economic development officials anticipate further significant announcements in December.

COMPANY	COUNTY	PROJECT COST	JOBS	ACTIVITY
Amazon Fulfillment Services Inc.	Boone	\$1.494 billion	2,700	Air hub for fulfillment and distribution of products
Toyota Motor Manufacturing Kentucky	Scott	\$1.330 billion	N/A	Production of autos, engines, axels, steering, training facility
Braidy Industries	Greenup	\$1.300 billion	550	Aluminum rolling mill
Ford Motor Co. (Kentucky Truck Plant)	Jefferson	\$900.0 million	500	Production of Super Duty trucks, Expedition, Navigator
Grainger	Jefferson	\$272.9 million	431	Distribution center
Nucor Steel Gallatin	Gallatin	\$213.1 million	75	Hot-rolled coiled steel, flat rolled steel
Corning Inc.	Mercer	\$200.0 million	N/A	AMLCD glass substrate for mobile devices
White Rock Pigments Inc.	Hancock	\$179.0 million	124	Titanium-based pigment for paint, plastic, paper, food
Kentucky Owl LLC	Nelson	\$149.7 million	77	Distillery
Logan Aluminum Inc	Logan	\$125.0 million	60	Aluminum sheet stock for beverage cans
Toyota Motor Manufacturing Kentucky	Scott	\$120.9 million	N/A	Production of autos, engines, axels, steering, training
Cabot Corp.	Carroll	\$89.0 million	32	Chemicals
Mubea Precision Springs Inc.	Boone	\$73.3 million	118	Transmission springs, hose clamps, flexible cold rolled steel
The Kroger Co.	Boone	\$60.0 million	100	Ambient distribution facility
Churchill Downs Inc.	Jefferson	\$60.0 million	109	Headquarters
Domtar Paper Co. LLC	Hancock	\$59.0 million	N/A	Fine paper and markup pulp
Kobe Aluminum Automotive Products	Warren	\$51.3 million	129	Aluminum forging
Tyson-Hillshire Brands	Campbell	\$50.4 million	26	Cocktail weiners, hot dogs, sliced lunch meat
Appalachian Harvest Co.	Pike	\$50.0 million	140	High-tech greenhouse farm
Brown-Forman Cooperage	Jefferson	\$45.0 million	N/A	Bourbon whiskey barrels
Buffalo Trace Distillery	Franklin	\$42.6 million	N/A	Distillery
Pinkerton Tobacco Co.	Daviess	\$40.9 million	36	Chewing tobacco, moist snuff
Hayashi Telempu North America	Franklin	\$40.8 million	100	Automotive interior components
Asahi Bluegrass Forge Corp.	Madison	\$40.0 million	10	Automotive press forging, gears, bearings, joints
Whitehall Inc.	McCracken	\$40.0 million	50	Aluminum automotive parts
New Flyer	Bullitt	\$40.0 million	550	Manufacturer of heavy-duty bus and transit motorcoaches
Metalsa Structural Products Inc.	Daviess	\$36.5 million	113	Steel pickup truck frames
ResCare Inc.	Jefferson	\$34.1 million	N/A	Headquarters
Schwan's Global Supply Chain Inc.	Boone	\$33.9 million	N/A	Frozen pizzas
Enviroflight LLC	Mason	\$32.0 million	30	Develop sustainable animal and plant nutrients

Source: Kentucky Cabinet for Economic Development

SPOTLIGHT ON THE ARTS

Creativity for That Gift List

Support small businesses and buy Kentucky-made art this holiday season

THE holiday season is in full swing and Kentucky artists, from visual and craft artists in their studios to performers on stage, are busy creating outstanding Kentucky art for your holiday gift list.



Blown glass ornament from Louisville artist Chad Balster.

The Kentucky Arts Council is encouraging Kentucky's business community to do their holiday shopping with one or more of the visual and performing artists across the state. These artists represent individual small businesses, and when you buy from them, you support their business and the communities in which they live. In addition, you get a great piece of Kentucky art or fantastic performances,

and a story about that work that is as unique as the artist.

You can start planning your shopping excursions now, using the arts council's holiday calendar (artscouncil.ky.gov/KAC/Showcasing/Holiday-ArtsCalendar2017.htm) as your guide, or take a look at the directory of Kentucky Crafted Retailers, businesses that support the best in Kentucky-made art and craft selling work by the many outstanding Kentucky Crafted artists.

You can see weekly announcements about the holiday calendar on the Kentucky Arts Council's Facebook, Twitter and Instagram sites. Like and share those with friends and family and spread the joy of Kentucky's creativity this holiday season.

Work by artists in the arts council's Kentucky Crafted program is represented not only in their own studios, but also in the shops of 28 Kentucky Crafted Retailers. These business owners offer a wide variety of merchandise and actively promote the Kentucky Crafted brand. It's a distinction available to gift shops, galleries and other businesses that sell art and craft. If you own a business and are interested in becoming a Kentucky Crafted Retailer, contact Dave Blevins, the arts council's arts marketing director, at david.blevins@ky.gov or (502) 892-3120.

"Washing Away a Long Day of Work" by Lexington artist Jason Sturgill.



The Kentucky Crafted Market will be March 2-4 at the Kentucky Exposition Center in Louisville.

Save the Date for Kentucky Crafted

THE 2018 Kentucky Crafted Market is slated for March 2-4 at the Kentucky Exposition Center in Louisville. Along with The Market's return to Louisville, more hours have been added to let the public experience The Market all weekend long. The Market, the Kentucky Arts Council's signature event, features art, live music, literature and Kentucky Proud food. The Market will be open to registered wholesale buyers 10 a.m.-4 p.m. March 2, but will open to the public 5-8 p.m. Market public hours on Saturday and Sunday are 10 a.m.-7 p.m. on March 3 and 10 a.m.-5 p.m. on March 4.

For information about registering as a wholesale buyer, contact The Kentucky Arts Council at (502) 564-3757 or christopher.cathers@ky.gov.



Chris Cathers is interim executive director of the Kentucky Arts Council.



A bourbon tasting at the Maker's Mark Distillery.

Barrels of Fun

Lebanon's cooperage, distillery tours highlight town's rich bourbon heritage

BY KATHERINE TANDY BROWN

IF you've never seen a bourbon barrel being made, you owe it to yourself to join a tour at Independent Stave's Kentucky Cooperage, a business begun in 1912 that's now fourth-generation, family owned and operated in Lebanon and several other locations worldwide. A tour of this company – the largest barrel-maker in the world – will give you new respect for the containers that age your favorite libation, whether spirits, wine or high-end beer.

Carefully handcrafted without nails, glue or fasteners, the barrels are held together by six hoops. Nothing else. Once constructed, they're "fired" (i.e. charred) to varying levels, with one being the least amount of charring and four being the greatest amount, depending upon the amount required by a distillery's recipe for desired bourbon flavor, aroma, color and texture. During firing, young men with bulging biceps, thick work gloves, and heavy tongs maneuver the barrels over open flames on a steamy assembly line. The process is impressive.

Because of the boom in the bourbon business, 15 to 20 trucks loaded with 100 to 300 new barrels leave the factory seven days a week, headed for such household-name distilleries as Maker's Mark (which is

a No. 3 char, by the way), Buffalo Trace, Jim Beam, Heaven Hill and Bulleit.

The cooperage is only one of a raft of reasons to explore this small town that lies right in the heart of Central Kentucky. In Lebanon, history hangs from every rafter, the bourbon industry thrives, and Southern hospitality brings visitors back again and again.

On the National Historic Register, its downtown historic district is located on Kentucky's Scenic Highway and Byway, U.S. 68. Founded in 1789, its county was named for General Francis "Swamp Fox" Marion in 1834. Rife with local history, the Marion County Heritage Center houses Civil War memorabilia, expansive black history and a new exhibit on the county's rich bourbon heritage.

Speaking of which, Lebanon boasts a small-batch craft distillery owned and run by the only Beams now actively distilling bourbon. Patriarch Jacob Beam began its Kentucky bourbon dynasty in 1795.

"I grew up knowing that our Beam side of the industry stopped at Prohibition," says seventh-generation Steve Beam, who with his brother, Paul, owns Limestone Branch Distillery. "It felt like an unfinished chapter in our book. Our

dad worked in it for a while and our grandfather was actually a distiller. I told my brother, 'We cannot break this chain on our watch.'"

So the two built Limestone Branch from scratch, breaking ground in 2011 and opening in 2012. Steve is now the hands-on "practical" (his term) distiller, while Paul spreads the word as a rep. On tours that run seven days a week, you can taste their historic Yellowstone Bourbon, Minor Case (named after a great-grandfather) Straight Rye Whiskey, and award-winning moonshine in various flavors, including Moon Pie. Be forewarned: by the time you leave, you'll likely have caught Steve's passion for distilling!

Seven miles away, at Maker's Mark, a small-batch National Historic Landmark in Loretto, you'll learn to speak "Bourbonese." That moniker describes how intimately you'll come to know the distilling process and the company's history on a tour. Post-Prohibition, Bill Samuels Sr. tore up the 170-year-old family bourbon recipe and started afresh with red winter wheat. The first bottle of Maker's Mark was dipped in its famous red wax, sealed and sold for \$7 in 1958. You'll get to taste five products, from "white dog," i.e. unaged whisky, to smooth Barrel Select. Afterwards, you can chill in a rocker on the visitors' center porch and gaze across the lovely Kentucky countryside.

For a change of taste, stop at Jesters Winery, tucked between the two distilleries, for concerts, artisanal food, dinners, and of course, sipping award-winning, European-style wines. Not to mention wine slushies and wine ice cream. Definitely not your average



Limestone Branch Distillery is on the Kentucky Bourbon Trail Craft Tour.

winery. The name says it all. "Fun here," they say, "is guaranteed!"

Want a bit of local flavor? Time your visit during one of Lebanon's annual events. At the end of January, Kentucky Bluegrass Music Kickoff rocks with workshops, hands-on demos, an open jam session and toe-tappin' dinner show. Jets Over Kentucky lights the July sky with several hundred radio-controlled jets at the Lebanon/Springfield Airport, which has a well-equipped conference space.

Come September, you can pig out at Ham Days, complete with hog-callin' and lots of porky vittles, while December glows with the holiday trappings at Dickens Christmas on Main.

To feed your inner explorer, pull up a chair downtown at Henning's Restaurant. Here you'll join hungry locals in a homey atmosphere, where the mouth-watering smell of "fried" permeates the air, friends meet to talk business and/or gossip over lunch, and you can get a real milkshake from the soda fountain. The waitresses are total hustle and orders arrive pronto. A sign over the kitchen hand-out window reads: "Everything goes better with bacon."

My vegetable plate was pure home-cooked heaven – turnip greens, pinto

beans and cole slaw with a perfect corn muffin, with (sadly) no room for a slab of their famous pie with meringue to glory. My advice: save room and diet later if you must.

When the sun caresses the late-day horizon, belly up to the bourbon-heavy bar at County Seat Kitchen and Bar, and stay for supper that stars farm-to-table and Kentucky Proud foods. To-die-for dishes include sorghum salmon with apple salsa, the "Country Boy Can Survive" T-bone steak, and roasted pork loin with apple-bourbon glaze. One dessert choice is homemade cheesecake with fat blueberries and hand-whipped cream.

When you're sated and ready for shut-eye, waddle on back to Myrtledene Bed and Breakfast, which features two cozy rooms in the splendid, columned house chosen by General John Hunt Morgan as headquarters during his Civil War raids on Lebanon. Truly a character, the Confederate leader, on one occasion, rode his horse into the home



County Seat restaurant downtown features locally sourced content.

and up the stairs to the second floor. Hoof prints still remain on the wooden staircase.

Find out more about this historic town filled with personality and fun things to do at VisitLebanonKY.com or (270) 692-0021. ■

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

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Uniting to Help Those Struggling with Substance Abuse

THE Kentucky Justice and Public Safety Cabinet and Operation UNITE have joined to launch a new substance abuse call center that will connect people across the state with drug treatment.

Kentuckians struggling with a substance use disorder, either themselves or within their families, can call 1-833-8KY-HELP (1-833-859-4357) toll-free to speak with a specialist about treatment options and available resources. The specialist will conduct a brief screening assessment in order to connect callers with the most relevant treatment services as quickly as possible.

"This epidemic is gripping people in every corner of our state and every part of our society," said Gov. Matt Bevin. "If people don't know about the ability to get help, then help is not going to be given to people. This phone number will connect callers to a live person who understands this exact issue and will link them to community resources that can help."

Operation UNITE already fields about 1,000 inquiries each month from residents seeking help with a substance use disorder. The new KY Help Call Center will provide referrals across the state to both public and private treatment providers. Options will include everything from medication-assisted treatment to faith-based care, and a live specialist will help callers work through all the variables, such as location and cost.

"There are so many people across the commonwealth who have nowhere to turn when confronted with their own addiction or that of a loved one," said Nancy Hale, president/CEO of Operation UNITE. "They are desperate for answers. They are desperate for help. This call center will guide people toward recovery. It will give them hope."

The partnership with Operation UNITE is the latest initiative in the state's "Don't Let Them Die" campaign. Gov. Bevin unveiled that campaign earlier this year, encouraging all Kentuckians to take proactive steps to combat the lethal opioid crisis, which claimed more than 1,400 lives in 2016.

Kentucky Justice Secretary John Tilley said those in the grip



of addiction often have brief moments of clarity when they are most receptive to help.

"We must seize on those rare opportunities to save lives," Tilley said. "This call center brings us closer to on-demand treatment than ever before, and it allows callers to locate the resources that work best for them. The bottom line is that recovery happens, and I'm grateful that our state is leading the charge against this national pandemic."

UNITE is staffing the KY Help Call Center with specialists in Prestonsburg, Ky., and the Kentucky Justice Cabinet is funding it through anti-drug appropriations in the current budget – approximately \$500,000 per year for the next two years.

Callers can speak to a specialist from 8:30 a.m. to 5:30 p.m. (ET), Monday through Friday. During non-business hours, callers may leave a message and the call center staff will get back in touch with them.

More information is available at DontLetThemDie.com and OperationUNITE.org.

Kentucky's Best Bets: Celebrating Sustained Economic Growth

BUSINESS growth throughout Kentucky is critical to the continued expansion of Kentucky's economy and vital to job creation throughout the commonwealth. In conjunction with *The Lane Report*, Dean Dorton is proud to recognize the companies that are impacting Kentucky's economic development through a new special report, Kentucky's Proof, and the Best Bets list.

"We created the Best Bets list to highlight the unbelievable talent and innovation happening with Kentucky-based companies," said David Bundy, president and CEO of Dean Dorton. "We've seen tremendous growth and change in our state throughout the last 20 years, and the companies on this list are often the initiators of that

progress – something we want and need to celebrate."

Dick Kelly, publisher and CEO of *The Lane Report* added, "Our publishing company has focused for over 30 years on the positive aspects of Kentucky's economic growth and the best practices of our successful companies. We look forward to increasing the recognition and brand awareness of the Best Bets companies selected by Kentucky's Proof project."

The Best Bets list is based on several factors, including the revenue figures provided, re-investment in the company, employee investment, and other achievements. The Best Bets list will be featured in the March edition of *The Lane Report*, followed by a special publication in April called Kentucky's Proof. Kentucky's Proof will provide insight into where Ken-



tucky's growth is currently taking place and where future growth and investment are likely to occur. In addition, honorees from the Best Bets listed will be featured throughout the publication.

To be eligible, all nominees must:

- Be an independent, for-profit, privately held company.
 - Have an average of at least \$1 million in revenue for the three most recent years (2015, 2016, 2017).
 - Be headquartered in Kentucky.
- Foreign ownership companies are permitted to apply as long as at least 50 percent of the revenue remains in state. Ownership by private equity is also permitted.

• Have a three-year operating sales history.

The deadline for applications to be received is Feb. 9, 2018. For more information, visit kybestbets.com.



Are You Driving a Rolling Time Bomb?

AS holiday preparations occupy the thoughts of many Kentuckians, the Kentucky Transportation Cabinet (KYTC) is urging travelers to check for unrepaired vehicle recalls. By visiting CheckToProtect.org, drivers can conduct a free search for open recalls on their specific car using their vehicle identification number (VIN). A search using the vehicle's year, make and model yields a list of potential open recalls. Authorized dealers will repair recalled vehicles for free.

Kentucky is the first state to partner with the National Safety Council to bring awareness to motorists about Check To Protect, a national campaign to encourage drivers to search the National Highway Traffic Safety Administration's (NHTSA) open recall database. More than 105,000 clicks have been made to the website since the June campaign launch. KYTC wants to see those numbers increase in Kentucky, which has the eighth-highest open recall rate in the nation.



"Of the 4 million registered vehicles on Kentucky roadways, one in four has recall repairs that need to be addressed," said John-Mark Hack, commissioner of the Kentucky Department of Vehicle Regulation. "Unfortunately, there's no warning light on a dashboard alerting drivers of recalls."

In under two minutes, motorists can enter their VIN online at CheckToProtect.org for a full report on the recall status of their vehicle. The 17-digit VIN

can be found in the lower left corner of a car's windshield, on the inside of the driver-side door or on a vehicle's registration card and possibly on insurance documents. If a recall is identified for the vehicle, drivers can call their local dealer to schedule a free repair.

"Vehicle safety is a key component of highway safety," said Noelle Hunter, executive director of the Kentucky Office of Highway Safety. "The Takata air bag recall is the largest automotive recall in history, affecting 34 million vehicles. Unsuspecting motorists could be driving vehicles that pose a safety risk. Taking a few minutes to check if your vehicle needs attention makes the roads safer for everyone. With free repairs available for all open recalls, there's no reason not to act if your vehicle needs a repair."

According to the Alliance of Automobile Manufacturers and Global Automakers, the recall compliance rate for vehicles up to four years old is 83 percent; the rate decreases significantly to 44 percent for vehicles five to 10 years old. The drop in compliance is attributed to the difficulty in tracking owners of older and used vehicles. Since drivers expect to receive alerts about recalls, they do not tend to check for themselves.

For more information, visit CheckToProtect.org.

Nominations Underway for Small-Biz Awards

DO you know someone who has excelled in his or her field of business? If so, now is the time to submit nominations for the annual U.S. Small Business awards.

The U.S. Small Business Administration launched the awards program in 1963 to recognize the outstanding achievements of America's small businesses and their contributions to their communities and the nation's economy.

Nominations are being accepted for the following categories: Kentucky Financial Services Advocate of the Year; Kentucky Home-Based Business of the Year; Kentucky Minority-Owned Small Business Person of the Year; Kentucky Small Business Advocate of the Year; Kentucky Small Business Media Advocate of the Year; Kentucky Veteran-Owned Small Business Person of the Year; Kentucky Woman-Owned Small Business Person of the Year; and Kentucky Young Entrepreneur of the Year.

Last year, the Kentucky Small Business Person of the Year, Debra Dudley, president and co-founder of Oscarware Inc. in Bonnieville, was the first runner-up for the national Small Business Person of the Year award. In 2016, David Dafoe, founder and CEO of Flavorman and Distilled Spirits Epicenter in Louisville, was one of the four finalists for National Small Business Person of the Year.

All nominations must be submitted no later than 3 p.m. EST, Jan. 9, 2018. All nomination packages must be hand delivered or mailed to the nearest SBA Office. (Email submissions of SBA Awards forms will not be accepted as they contain personally identifiable information.)

For more information, including forms, criteria and guidelines for submitting a nomination, visit sba.gov/nsbw/awards. Additional information can also be obtained at sba.gov/ky or by emailing Michael Ashcraft at michael.ashcraft@sba.gov or calling (502) 582-5971.



Project Graduate Helps Working Adults Finish College

KENTUCKY'S public four-year universities are reaching out to former students who have a high number of credit hours with an offer to help them complete their bachelor's degrees.

Through Project Graduate, campuses are offering a concierge approach to help busy working adults get on the fast track to graduation. Those with 80 or more credit hours are eligible for the program.

"We have both a moral responsibility to these adults who are nearly three-quarters of the way to the finish line, as well as an urgent state imperative to grow the quality of our current and future workforce through higher education," said Council on Postsecondary Education President Bob King.

As part of the program, campuses have ramped up their adult-friendly incentives and services. A sampling includes waiving application fees, credit for prior learning and for military service, as well as personalized academic and career advising. Incentives vary by university. Project Graduate advisors have been contacting former students through direct mail, emails, phone calls, social media and other promotions.

The Council on Postsecondary Education has also launched a website – projectgraduate.org – to provide prospective students with contact information for advisors and incentives available by campus.

The completion program is one of numerous strategies the Council is pushing to boost the state's education attainment to 60 percent of the working-age population with a credential or degree by 2030.

Correction

AN article in the November issue of *The Lane Report* magazine misstated the leadership succession process at the Hilliard Lyons wealth management firm. James Allen is chairman and CEO, and Tom Kessinger III is president. The two leaders will continue in those roles indefinitely.

KENTUCKY PEOPLE

BOWLING GREEN: KY ASSOCIATION FOR ECONOMIC DEVELOPMENT CONFERENCE



The Kentucky Association for Economic Development held its 50th anniversary fall conference Nov. 8-9 at the Sloan Convention Center in Bowling Green. Among those in attendance at the 2017 event were (left to right) One East Kentucky President and CEO Chuck Sexton; former Gov. Paul Patton; former Gov. Martha Layne Collins; and Malcolm Bryant Corp. President Madison Silvert.

NICHOLASVILLE: MORY BELLE NAMED DWYER PROFESSIONAL OF THE YEAR



Mory Belle, a service technician with Mr. Electric of Central Kentucky, was recently presented with the Service Professional of the Year award at the 2017 Dwyer Group International Conference, held in Orlando, Florida. The Service Professional of the Year Award is presented to a technician nominated by their business owner based on their performance during the award year and is selected by the Mr. Electric corporate office. Belle has been with Mr. Electric of Central Kentucky, a Neighborly company, for 10 years.

LOUISVILLE: BYRON CRAWFORD HONORED AS DISTINGUISHED RURAL KENTUCKIAN



Tim Webb photo

Newspaper columnist, author, and television/radio host Byron Crawford was recently honored as the 2017 Distinguished Rural Kentuckian at the 71st annual meeting of the Kentucky Association of Electric Cooperatives. Crawford's career includes nearly 30 years at the helm of the "Kentucky Column" of The Louisville Courier-Journal, radio work at WAKY-AM, WCKY-AM and WHAS-AM, and feature reporter and host for WHAS-TV, KET and the syndicated "Sideroads" program. For the last eight years, he has authored the back page column in Kentucky Living magazine. Pictured here with Crawford (center) at the award presentation are KAEC President Chris Perry (left) and Vice President Joe Arnold.

FRANKFORT: AG DEPARTMENT HELPS SUPPORT GOD'S PANTRY FOOD BANK



Kentucky Department of Agriculture photo

Mike Halligan, center, CEO of God's Pantry Food Bank of Lexington, was in Frankfort on Nov. 20 to accept a ceremonial check for \$75,000 from Agriculture Commissioner Ryan Quarles, left, and Kevin Thompson of Walmart during the "Day of Giving" ceremony at the Capitol Rotunda in Frankfort.

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