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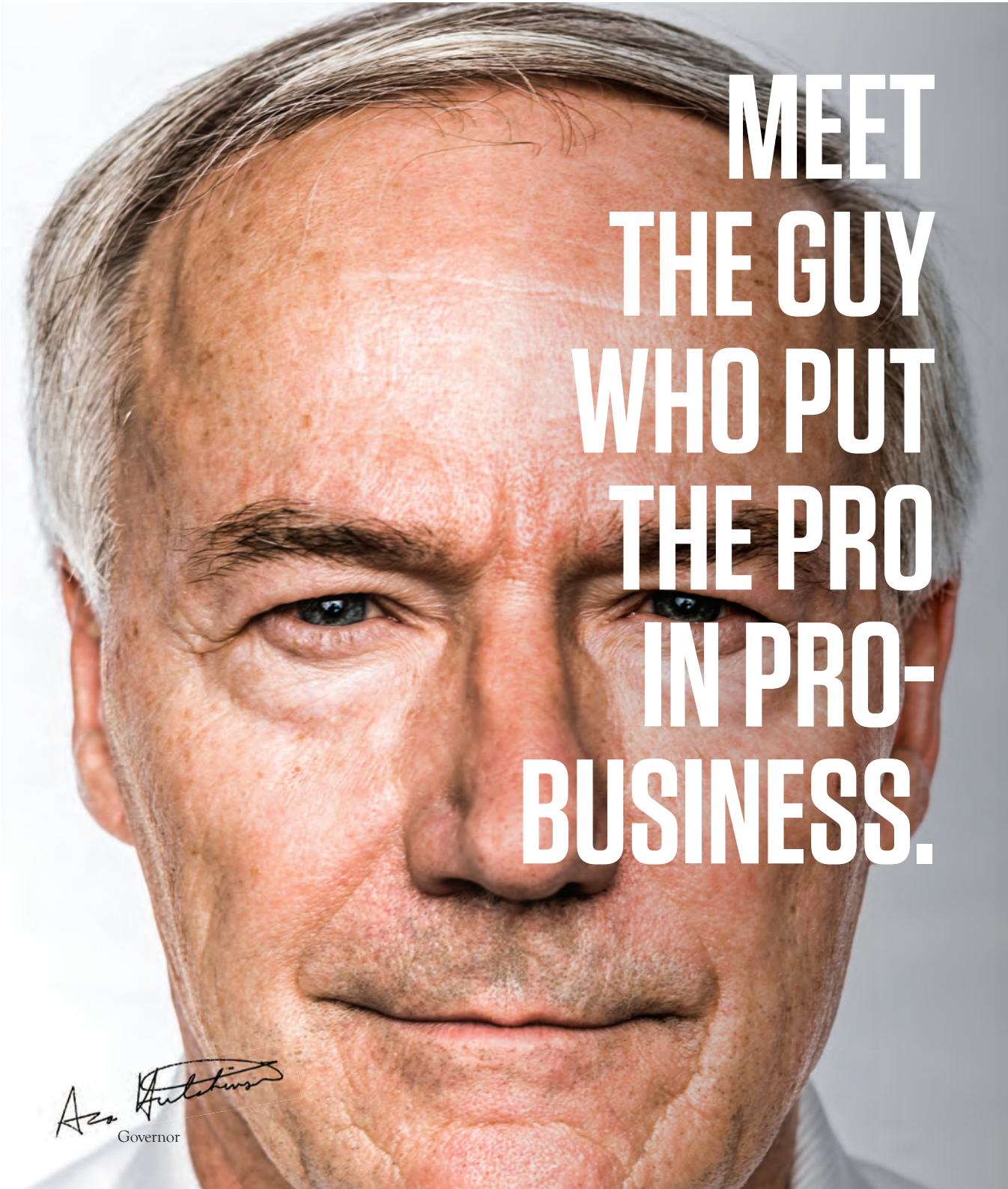
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A close-up, high-resolution portrait of Governor Asa Hutchinson. He is a middle-aged man with light brown hair, looking directly at the camera with a serious expression. The background is a plain, light gray.

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Asa Hutchinson
Governor

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PERSPECTIVE

NEW CARS, CLEANER AIR

Changes in EPA, Transportation
tactics will make travel safer, too

BY PAT FREIBERT

WHAT do the president's proposed changes in federal CAFE (Corporate Average Fuel Economy) standards have to do with the average American? And how has the U.S. been able to reduce its carbon emissions by 65 percent since the year 2000.

In an effort to reduce such emissions into the atmosphere, CAFE standards were dramatically increased by the Obama administration. Some of those CAFE standards produced a significant hidden tax on American drivers and a drag on the economy. If left unchanged, these standards can result in CAFE requirements mandating a rise in fuel efficiency from its present 35 miles per gallon to 54 mpg in 2025. That would raise the cost of many new cars by \$3,000.

To address these and other negative results from the draconian requirements scheduled in existing regulations, the U.S. Secretary of Transportation Elaine Chao and Environmental Protection Agency Administrator Andrew Wheeler have developed a new rule "that can save lives, reduce pollution, grow the economy and let people buy the cars they want."

The Department of Transportation finds that the best way to achieve cleaner air is when families can afford to buy new cars, getting older and higher polluting ones off the road. According to the Competitive Enterprise Institute, the new standards are expected to save about 1,000 lives yearly. In the effort to save on oil, existing CAFE standards have tolerated standards that encourage car manufacturers to build ever lighter cars to meet the mandatory fuel standards. But lighter cars built with plastics rather than steel provide less safety for the occupants of the automobiles, trading better fuel efficiency and less safety for occupants. Even with the proposed Trump changes, the mileage requirements would still rise to 42 mpg by 2025.

It is a fact that the U.S. has been steadily and dramatically reducing its carbon emissions, largely due to market forces and not federal regulations. On the other hand, while the U.S. emissions of greenhouse gases have

declined by 65 percent since 1980, emissions by Russia and China during the same period have risen by nearly twice as much as ours have dropped.

Market forces, not burdensome and expensive federal regulations, are credited with producing much of America's decreased emissions of greenhouse gases. Fracking has lowered the price of natural gas so that it is cheaper than coal, dramatically cutting carbon emissions. The private sector's "can do" approach along with certain federal requirements are both necessary to continue the effort to lower carbon emissions into the atmosphere.

Former Vice President Al Gore, a Nobel Peace Prize winner, and other left-wing spokesmen and women have continued to preach sermons in an effort to force Americans out of their cars. Remember Gore's refrain, "the combustible engine is one of the worst inventions of all time." Stephen Moore, economist and adviser to presidents, reminds us what the combustible engine replaced: the horse, "one of the most prodigious polluters of all time. The average 1,000-pound horse dumps 30 pounds of feces and 2 gallons of urine a day. Can anyone imagine what Washington, D.C., or Pittsburgh or New Orleans smelled like on a hot, sweltering summer day or what all that feces did to our water supply. Oh, and watch where you step!"

Horses need to be on beautiful Blue Grass farms or race tracks, not transporting goods and people across the country. Henry Ford's mass production of automobiles gave our horses a rest.

By the way, Secretary Chao tells us that the Department of Transportation is also carefully studying implications of driverless cars. For those fearful of such automobiles, consider the positive side of driverless cars such as no more drivers applying makeup while driving, drivers focusing their attention on their iPhones, sending texts, receiving texts, talking on their cell phones, combing their hair, disciplining their children or blasting their sound systems to entertain those in other cars nearby.

Thank you, Secretary of Transportation and Environmental Protection Agency Administrator, for listening to Americans and trying to work out the proposed changes in CAFE standards. ■



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

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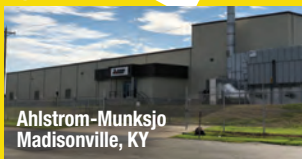
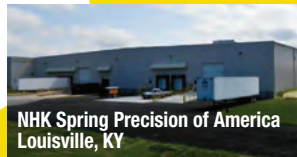
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FAST LANE

A compilation of economic news from across Kentucky

BALLARD COUNTY

PAPER PRODUCTS MANUFACTURER INVESTING \$150M TO REOPEN FORMER VERSO PLANT, CREATING 500 NEW JOBS

GLOBAL Win Wickliffe LLC, a Chinese-owned paper products manufacturer, has announced plans to reopen the former Verso Corp. mill in Ballard County.

The company is investing \$150 million in the project, which will bring 500 full-time jobs to the Western Kentucky community.

Global Win Wickliffe executives signed a purchase agreement in August to buy the Verso facility for \$16 million and plan to refurbish the mill with new equipment and updated technology. The facility will produce pulp and brown-paper packaging and will be the company's first plant in the United States.

Ohio-based Verso idled the facility and furloughed 310 employees in November 2015 in response to decreased demand for the mill's coated-paper products. The company closed the mill in July 2016.

"Since the facility's closure two years ago, our economic development team has worked tirelessly alongside Verso to find the right match for the region's workforce," said Gov. Matt Bevin, "and we are confident we have found that in the buyer."

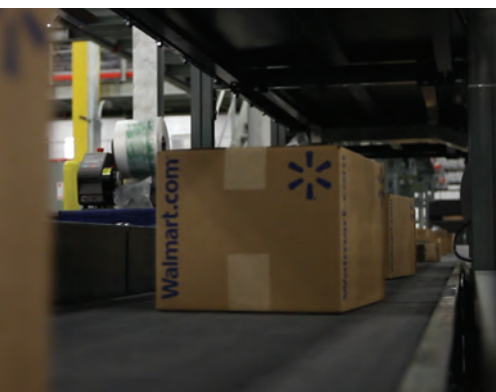
Global Win Wickliffe anticipates reopening the mill by the end of the year.



Global Win Wickliffe's plant in Ballard County will produce pulp and brown-paper packaging materials.

SHEPHERDSVILLE

WALMART HIRING 400 TO OPERATE NEW \$41 MILLION E-COMMERCE FULFILLMENT FACILITY IN BULLITT COUNTY



The expansion is part of Walmart's move to further expand into the e-commerce realm as it competes with online giant Amazon.

"This is a major new venture for the company that will bring significant investment and hundreds of jobs to the region," said Gov. Matt Bevin. "It is further confirmation that Kentucky is the established leader for logistics and distribution in the United States."

According to state data released earlier this year, Kentucky is currently home to 524 logistics and distribution facilities that employ a total of 67,315 people.

Walmart currently operates two other fulfillment centers in Kentucky (London and Hopkinsville), both of which employ more than 800 workers. The company plans to open the Shepherdsville fulfillment center in October.

WALMART is investing \$41 million to open a new e-commerce fulfillment center in Shepherdsville that will be dedicated to fulfilling online orders from Walmart.com and its recently acquired subsidiary, Jet.com.

The Arkansas-based company is leasing a 720,000-s.f. building in the Velocity 65 trade center off of I-65 in Shepherdsville. In addition to 400 full-time permanent workers that will be hired for the new facility, Walmart will eventually employ several hundred more temporary workers, including seasonal employees, which could push the employment numbers as high as 900.

LOUISVILLE

RESCARE REBRANDS AS BRIGHTSPRING HEALTH SERVICES

RESCARE, a Louisville-based company that provides home and community-based health services, has rebranded itself as BrightSpring Health Services.

One of the nation's largest providers of diversified home and community-based health services to complex, high-cost populations, the company provides nonclinical habilitative services and/or clinical rehabilitative services for people of all ages and skill levels, including behavioral health, home health care, hospice, neuro therapy, pharmacy, and telecare as well as job placement and vocational training. Since its inception 44 years ago, the company has grown significantly and now employs more than 45,000 employees in over 40 states.

The company's CEO, Jon Rousseau, said the company has seen a number of changes over the past several years as the health-care industry has evolved and that the rebranding is a reflection of that. Rousseau said the name BrightSpring was selected because it reflects optimism, compassion, innovative thinking and hope.

"As health-care needs are changing and new solutions are developing, we're continuing to enhance our capabilities and the value of our services with a focus on providing comprehensive and high-quality care in the most appropriate and preferred environments," said Rousseau. "BrightSpring's unique offerings will drive quality, person-centric service and care where and when people need it."

BrightSpring's new "house of brands" includes: ResCare HomeCare; ResCare Community Living; ResCare Workforce Services; SpringHealth Behavioral Health and Integrated Care; Rehab Without Walls; Pharmacy Alternatives; Rest Assured; Adoration Home Health and Hospice; and Gateway Pediatric Therapy. Several of these brands will also see name changes in the months ahead.

In addition to changing its name, the company will be moving into a newly developed headquarters building located off North Whittington Parkway in Louisville in November.



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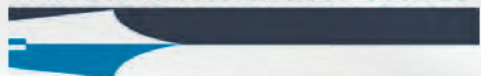




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BUSINESS BRIEFS

ASHLAND

■ Charleston, W. Va.-based **City Holding Co.** has acquired **Poage Bankshares**, the parent company of **Town Square Bank**, in a transaction valued at \$93.5 million. Poage operates nine branches across northeastern Kentucky, in addition to a loan production office. As of March, 31, 2018, Poage had \$450 million in total assets, \$375 million in deposits and \$333 million in gross loans.

BOWLING GREEN

■ Thirty students make up the inaugural class of the **University of Kentucky College of Medicine – Bowling Green**, which officially got underway in August. UK is collaborating with **Western Kentucky University** and **Med Center Health** on the new medical school program, with the goal of increasing the number of physicians serving in community settings across the state.



CENTRAL KENTUCKY

■ The Kentucky Public Service Commission has ordered **Kentucky American Water** to reduce its rates for residential customers to reflect the decrease in federal corporate income tax rates that went into effect earlier this year. For residential customers, the cost per 1,000 gallons drops from approximately \$6.02 to \$5.06. KAWC will return the savings accrued since the first of the year to customers, as well as those realized each month going forward. KAWC has some 131,000 customers in 10 central Kentucky counties.

COVINGTON

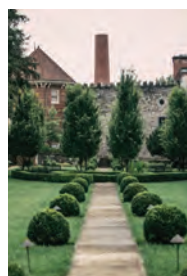
■ The Covington City Commission has approved an ordinance allowing **street-legal golf carts** to operate throughout the city's downtown area. The services will be offered free of charge by private companies that generate their revenue via advertisements on the vehicles. The carts will be limited to area streets with speed limits of 25 miles per hour.

CYNTHIANA

■ **Bullard**, a 120-year-old Cynthiana company that specializes in personal protective equipment and systems for emergency responders and the industrial health and safety market, has opened a new facility in Lexington. The Lexington location will focus on research and development, new product development, marketing and global shared resources.



■ **City Holding Co.**, a West Virginia bank holding company, has acquired Cynthiana-based **Farmers Deposit Bancorp Inc.** in a \$24.9 million transaction. Farmers Deposit Bank was founded as a full-service bank in 1866 and currently operates three branches in the Central Kentucky market. As of March 31, 2018, Farmers Deposit had \$122 in total assets, \$98 million in deposits and \$60 million in gross loans.



FRANKFORT

■ **Castle & Key Distillery** has officially opened to the public following extensive renovations to the historic property, which dates back to 1887. New owners Will Arvin and Wes Murry had a vision of creating an "immersive distillery experience" and have restored the 113-acre property's structures, which include a European-inspired castle, peristyle springhouse and sunken garden. The distillery's **Restoration Release Gin** and **Restoration Release Vodka** are currently for sale in Kentucky and Tennessee.

HAZARD

■ The City of Hazard has been given preliminary approval for a \$900,000 grant through the 2017 Abandoned Mine Lands Pilot program that will be used to bring a natural-gas pipeline from a wellhead in the central Perry County area to the **Coalfields Regional Industrial Park**. The addition of natural gas to the industrial park will enhance the area's ability to attract jobs to the region. The 236-acre industrial park is built on former surface-mine land and offers highway access and other infrastructure resources. The pipeline project is expected to cost \$2.98 million, of which \$32,000 is coming from the City of Hazard and \$2 million from other federal funds.

LEXINGTON

METRONET NETWORK MOVES LEXINGTON CLOSER TO CITYWIDE GIGABIT STATUS

LEXINGTON Mayor Jim Gray joined **MetroNet** executives and team members on Aug. 28 to celebrate the official activation of the company's 100 percent fiber optic internet, TV and phone services in Lexington.



"This is a first step to making Lexington the nation's largest gigabit city, with some of the fastest internet speeds in the world," Gray said. "With MetroNet's \$70 million investment in a fiber-optic network, Lexington will be one of only two cities in the country with state-of-the-art infrastructure across the city."

MetroNet executives were joined by Lexington civic leaders on Aug. 28 to celebrate the company's new fiber-optic internet service, which will ultimately be citywide. Pictured here, left to right, are: MetroNet Executive Vice President and General Manager Kevin Stelmach; Lexington-Fayette County Councilwoman Jennifer Mossotti; MetroNet President John Cinelli; Lexington Mayor Jim Gray; and MetroNet founder Al Cinelli.

Gigabit speed moves data at 1,000 megabits per second. According to studies cited by the **Lexington Herald-Leader**, Lexington's average internet speed is 16.2 megabits per second.

In November 2017, Indiana-based MetroNet responded to Gray's initiative to make Lexington the largest gigabit city in the country. The company began construction in January 2018 and the August celebration included opening a new retail storefront to serve as the command center for customer service and sales.

As of late August, more than 360 customers in four southeast Lexington areas were receiving service and the company said more are being added daily. The goal is for the fiber-optic network to cover the entire city.

According to the MetroNet website, gigabit internet service is priced at \$59.95 per month. A gigabit internet, TV, sports, DVR and phone package is priced at \$96.95 per month.

STATE

ENERGY INITIATIVE REAPS \$66M SAVINGS FOR KY'S COMMUNITY COLLEGE SYSTEM



THE **Kentucky Community and Technical College System** reports that it will gain \$66 million in energy savings over a 10-year span thanks to energy-savings performance contracts and its participation in the Commonwealth Energy Management Control System.

"This is important not only because the system is saving money, but also because it saves our students money," said KCTCS President Jay Box. "Over the last several years, we have looked for a number of ways to cut costs. Energy savings performance contracts are paying off in a big way for us, and we continuously seek additional savings in all areas of our system."

Currently, seven KCTCS colleges are participating in a second round of energy savings performance contracting and are guaranteed savings exceeding \$38.8 million over the life of the contracts. The first round of energy savings performance contracting resulted in savings exceeding \$28 million for the 16 KCTCS colleges.

LOUISVILLE

JCTC LAUNCHES PROGRAM TO TRAIN AUTOMOTIVE TECHS FOR MERCEDES



JEFFERSON Community and Technical College has formed a new apprenticeship program with **Mercedes-Benz USA** (MBUSA) to address a national demand for automotive technicians.

“The need for educational programs like these are important as we face an acute shortage of qualified technicians,” said Christian Treiber, vice president of customer service for MBUSA. “The shortage largely comes from the outdated image of mechanics and increase in demand. Today’s mechanics must now have a completely different skillset; they are technologists that cater to increasingly complex vehicles. Training programs like the ones at JCTC are critical to help close this technician gap.”

The Mercedes-JCTC program, the first of its kind in Kentucky, will prepare students to become a Level 1 Mercedes-Benz Certified Systems Technician over the course of three semesters. Students will train on Mercedes-Benz vehicles, intern at a Mercedes-Benz dealership in the area, and have the opportunity to gain full-time employment after completing the program.

The first class of 16 students started in August and will graduate in August 2019. The program is also designed as an entry point to an associate’s degree program.

BUSINESS BRIEFS

HENDERSON

■ **SKAPS Industries**, a producer of rolled fiberglass products, is investing \$5 million to update and equip its recently acquired Henderson facility, which previously housed **Matrix Composites Inc.** The project will provide more production capacity for the facility and will create 20 new jobs. The Georgia-based company is major fabricator of geosynthetic and nonwoven drainage products used in a broad range of industries.

HIGHLAND HEIGHTS

■ **Northern Kentucky University** has expanded its early-enrollment program at Salmon P. Chase College of Law to reach more students in Kentucky. The Chase 3+3 Accelerated Law Program, which combines a final year of undergraduate study with a first year of law school, is now available to undergraduate students at **Eastern Kentucky University** as well as those at **Northern Kentucky University**, **Thomas More College** and **Mount St. Joseph University** (Cincinnati).

HORSE CAVE

■ **Sister Schubert’s Homemade Rolls Inc.** is investing \$50 million to expand its manufacturing operation in Horse Cave. The project will add 120,000 s.f. to the existing plant and includes the installation of a new baking line to support future growth. The new lines are expected to be operational by 2020 and will create 72 new full-time jobs. The expanded operation will begin with one 10-hour shift and grow to two shifts thereafter, based on product demand.



Sister Schubert's photo

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BUSINESS BRIEFS

LETCHER COUNTY

■ Letcher County has been awarded a \$4.5 million Abandoned Mine Lands Pilot Grant for a water expansion project that will serve a planned **federal correctional facility** in Roxana as well as 100 households. The funding will be used to install approximately 9.5 miles of water transmission lines, along with elevated storage tanks and booster pump stations, and a waste-water treatment plant to support the 800-acre penitentiary. The penitentiary will house more than 1,200 inmates and employ approximately 300 full-time staff.



LEXINGTON

■ **Blue Grass Airport** has opened a new 12,000-s.f. facility for private aviation aircraft owners. Staff at the facility will provide aircraft fueling services and towing assistance to and from hangars. Amenities include a lounge, flight-planning area and conference room.

■ **Grogan's Inc.**, a Lexington distributor of medical and surgical supplies and equipment, has been sold to Philadelphia-based **Democrasales Inc.** for an undisclosed amount. The combined company will be one of the nation's largest independent health-care distributors focusing primarily on the non-acute market. Grogan's Inc. CEO Alan Grogan will remain with the company as executive vice president of the combined business.

■ The **Transit Authority of Lexington** (LexTran) has been awarded a \$2.3 million grant from the **U.S. Department of Transportation** to purchase new battery electric buses. The buses will add to LexTran's existing electric fleet, which has replaced older vehicles at the end of their useful life with more efficient models. The award is part of the U.S. DOT's Low- or No-Emission Grant Program. As part of the program, LexTran will partner with a nonprofit research organization to assess the operational benefits of electric buses.



■ **Alltech's Town Branch Distillery** in Lexington will soon be using non-GMO corn grown on the Nicholasville farm of Alltech co-founder Deirdre Lyons. Alltech's crop science division is cultivating the plants using its own organic solutions to optimize yield and ensure a healthy harvest destined for use in bourbon and rye whiskeys. To be classified as straight bourbon, whiskey must be distilled using a mixture of grains that is at least 51

percent corn. Town Branch Bourbon is 72 percent corn, requiring an average of 550 pounds of corn per one barrel of finished bourbon.

■ Just four months after opening its hemp-oil extraction operation in Lexington, **Zelios** is investing \$2.1 million to double its production capacity. The company's extraction method yields purified full-spectrum CBD crude oil that contain fats, waxes and terpenes from the original hemp raw material that can be used in balms and lotions and serve as the base for further refinement for additional CBD-rich products. The new refinement processes will allow the company to create higher-content CBD oil that can be used in various consumer products as well as a base for CBD isolate production. The expansion will create 44 new full-time jobs.

LOUISVILLE

■ **Air Hydro Power Inc.**, a Louisville-based industrial distributor that specializes in hydraulics and pneumatics, has acquired **Alabama Bolt and Supply Inc.** of Montgomery, Ala. It is the third acquisition Air Hydro Power has made in Alabama over the last 20 months. AHP now has a total of more than 200 employees in 14 locations.

■ **LCSysytems Inc.**, a family-owned Louisville company that produces supply and exhaust air equipment for professional kitchens, has been acquired by **Halton Group** in a transaction valued at nearly \$4 million. The two companies have a long history of working together, dating back to the 1990s. Founded in Finland in 1969, Halton Group develops and provides solutions for commercial and public premises, health-care institutions and laboratories, professional kitchens and restaurants as well as energy production environments. The company employs nearly 1,500 people in over 30 countries.

LEXINGTON

UK MARKEY CENTER EARNS RENEWAL OF NATIONAL CANCER CENTER STATUS



UK photo

The Markey Cancer Center's designation as a national cancer center by the National Cancer Institute has a broad impact on medical research at the University of Kentucky.

THE National Cancer Institute has renewed the **University of Kentucky Markey Cancer Center's** national cancer center designation for the next five years.

The designation gives Markey the distinction of being one of only 70 NCI centers in the country and the only one in Kentucky.

Markey's renewal as an NCI-designated cancer center includes a five-year grant projected at \$10.8 million to support research, recruitment of faculty, education and clinical trials. The previous five-year grant from NCI helped Markey recruit dozens of new researchers and clinicians, pilot new research projects targeted at Kentucky issues, and launch precision-medicine initiatives that are changing the standard of cancer care in the state.

Total research funding to Markey has increased 48 percent in the past five years, while NCI research funding during that same time has increased 24 percent. More than \$2 million of that NCI funding comes from grants that are only available to NCI-designated cancer centers.

National Cancer Institute designation grants are awarded for five-year periods. Markey will have the opportunity to renew its status and simultaneously apply for Comprehensive Cancer Center designation, the highest level of NCI designation, in 2022.

LEXINGTON

AUTO SUPPLIER WEBASTO ADDING 183 JOBS TO SUPPORT NEW PRODUCT LINES

AUTOMOTIVE supplier **Webasto Roof Systems** is investing \$15.2 million to add a new production line at one of its two Lexington facilities that will create 183 new jobs.

The new production line will manufacture high-tech, all glass, electronically tintable panorama room systems for luxury vehicles. The roof systems will include optional tilt-slide sunroofs.

Plant Manager John Wilder said the company will launch three completely new sunroofs with two different customers by the end of this year and will continue into next year with increased volumes.

Webasto's 572-employee Kentucky campus in Lexington is part of Michigan-based Webasto Roof Systems and a subsidiary of Webasto Group, a global automotive supply company headquartered in Germany. The company's core business focuses on the development and production of sunroofs, panorama roofs and convertible roofs as well as thermo systems for all drive types. The company is also expanding its product portfolio for electromobility with battery and charging systems.



Webasto photo

Webasto's new production will produce panorama roof systems for luxury vehicles.

HENDERSON

BIG RIVERS ELECTRIC CORP. TO EXIT AS HENDERSON POWER PLANT OPERATOR

THE Kentucky Public Service Commission has deemed the city of Henderson's Station Two power plant "no longer economically viable" and relieved **Big Rivers Electric Corp.** (BREC) of any continuing obligation to operate the coal-fired power plant.



BREC has operated the plant, which has a combined capacity of 312 megawatts, under a series of contracts dating back to 1970.

The output from the plant is sold into the wholesale market of the **Midcontinent Independent System Operator** (MISO), the transmission grid operator of which BREC is a member. Two analyses, one conducted by BREC and the other by an independent consultant working for BREC, found that the cost of producing power at Station Two in the future is likely to exceed the revenue it would generate in the MISO market while yet another study found that virtually any other combination of available sources of electricity would be less expensive than continuing to operate Station Two. The contracts allow BREC to terminate them upon a determination that Station Two is no longer able to reliably produce electricity at an economically competitive price.

BREC will continue operating Station Two through May 2019 to allow Henderson to either make other operating arrangements or to find alternative sources of power.

BUSINESS BRIEFS

LOUISVILLE

■ Louisville-based **Material Handling Systems Inc.** has acquired **OCM**, a European company headquartered in Italy that provides sortation system technologies to international courier and warehouse and distribution logistics companies. Financial details of the acquisition have not been released. MHS currently operates seven facilities in the U.S. and Canada.

OCM photo



■ **Norton Healthcare** has announced an agreement with **Walgreens** to begin operating and providing all clinical services at eight retail health clinics located in Walgreens drug stores across the Greater Louisville area. The eight existing clinics are planned to transition to Norton Healthcare in early 2019, at which time they will become an extension of Norton Healthcare and will operate as **Norton Prompt Care** at Walgreens.

■ The **University of Louisville** has launched an online franchise management certificate, a graduate-level program offered through the College of Business. The program is targeted to current and future franchise owners and covers areas including franchise team management, franchise law, human resources management, finance, strategic planning and more. Offered through five-week terms, students can complete the six-course program one class at a time in just over six months. The certificate is the first in a series of specialized online certificate programs designed to support growth in key industries specific to Louisville.

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Cloud Strategy • Cybersecurity Assessments

Information Security Office • IT Audit

You need confidence that your numbers are accurate and your data is secure.

BUSINESS BRIEFS



MSU photo

MURRAY

■ Murray State University's College of Business Small Business Development Center has launched a new program to guide college students on their path to becoming entrepreneurs. The Books to Business program give students to access no-cost, confidential consulting services and guidance on business-plan development, start-up steps, financing source locations, cash-flow management and more.

PIKEVILLE

■ The City of Pikeville has received a \$6 million Abandoned Mine Lands Pilot Grant to help **Enerblu** construct a 1 million s.f. battery manufacturing facility at the Kentucky Enterprise Industrial Park in Pikeville. When complete, the plant will produce lithium titanate batteries, battery packs and modules, battery systems, hybrid generator-storage units, micro-grid systems, and electric bus and truck assembly. Not including construction activities, the project is expected to create over 900 jobs within a three-year period.

RICHMOND

■ Active-duty service members on federal orders for at least 180 days are now eligible for **Eastern Kentucky University's** Military Reduced Tuition, which is \$250 per credit hour for undergraduate courses and \$325 per credit hour for graduate courses. (Regular tuition for online programs ranges from \$409 to \$460 per credit hour for undergraduate programs and \$510 to \$675 for graduate programs.) In addition, students will remain eligible to qualify for federal financial aid and have the opportunity use their GI Bill benefits to cover any remaining costs. EKV Online offers more than 40 degree and certificate options that can be completed from home or while stationed abroad.



WILLIAMSBURG

■ The University of the Cumberlands has announced that it plans to reduce tuition by 57 percent, beginning in the 2019-2020 academic year. The reduction will lower the annual tuition from \$23,000 to \$9,875. Scholarships for academics, athletics and extracurricular awards will continue to be offered on top of the tuition cut. The tuition reduction is a component of the university's mission to serve students throughout the Appalachian region. Currently, 82 percent of Cumberlands students come from Appalachia.

WOODFORD COUNTY

■ Woodford County has formed a tax agreement with **Airbnb** that authorizes the company to collect the county's transient room tax on behalf of local hosts and remit the revenue directly to the county. In 2017, Airbnb announced an agreement with the Kentucky Department of Revenue to collect state sales taxes on all bookings throughout the state. Airbnb also has agreements with **Lexington** and **Louisville Metro** to collect their respective occupancy taxes. The Woodford home-sharing market has grown quickly: Nearly 1,000 Airbnb guests have booked a stay there in the past year, representing a 100 percent year-over-year growth.



Wikidata photo

STATE

■ Kentucky is investing some \$700 million over the next six years to replace or rehabilitate more than 1,000 bridges across the state. The list of structures includes **state, county and municipal bridges** that have fallen into disrepair and are rated in poor condition, including more than 60 of which are currently closed to traffic. A team of engineers and professionals has been

assembled to evaluate and prioritize improvements. The **BridgingKentucky.com** website provides an overview of the program and the list of bridges that will be addressed in the first two years.

NEWPORT

ECONOMIC DEVELOPMENT PROJECTS WILL GENERATE \$7M FOR NEWPORT SCHOOLS

THE Newport Independent Board of Education has voted in support of the city using industrial revenue bonds to help finance the construction of **The SkyWheel** planned for the Newport riverfront and the purchase of the **Newport on the Levee** entertainment complex by Cincinnati-based **North American Properties**. The projects are expected to generate \$6.75 million for the Newport Independent Schools over the next 30 years.

Under Kentucky law, industrial revenue bonds can be issued by a local government to help finance major construction projects. Typically, the project is exempt from paying local property taxes during the duration of the bond issue. But through the three agreements reached by the Newport Board of Education, the City of Newport and the developers, the schools will be paid \$225,000 a year for 30 years – the length of the bond issues – for a total of \$6.75 million through what are known as Payment In Lieu of Taxes (PILOT).

"It's great that the city and school board were able to partner and come to an agreement that is beneficial for everyone," said Newport School Board member Matt Scott. "We've experienced declining enrollment due to other projects in the city, which decreases our state funding. The revenue that will be generated from these projects will help us to continue funding programs for our students without risking the financial wellness of our school district."

The 230-foot tall Newport SkyWheel is being developed by **Koch Development** of St. Louis and will be mounted on a pier extending toward the Ohio River between the **Newport Aquarium** and **Mitchell's Fish Market** restaurant on the plaza at Newport on the Levee. Work could begin on the project later this year, with a scheduled opening in 2019.



The 230-foot tall Newport SkyWheel is expected to open next year and will help generate millions of dollars for Newport Independent Schools.

STATE

3 KY HOSPITALS AMONG NATION'S TOP 100 FOR EARNING PATIENT LOYALTY

BAPTIST Health Lexington, Norton Hospital in Louisville and **St. Elizabeth Healthcare** in Edgewood, Ky., have been recognized with the 2017/2018 Consumer Loyalty Award from patient-experience firm National Research Corporation Health.

The award recognizes hospitals across the country that garner extraordinary loyalty from their patients. Winners were selected based on results from NRC Health's Market Insights survey, the largest database of healthcare consumer responses in the country. NRC Health surveys over 310,000 households in the contiguous United States, measuring their engagement with healthcare brands in their communities.

Baptist Health Lexington ranked highest of the three Kentucky hospitals to make the Top 100 list. Norton Hospital ranked 72, and St. Elizabeth Healthcare ranked 90.

Organizations that win the Consumer Loyalty Award score exceedingly well on seven different measures of patient loyalty: image and branding, engagement, ability to meet needs, accessibility, motivation of preference, service experience and whether a consumer would recommend the facility.

STATE

KY SCHOLARSHIP PROGRAM EXPANDS TO SUPPORT WORKFORCE DEVELOPMENT



THE Work Ready Kentucky Scholarship program, which was formed in 2016 to help train more workers for high-demand fields, has been expanded help equip even more Kentuckians for jobs in those areas.

Prior to the expansion, WRKS provided tuition assistance for up to only 32 credit hours and was aimed at providing career certifications. The program now includes students enrolled in certificate, diploma and associate of applied science degree programs as well as high school students who are enrolled in dual-credit career and technical education courses in one of the five high-demand sectors: advanced manufacturing, business and information technology, construction trades, health care, and transportation and logistics.

Kentucky's Dual Credit Scholarship Program covers the cost of two dual-credit courses for high school students, in which they earn both high school and college credit with one course. Now students will have the opportunity to earn up to 30 credit hours of dual credit with tuition and fees covered by state scholarship programs.

The scholarship can also be utilized by adults without a high school diploma who wish to pursue their career certification or associate of applied science degree in tandem with obtaining a GED.

BUSINESS BRIEFS

STATE

■ The **Kentucky Community and Technical College System** is offering a new scholarship to help students complete their associate degrees in two years or less. The 15 to Finish scholarship will pay \$500 to students who successfully complete 15 credit hours in a semester and enroll for an additional 15 hours the next semester.

■ The **U.S. Department of Agriculture** plans to purchase 11 to 13 million gallons of milk from **U.S. dairy farmers** for \$50 million to distribute to food banks across the nation. Kentucky Agriculture Commissioner Ryan Quarles called the purchase "a much-needed shot in the arm for the dairy industry" and said that in addition to providing milk to families in need, the arrangement will also "provide a cushion for dairy farm families as we work together to address major structural changes in the dairy industry and chart a course going forward."

■ Customers of **Columbia Gas of Kentucky** will see their costs for natural gas drop in the next several months. The company's new gas-supply cost, which went into effect Aug. 31, reflects a decrease of 23.5 percent. The new gas supply cost will remain in effect until the next scheduled gas cost adjustment in December 2018.

■ The Kentucky Public Service Commission has rejected a proposal by the **Kentucky Utilities Co.** and **Louisville Gas & Electric Co.** to deploy advanced "smart" meters and associated technology throughout their systems, stating that there was not sufficient evidence to support the cost of the new meters. Because the meters are read remotely, the utilities contended that the meters would reduce the cost of meter reading. The utilities also stated that the meters would improve system reliability and reduce losses from system malfunctions and theft of service. The PSC did say KU and LG&E could expand existing pilot programs that offer smart meters to customers on a voluntary basis.

THE GATTON ACADEMY of Mathematics and Science

We come from all across Kentucky to The Gatton Academy on the campus of Western Kentucky University. We finish our junior and senior years of high school as we start college. We conduct research with professors, study abroad, and attend college classes. While we are challenged academically, we thrive in a supportive environment designed just for us and make life-long friends. Tuition, fees, room and board are paid for by the Commonwealth of Kentucky. You, too, can have a future filled with infinite possibilities.

CLASS OF 2021
ADMISSIONS DEADLINE:
FEBRUARY 1, 2019

WE HAVE INFINITE POSSIBILITIES.

9 Consecutive Years on
The Washington Post's List of Top
Performing Schools with Elite Students

115 National
Merit Finalists



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INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Berry Global Group Inc.**, an Evansville company that produces a wide variety of films and packaging for the consumer and industrial markets, has completed its acquisition of **Laddawn Inc.**, a manufacturer of blown polyethylene bags and films. The acquisition of Laddawn adds 380 employees at five U.S. manufacturing centers to Berry's 24,000 employees across 130 locations. For the fiscal year ending July 31, 2018, Laddawn generated more than \$145 million in net sales for the year.

■ **U.S. Steel Corp.** is investing a minimum of \$750 million in its **Gary Works** facility over five years to install new production equipment and machinery and modernize the plant's technology. Located on the south shore of Lake Michigan, Gary Works has been in operation in northwest Indiana since 1908 and now ranks as the Pittsburgh-based company's largest manufacturing plant and the largest integrated steel mill in North America. The Gary plant employs more than 3,800 full-time workers.

OHIO

■ **RhinoSystems Inc.** is expanding its operations in Brooklyn Heights, Ohio, where it produces **Navage Nasal Care**, a device that provides relieve from allergies and sinus congestion. The company is leasing a 65,000-s.f. building on the former **American Greetings** campus and plans to hire an additional 117 employees to support the expansion.



■ **ProLogis** is developing a \$33 million e-commerce center in Monroe, Ohio, for home retailer **Bed, Bath & Beyond** that will create the equivalent of 900 full-time positions. Construction on the 827,000-s.f. facility is expected to be complete by early 2019.

■ **Ohio National Financial Services** has announced plans to exit the annuity and retirement business as part of its strategy to focus exclusively on life and disability income insurance. The announcement cited a "continuously changing regulatory landscape, the sustained low interest rate environment, and the increasing cost of doing business" as the primary factors involved in the decision. The move will eliminate approximately 300 positions at the Cincinnati-based company.

TENNESSEE

■ **MTD**, a leading manufacturer of outdoor power equipment, is investing \$10 million to expand its operations in Martin, Tenn., and is adding 200 new jobs to support the increased production. MTD, which sells products under the **Cub Cadet** and **Troy-Bilt** brands, has had a presence in the west Tennessee community for more than 30 years and currently employs more than 900 people in the area. The company is the largest private employer in Weakley County.



■ **Oshkosh Corp.** has announced plans to establish a manufacturing facility in Jefferson City, Tenn., creating more than 300 new jobs over the next three years. The Wisconsin-based company is a leading designer and manufacturer of specialty vehicles such as scissor lifts, military tactical vehicles, fire and rescue apparatus, snow blowers and plow trucks, front loaders and more. In Jefferson City, Oshkosh plans to renovate and occupy a 500,000-s.f. facility that was previously a **John**

Deere plant. The space will house welding and fabrication operations to support multiple segments. The company expects the plant to be operational in 2019.

■ **Faurecia Interior Systems** plans to open a new facility in Spring Hill, Tenn., that will provide door panel assemblies for the automotive market. The company is investing more than \$30 million in the project, which will create 143 new jobs.

INDIANA

6 INDIANA SPORTS ORGANIZATIONS TEAM UP TO FORM SPORTS-TECH ACCELERATOR

SIX of Indiana's largest sports organizations have teamed up to launch a new sports technology initiative in Indianapolis.

The organizations participating in the formation of the **Techstars SportsTech Accelerator** include the **Next Level Fund**, a charitable trust established by the Indiana Finance Authority; the **Indiana Sports Corp.**, a nonprofit that focuses on attracting premier sporting events to Indiana; the **National Collegiate Athletics Association (NCAA)**; the **Pacers Sports & Entertainment**, a sports and entertainment company that includes the **Indiana Pacers**, **Indiana Fever**, **Fort Wayne Mad Ants**, **Pacers Gaming**, and the **Pacers Foundation Inc.**; **Hulman Motorsports**, the parent company of the **Indianapolis Motor Speedway**; and the **Indianapolis Colts**.



The Indianapolis Colts are one of six central Indiana sports organizations that are backing the new Techstars SportsTech Accelerator.

Through the Techstars SportsTech Accelerator, 10 startups will be selected each of the next three years to relocate to Indianapolis for three months for mentorship with experienced entrepreneurs and industry experts. The Techstars Indy team will recruit, select and accelerate the most talented companies in the following potential areas: fan participation, player/driver safety, ticketing, merchandising, athlete performance management and athlete wellness, among others. The accelerator, which will launch at the May 2019 Indianapolis 500 race, will provide startup founders with the chance to pitch to angel investors and venture capitalists at the culmination of the 13 weeks.

Techstars is a worldwide network that focuses on helping entrepreneurs succeed. The company's accelerator portfolio currently includes more than 1,400 companies with a market cap of \$15 billion.

OHIO

KROGER ANNOUNCES PLAN TO PHASE OUT SINGLE-USE PLASTIC BAGS BY 2025



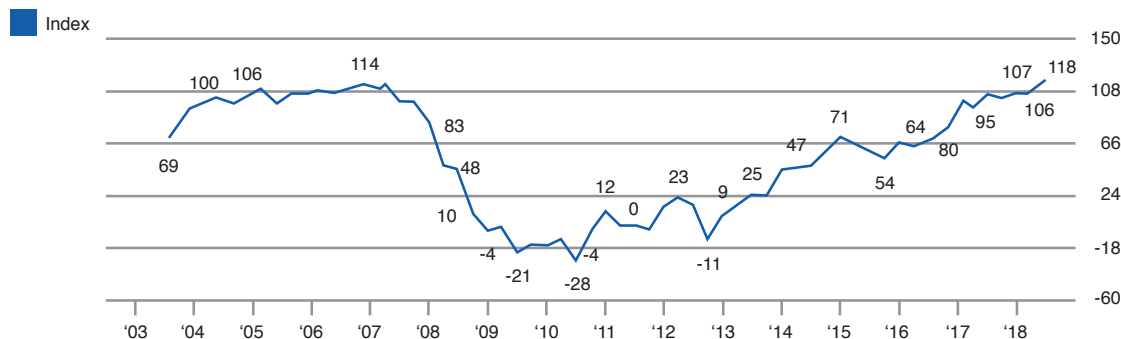
CINCINNATI-based **Kroger**, one of the nation's leading supermarket chains, has announced that the company will phase out single-use plastic bags and transition to reusable bags by 2025. The decision is part of the company's Zero Hunger /Zero Waste initiative that was launched in 2017.

Kroger's Seattle-based **QFC** will be the company's first retail division to phase out the single-use plastic bags. The company expects QFC's transition to be completed in 2019.

According to information released by Kroger, estimates suggest that 100 billion single-use plastic bags are thrown away in the U.S. every year and that fewer than 5 percent of plastic bags are recycled annually in America.

SMALL-BUSINESS OPTIMISM CONTINUES TO RISE

Small-business owners are more optimistic now than at any point in the last 15 years, according to the latest Wells Fargo/Gallup Small Business Index. The biggest improvements cited by the 600-plus small-business owners across the U.S. who were surveyed were their current financial situation; cash flow over the last year; their cash-flow expectations for the next 12 months; and credit availability. In terms of challenges, the most often cited were government policies and regulations, and hiring concerns.



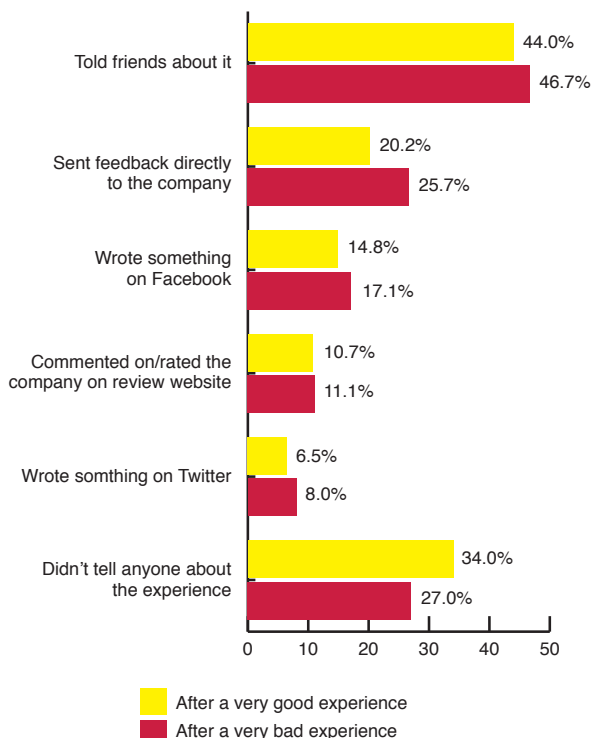
Source: Wells Fargo/Gallup

CUSTOMER FEEDBACK

Customer experience has always been a major factor in consumer decisions between different brands or service providers. Now, with social media and aggregators such as Yelp, customer experiences – good or bad – can reverberate far beyond the customers themselves and can turn tens or even hundreds of other customers away. A recent study looked at how people share a very good or very bad customer experience.

More Likely to Vent Than to Recommend?

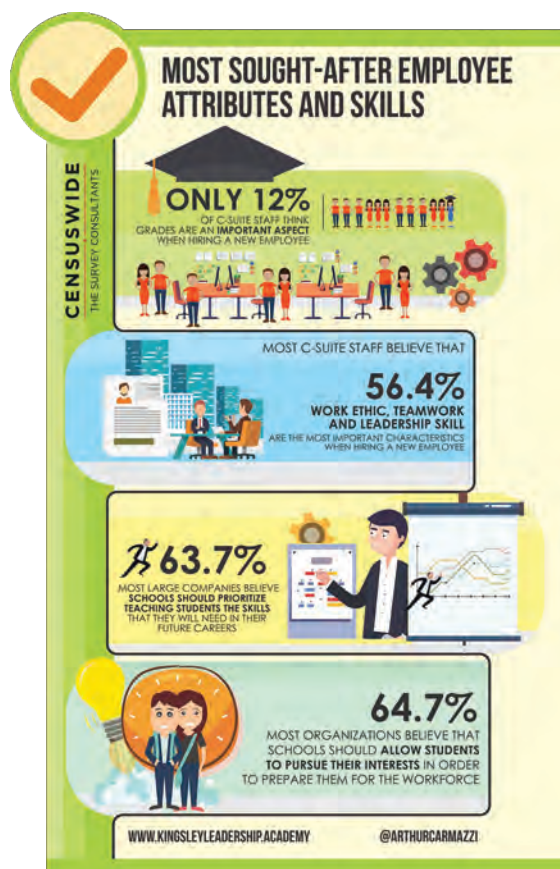
% of U.S. consumers who did the following after a very good/bad customer experience lately



Source: Temkin Group/Statista

WHAT DO YOU LOOK FOR WHEN HIRING NEW EMPLOYEES?

American school systems have long emphasized the importance of grades in determining success, but a recent study of more than 200 C-suite staff reveals that only 12 percent view grades as an important aspect when hiring a new employee. So, what do they find most important when it comes to bringing a new staff member on board?



Source: Kingsley Leadership Academy

CORPORATE MOVES

New leadership for Kentucky businesses

ARCHITECTURE

■ **Lynsey Jordan** has joined Lexington architecture firm Alt32 Architecture/Design as marketing director and office administrator.



Lynsey Jordan

BANKING/FINANCE

■ **Eric White** has joined Nicholasville-based Spectrum Financial Alliance as director of acquisitions and enterprise development.



Laura Martin

■ **Laura Martin** has been promoted to assistant vice president – financial center manager, deposit production and treasury management for Bank of the Bluegrass in Lexington.

■ **Nathan T. Wright Jr.** has joined Community Trust and Investment Co. as a vice president, compliance officer in the company's Lexington office.



Nathan Wright

■ **Selina Shepherd** has joined Community Trust and Investment Co.'s wealth and trust management team in Lexington as assistant vice president, relationship officer for private wealth services.



Selina Shepherd

■ **Tom Bannon** has joined Louisville-based Eclipse Bank as senior vice president and commercial banking team leader.



Guy Huguelet

■ **Guy A. Huguelet III** has been named vice president of sales for Lexington-based Dupree Financial Group.

■ **Jim Heider**

has joined Paducah Bank's Louisville office as vice president, senior commercial relationship manager. **Felisha Dowdy** has joined the Louisville office as assistant vice president, senior community banking and treasury management relationship manager.



Jim Heider



Felisha Dowdy

■ Cumberland Valley National Bank has announced the following appointments in their Central Kentucky market: **Jeremy Rigney** has joined the bank's Madison County market as vice president and commercial lender.



Jeremy Rigney



Dennis Tindle

Dennis Tindle has been named vice president and mortgage loan specialist for CVNB in Pulaski and surrounding counties.

CONSTRUCTION

■ **Mark Hill** has been promoted to vice president and Lexington region leader in charge of construction operations and performance for Messer Construction Co.'s Lexington office.



Mark Hill

FOOD/SPIRITS/HOSPITALITY

■ **Sarah Robbins** has been named chief operating officer for Louisville-based 21c Museum Hotels.

EDUCATION

■ **Brian Buford** has been named director of employee development and success at the University of Louisville, effective Dec. 3.

■ **Brian Wilcox** has been named associate vice president of capital construction and facilities services at Eastern Kentucky University.

■ **Nancy Lang** has been named associate director of the Northern Kentucky University Center for Economic Education.



Nancy Lang

■ **Larry Ferguson** has been named president of Ashland Community and Technical College.

■ **Lynn Godsey**

has been named campus director for Bluegrass Community and Technical College's Georgetown-Scott County campus. **Tiffany Drury** has been named campus director for BCTC's Lawrenceburg campus.



Lynn Godsey



Tiffany Drury

GOVERNMENT

■ **Brad Montell** has been named director of government relations for the Kentucky Department of Education.

■ The Kentucky Cabinet for Health and Family Services has announced the following appointments within the Department for Medicaid Services: Commissioner – **Carol H. Stecker**; Senior Deputy Commissioner – **Jill Hunter**; and Director of Provider Relations – **David Gray**. **Kathleen Hines** has been appointed executive advisor within the Office of Health Data and Analytics to serve as chief privacy officer for the Cabinet. Within the Department for Public Health, **Kelly Alexander** has been appointed as executive advisor to serve as a liaison with stakeholders and the public health community. **Devon McFadden** has been appointed director of the division of prevention and quality improvement. In the Office of Autism, **Jonathan "Tal" Curry** has been appointed executive director.

DEPARTURES

■ Asbury University **Sandra C. Gray** has announced that she will transition out of the president's position at the end of the academic year.



Sandra Gray

■ **Scott Terrell** has announced that the coming 2018-2019 season will be his last as music director and conductor of the Lexington Philharmonic Orchestra.

■ **Rufus Friday**, president and publisher of the Lexington Herald-Leader, has resigned from the position. With that change, which was effective in September, Editor **Peter Baniak** has assumed an expanded role as editor and general manager.

INSURANCE

■ **Heather Rosato** has been named chief marketing officer for DPL Financial Partners, a Louisville-based insurance network for registered investment advisors.

LEGAL

■ **James "Jamie" McKiernan III** has joined the litigation team of McBrayer, McGinnis, Leslie & Kirkland's Louisville office.



Jamie McKiernan

MANUFACTURING

■ **Sylvia Buxton** has been named president and chief executive officer of Perfetti Van Melle North America, a confectionary company based in Erlanger.



Antonio Boadas

■ **Antonio Boadas** has been appointed chief communications officer for Louisville-based GE Appliances.

■ Ashland-based Braidy Industries and its subsidiary, Veloxint, have announced the following appointments: **Julio Ramirez** – chief financial officer, Braidy Industries; **Kevin McNeely** – chief operations officer, Veloxint; **Phoebe Kwan** – chief commercial officer, Veloxint; **Judson "Jud" Marte** – vice president of product development, Veloxint; and **John Gaspervich**, executive vice president of manufacturing, Veloxint.

MARKETING

■ **Melanie Berry** and **Catie Wilson** have been named marketing managers for Write Now Marketing's Louisville market.

TOURISM

■ **Tim Pinion** has been named chief of the science and resource management division at Mammoth Cave National Park.

OTHER

■ **Geralyn Isler** has been named president of Business Benefits Inc., a Fort Mitchell company that counsels employers in the development of employee benefit packages.

ON THE BOARDS

Kentuckians named to organizational leadership roles

ASSOCIATION OF ARTS ADMINISTRATION EDUCATORS

■ **Yuha Jung** has been elected to the board of directors of the Association of Arts Administration Educators. Jung is an assistant professor of arts administration at the University of Kentucky.



Yuha Jung

BLACKACRE CONSERVANCY

■ **Marisa E. Main** and **Scott Keen** have been elected to the board of directors for Blackacre Conservancy, an organization dedicated to the preservation of the history nature preserve and historic homestead in Jefferson County. Main is an attorney in Dinsmore & Shohl's litigation department. Keen is employed by Limestone Bank, where he works in the compliance department.

CENTERSTONE

■ **Peter Garrison** has been named secretary for the board of directors of Centerstone, a national not-for-profit health-care organization that supports individuals with mental health and substance abuse issues. Garrison, of Louisville, is the client managing director at Equian.

FAYETTE COUNTY BAR ASSOCIATION

■ **Marshall Hixson** has been elected president of the Fayette County Bar Association. Hixson is counsel with Stites & Harbison, working in the torts and insurance practice service group of the firm's Lexington office.



Marshall Hixson

FOUNDATION FOR A HEALTHY KENTUCKY

■ **Lawrence Prybil** has been named to the board of directors of the Foundation for a Healthy Kentucky. Prybil is the former associate dean of the University of Kentucky College of Public Health and currently serves as a community professor in the UK College of Public Health.

KENTUCKY EQUINE EDUCATION PROJECT

■ The Kentucky Equine Education Project (KEEP) has announced the following appointments to its board of directors: Chair – **Doug Cauthen**, Doug Cauthen Thoroughbred Management LLC; Vice Chair – **Ken Jackson**, Kentuckiana Farms and Lexington Selected Sales Co.; and Legislative Committee Chair – **Corey Johnsen**. Newly appointed board members include: **Kiki Courtelis**, Town & Country Farms; **David Ingordo**, Ingordo Bloodstock Services; **Dan Real**, Caesar's Entertainment; and **Adrian Wallace**, Coolmore America at Ashford Stud.

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY/ KENTUCKY HIGHER EDUCATION STUDENT LOAN CORP.

■ **Gerald J. Plappert Jr.**, **Rene Brown**, and **Charles B. Vinson** have been appointed as members of the Kentucky Higher Education Assistance Authority board of directors and the Kentucky Higher Education Student Loan Corp. board of directors. Plappert, of

Louisville, is a business investor. Brown, of Louisville, is a health-care executive and pastor. Vinson, of Murray, is retired.

KENTUCKY HORSE PARK FOUNDATION

■ **Andy Jacobs** has been elected vice chair of the Kentucky Horse Park Foundation board of directors. Jacobs is an attorney with Stites & Harbison in Lexington.



Andy Jacobs

KENTUCKY OIL AND GAS ASSOCIATION

■ The Kentucky Oil and Gas Association has announced its new executive committee for 2018-2020: President – **Mark Hughes**, Hughes Land LLC; President-Elect – **Maverick Bentley**, EQT Corp.; Immediate Past President – **Maurice Royster**, EQT Corp.; Treasurer – **John Henderson**, Stoll Keenon Ogden. The Class of 2019 board of directors includes: **Wes Cate**, Eco-Energy; **Stacey Dover**, CountryMark Refining and Logistics; **Nan Hamilton**, Stand Energy Corp.; **Doug Hyden**, Clean Gas Processing; **Bryan Reynolds**, Sullivan, Mountjoy, Stainback & Miller; **Maurice Royster**, EQT Corp.; **Mark Sanders**, EnerBlu; **Rudy Vogt**, Cumberland Valley Resources; and **Jed Weinberg**, Core Appalachia Operating. The Class of 2020 board of directors includes: **Jason Bentley**, MMLK Government Solutions; **Mike Gibbons**, CountryMark Energy Resources; **Karen Greenwell**, Wyatt, Tarrant & Combs; **Jerry Howard**, Boss Cementing; **Mark Hughes**, Hughes Land; **Mark Pierce**, Nytis Exploration Co.; **Bobby Short**, United American Energy; **Mike Wallen**, WMD; and **J. Kevin West**, Steptoe & Johnson. The Class of 2021 board of directors includes: **Bill Barr**, BlackRidge Resource Partners; **Maverick Bentley**, EQT Production Co.; **Will Graham**, Core Appalachia Operating; **Jessica Greathouse**, Core Appalachia Operating; **John Henderson**, Stoll Keenon Ogden; **Zachary Hughes**, Hughes Land; **Virginia (GiGi) Lazenby**, Bretagne; **George Mason**, George Mason Law Firm; and **Matt Sheppard**, Chesapeake Energy.

KENTUCKY STATE CORRECTIONS COMMISSION

■ **Leon Heaton**, **Susan Grey Smith** and **Jason Dean Crockett** have been appointed as members of the Kentucky State Corrections Commission. Heaton, of Frenchburg, is the director of outpatient services for Addiction Recovery Care. Smith, of Lexington, is a licensed marriage and family therapist. Crockett, of West Paducah, works for Stratemeyer Media.

KENTUCKIANS FOR BETTER TRANSPORTATION

■ Kentuckians for Better Transportation has announced its new leadership for 2018-2019: Chair – **Phil Annis**, former president of Mountain Enterprises; First Vice President – **Rod England**, Scotty's Contracting and Stone; Second Vice President – **Mark Day**, Blue Grass Airport; Treasurer – **Grant Gabbard**, The Allen Co.; Board Member at Large – **Randy Palmer**, Palmer Engineering; and Immediate Past Chair – **Crissey Fiscus**, ARGI.

LOUISVILLE SPORTS COMMISSION

■ The Louisville Sports Commission has announced its new officers for the coming year: Chair – **John Willmoth**, Poplar Ventures; Vice Chair – **Lannette VanderToll**, KentuckyOne Health; Secretary – **Daniel Cameron**, Frost Brown Todd; Treasurer – **Phil Poindexter**, Stock Yards Bank & Trust; Immediate Past Chair – **David Wombwell**, US Bank. New board members include: **Jai Bokey**, VSoft Consulting Group Inc.; **Allison Brown**, Wyatt Tarrant & Combs LLC; **Kim Cleary**, GE Appliances; **Tom Delacenserie**, Kentucky Lottery; **Garrett Jackson**, Kindred Healthcare; and **Michael Miller**, Humana. Elected to serve a one-year term on the executive committee were: **Lee Ann Barney**, Trilogy Health Services; **Cleo Battle**, Louisville Convention & Visitors Bureau; **Daniel Cameron**, Frost Brown Todd; **Travis Doster**, Texas Roadhouse; **Brett Hale**, Beam Suntory; **Steve Hester**, Norton Healthcare; **Phil Poindexter**, Stock Yards Bank & Trust; **Michael Poynter**, Kentucky Venues; **Marty Storch**, Louisville Metro; **Lannette VanderToll**, KentuckyOne Health; **John Willmoth**, Poplar Ventures; and **David Wombwell**, US Bank.

METRO UNITED WAY

■ **Louis R. Straub II** and **Rudy Spencer** have been named campaign chair and co-chair, respectively, of the Metro (Louisville) United Way 2018 community campaign.



Louis Straub

PREVENT CHILD ABUSE KENTUCKY

■ Prevent Child Abuse Kentucky has announced the following officers for the coming year: President – **Dr. Jaime Pittenger**, UK Children's Hospital; Vice President – **Carrie D. Wiese**, City of Somerset; Secretary/Treasurer – **Jordan Parker**, Traditional Bank. New board members include: **Dawn Harlow**, Kentucky League of Cities; **Bryan McFarlow**, Kentucky Public Radio; **Renee Sartin**, Campbellsville University; **Elizabeth Starr**, WellCare Health Plans of Kentucky; and **Ashli Watts**, Kentucky Chamber of Commerce.

SOUTHERN ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE

■ The Southern Association of State Departments of Agriculture has elected Kentucky Commissioner of Agriculture **Ryan Quarles** to serve as vice president for 2018-2019.



Ryan Quarles

STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

■ **James O. "Hap" Strunk**, of Stearns, has been appointed as a member of the State Board of Embalmers and Funeral Directors.

STOCK YARDS BANCORP

■ **John L. Schutte** has joined the board of directors of Louisville-based Stock Yards Bancorp Inc. and Stock Yards Bank & Trust Co. Schutte is chief executive officer of Louisville-based GeriMed Inc., a nationwide group-purchasing organization specializing in long-term care pharmacy services.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



William "Bill" Butler

William "Bill" Butler is chairman and CEO of Corporex Companies LLC, which began in 1965 as the one-man W.P. Butler Construction Co. After the acquisition, development, construction and financing of major real estate properties for 50 years, Corporex has more than \$1 billion in assets and is a diversified, vertically-integrated firm comprising Corporex Development and Construction Management, Commonwealth Hotels, Five Seasons Sports Clubs, Corporex Realty and Investment, and Corporex Capital. Butler was chairman of Eagle Hospitality Properties Trust from its 2004 inception through its 2007 sale. He founded The Butler Foundation and Life Learning Center serving Greater Cincinnati and is founding chairman of the Horizon Community Fund for Northern Kentucky. He is on the boards of United Way of Greater Cincinnati, Lindner Center of HOPE, Dan Beard Council of the Boy Scouts of America, and The Butler Foundation. Butler is a graduate of the University of Cincinnati.

REMAKING A COMPANY, REGION OR STATE TAKES UNITY, CLEAR GOALS, THEN THE PLAN

Northern Kentucky developer Bill Butler is reinventing Corporex for the next 50 years and urging community to push for higher-paying jobs

BY MARK GREEN

Mark Green: Butler Construction Co. and Covington-based Corporex have been successful in commercial real estate development for 53 years. Is there anything unique you have done to achieve this longevity?

Bill Butler: Our success in business over the past 52 years encompasses major economic corrections that amounted to nearly 19 years. We successfully navigated four most difficult, sometimes severe periods because we adhered to strict and sound principles in everything we undertook. Our projects were of the highest quality we could afford; the people we did business with, both in construction and tenants in our buildings, were high-quality firms; we did not overfinance; and we never used lines of credit to finance our businesses or projects. Finally, we were flexible to change. We remade ourselves multiple times along the way in response to the changes in trends and financial markets that followed each recession. Success is something one must seek out. At Corporex, we are always seeking the opportunity to fill an unmet need.

MG: Development projects are so complex. Is there a typical sequence of steps for undertaking a project? What comes first: financing, land, specific idea, plans?

BB: Each development project is unique. Accordingly, how one goes about it may be different. There is a general consistency of steps that must be taken. We develop an action agenda for each project that sets forth the steps, hurdles and dates for accomplishment. Development of buildings is like manufacturing, but without a roof overhead and an assembly line for repetition; it is a building process. Being in the construction business was good training for development. We talk about the need to build on a strong foundation and to go step by step through the agenda. But unlike with manufacturing, there is not a customer pulling the product through the process; it is all about push from the top. The job of a developer is to light the fires constantly, every day. There are not a lot of people put together that way.

MG: What is the current status of the Ovation multiuse project in Newport and what will its scope be?

BB: We had to be patient. First, there was the eight-year Great Recession. Then there was the roadway system that the Kentucky Department of Transportation was putting through the property. We redesigned the master plan to allow for this road, which

initially was to be funded in 2010 by "shovel-ready money" from the federal government. Then the project got bigger, including Route 9, and the recession got longer.

Now, almost 10 years later, the road is completed, but the market has changed. People do not want townhomes; they want smaller flats. Condominiums are not in vogue; apartments are the current need. Office building opportunities are limited at best. Traditional retail centers and stores are not expanding. So what is to be? We are focused on a variety of entertainment opportunities connected with retail services as the fuel for the Tax Increment Financing district that is necessary to activate the infrastructure and parking podium.

However, Corporex is again intensely focused on this development, wanting to make it happen for this Northern Kentucky community – or bust. We hope to begin work in the spring of 2019, or even sooner should some opportunity come our way. As we speak, we are redoing the master plan to align with the current marketplace.

I view the Ovation development as one of the most important and defining undertakings that will affect the Northern Kentucky community and its economy for the next 100 years or more. It must be designed just right to present a skyline in which the whole community, including Cincinnati, can take pride for generations.

MG: How did the Great Recession restructure the real estate market?

BB: In 10 years, a lot has changed. People want smaller residences. They want more electronics, digital systems. There will be less need for parking structures given that more people will use Uber and Lyft, rent cars for short periods, and live in the urban centers more. The demand for office buildings is moving back to the urban centers, as younger people want to live in the urban areas and work there, too. They do not want a long drive to work. So corporations will be forced to return to urban areas to attract the more highly skilled workers they need.

With each recession, a number of developers and builders drop out of the market for various reasons. This recent recession was no exception. It's survival of the fittest – and Corporex has never been more fit to move forward than it is today.

MG: Are there any real estate development best practices Corporex is trying to bring to its home community from Denver, where it has been very active for years?

BB: Not really. We wish we could bring the level of activity and the economics of the Denver market home. Rents there are 50-70 percent higher than here, which is better for developers and building owners, and the population continues to grow at a pace three times what we experience here. Denver has great business energy. If anything, what I bring home is the determination that we Kentuckians, and Cincinnatians, should take a stand for change.

There just is not a good reason why our geographical areas should not have a higher growth rate – and we should demand more of both our politicians and ourselves to reject the complacency of the past and get on with building a dynamic environment, demand action. We can do better. Kentucky needs a vision of its future.

MG: How do you currently view the Northern Kentucky market? What will be the impact of Amazon Prime's decision to locate its first hub operation at CVG in Northern Kentucky?

BB: Northern Kentucky is currently experiencing much demand for logistics infrastructure. Our market is a prime location for distribution centers. However, distribution centers do not employ many people, and those they employ occupy relatively low-paying positions; they do not generate much tax revenue; and they chew up lots of land.

The Amazon Prime installation, in my view, does not fit that mold. It is a higher-level, very sophisticated logistics center that will generate lots of jobs both on-site and for employers and vendors, consultants and others who will service the operations. Basing Prime Air here is also a big plus for the airport, and what is good for the airport is good for the community at large. I understand this to be a global logistics focus, thus generating international interaction, which is another plus. The Amazon investment will take time to unfold and impact, but I am optimistic

this will be a huge benefit and that Amazon will be a strong community partner as well.

It's logistics, but it's global logistics, and it's huge, and it's going to be automated to a great degree. It is better viewed as a high-tech kind of installation than it is a warehouse distribution center. It's going to create lots of jobs. We did a study on what happened at UPS in Louisville. Some people would claim there are 160 different businesses in the Louisville area that are there because of UPS. The same kind of thing must happen here. It's going to take time to unfold.

MG: Many business community members as well as public officials say Kentucky needs further tax reform. What do you advocate to improve Kentucky's tax structure?

BB: Nothing. I feel that what has been done is already helpful and that Kentucky is competitive. What is needed now is a unified effort of the entire state, the business community and government acting in concert to paint a picture of what Kentucky could be in 10 or 20 years, and go for it. We need new and lofty goals for our state that are reduced to a form that business, the population, and the elected can understand and support daily in their work and lives. We as a state still struggle with perceptions of the past. Why not remake ourselves as Kentuckians, as corporations do in response to changing environments? Develop a strategic vision, a blueprint to execute it, and do it.

Growth is what we need, faster and smart. Target high-paying job growth, position ourselves in that respect, and tax revenues will expand. There then will be more resources to support improvements in education and quality-of-life amenities. Business and elected officials in Northern Kentucky are engaged together like never before to address these very quests for our region's future. It is an exciting time as we speak.

MG: Some people advocate focusing more on occupational taxes from job growth for local revenue streams, rather than property tax.

BB: Well, that and consumption taxes, sales taxes, where you create business and create additional retail revenues. In my view, those are the most fair taxes.

MG: You entered the banking sector a few years ago. Why? Is there adequate financing available to business today and are there changes you suggest?

BB: This was not a decision to enter banking. However, the Corporex of the future will definitely become a diversified financial or capital investing entity, potentially with interests or investments in that sector. I acquired the ownership of a bank as a solution to a problem that arose from the recession. I was a 15 percent investor in American Founders Bank, and it needed capitalization.

I was able to remove OREO assets ('other real estate owned' property not related to a bank's operation, typically collateral acquired in defaults) that were keeping it from moving forward following the recession. But the bank is solid now, and the headquarters have moved to Louisville, where there is more business opportunity. It is today more a business-focused bank than a real-estate-focused entity.

There are, indeed, adequate financial sources today to service the real estate industry. Competition among lenders is strong, some would say tough. I do not see that changing soon, as the world is awash in money in circulation.

MG: What economic metrics do you follow closely?

BB: Money supply is something I have studied since 1977. As money moves, so does the economy, and interest rates are in direct relation. However, money supply is less weighty since the United States has become a part of a greater world economy rather than self-determinant. So there are lots of factors today that one must look at



to develop a forecast in which one can be somewhat confident. That is the change of the past 10-plus years. I do not believe we are nearing a recession based on the underlying fundamentals, and I reject the idea that a correction must happen every so many years. However, we could create a recession as a result of the infighting in Washington, the solid growth environment notwithstanding.

MG: Does Corporex have a succession plan? What is it?

BB: The challenge of getting Corporex to continue for another 50 years is my stated purpose and mission. For a commercial developer, succession is always difficult. Private developers are usually dependent on the unique makeup of the founder. This is why we are reinventing ourselves once again. The internal plan is called TRE, which stands for The Reconstituted Entity. We adopted the term early in the recession period with an eye to succession. We are intensely focused on perfecting our portfolio of \$1.4 billion in assets by fully leasing property and exploring alternative strategies – with an eye to monetizing at least 50 percent before 2020. We just sold four hotels, representing an approximate \$100 million transaction. We have 16 more just like those and several bigger hotel properties in Denver, plus office buildings both here and in Denver. We sold an office building in Denver, and another will be bought by its tenant in February, for approximately \$74 million for the two.

Once repositioned with all that cash, we will be seeking opportunities in alternative fields. Those could well include financial services, manufacturing investments, entertainment or simply lending. In any event, Corporex will be more traditionally positioned, and that will facilitate handing off the reins to individuals who are more oriented more toward finance than toward real estate development.

My resolve is that Corporex will be here 50 years from now and will continue the philosophy of contribution as a core element of its purpose.

MG: Who are Corporex's peer entities in this region? Is anybody else trying to do projects along the scale you are?

BB: Nobody. There are no peers. I would welcome other risk-takers.

MG: You have shifted a lot of your time and energy in recent years beyond your business toward philanthropy and community impact activities. You launched Horizon Community Funds

last year with the mission “to unite resources to raise the quality of life for all Northern Kentuckians.” What is your strategy for approaching this in an impactful manner?

BB: This community work is the source of my energy these days. Throughout our corporate career, we held to a standard that we would not wait to give back, but rather we would give along the way both financially and of ourselves, with personal time devoted to the community. Now I am more free to give both time and money. As we monetize assets, we put some of that money in the bank, but we also put a chunk into a charitable vehicle. In addition to the four hotels we sold, we gave a fifth to a charitable trust; a significant amount was set aside for a variety of community purposes. I am building an organization devoted solely to advancing the community agendas, with staff devoted solely to causing change and accelerating various plans that are already in play in the community.

We are encouraging projects that unite the various elements of our community's leadership. Projects are the way to bring people together. For example, we are working on a new building to be called “OneNKY” where five agencies involved in growth will relocate and share facilities. It will be a striking building in architecture, and it will symbolize progressiveness and paint a new picture, a perspective of a united community on the move. We have formed a not-for-profit development entity to do high-quality infill housing in the urban sector. We are seeking a CEO to run that business, and we hope to stimulate the inner city by building houses, which frankly will sell at a loss, to buyers who will add value by their entry into our community.

Horizon Community Funds of Northern Kentucky, our new public charity, is off to a great start. We were able to engage a roster of high-level trustees to lead this undertaking, many of whom were not previously participating in such efforts. The fund is approaching \$20 million under management after only 14 months. The charter of HCF is not limited to serving the less hopeful population; it also will engage as a partner with multiple organizations and with government on projects that move our community forward.

There is no end to the opportunities, nor only one way engagement is accomplished. What we all want for the Northern Kentucky metro of the future cannot be achieved unless all the leadership and all the people who can help are in lockstep and committed. And I am happy – no, excited – to say

there is a cohesiveness developing between elected officials, businesses and the executives of the state as well, such as I have not witnessed in my previous 50 years of involvement.

The possibility of our being truly “OneNKY” in all respects is no longer just in our dreams. It is moving to reality.

MG: How is Northern Kentucky doing overall now? What does it need to do more of economically, business-wise or in areas that attach to that?

BB: In Northern Kentucky we don't separate the economic and community. If the community is vibrant and on the move and has a direction, knows where it's going as a community, the economic things will follow.

The big issue in Northern Kentucky is unity. We have too many governments, too many municipalities. But there is, for really the first time in my 50-year career here, what appears to be a very strong commitment by most of the top leadership, both governmental and business, and by the not-for-profit organizations as well that are impactful on the community. There appears to be a common consensus that we want to do something about the fragmentation so that we can get to the point of acting as one.

MG: We hear, as you say, that there is more cohesion among all the municipalities and governmental entities in Northern Kentucky. Is there something in particular that's pulling the area together?

BB: Well, there's a new organization called the Northern Kentucky Regional Alliance. It's a collection of 15 or 16 initial members who are all CEOs of their respective entities. They have come together in the past year and hired Karen Finan as the CEO, a dynamic personality. And the mission of this organization is to give rise to change, to advance the community in every way. And they are meeting, as an organization, with the three (Boone, Campbell and Kenton) county judge-executives on a monthly basis.

MG: You're one of the CEOs in the Regional Alliance?

BB: Yes.

MG: Is there a single goal that you're aiming for?

BB: The alliance, being only a year old, is still building its platform and identifying the priorities and the methodologies for moving the community forward. The meetings with the three county judge-executives have been very fruitful and collaborative and give rise to much optimism and energy.

MG: What does the Alliance hope to accomplish? More economic development, more housing construction, more infrastructure construction, all of the above?

BB: Working together, we intend to be working on every aspect of the community. When I speak of the community, I speak of the three-county area that comprises nearly 400,000 people. That's not a small place anymore.

MG: How's the education system doing in meeting the needs of the private sector, providing a good and appropriate workforce?

BB: One of the first areas the Regional Alliance is addressing is, in fact, the workforce development methodology. The Northern Kentucky Chamber of Commerce just started an initiative called Growing Regional Outcomes through Workforce, and the Regional Alliance members provided the initial funding for GROW. We recognize that workforce development is a paramount need, and we are endeavoring to develop a streamlined system beginning at preschool ages all the way through to either skilled or collegiate levels.

We know that you have to begin at the preschool levels and that it would involve mentoring programs and scholarship programs and internship programs and tutoring of people from one end to the other. Solutions to workforce development are not going to be short-term in any community, in any part of the country, because it's a common problem throughout the country. So we want to address it in a total way.

There are currently about 20 organizations trying to address different aspects of it, and the initiative of the Chamber of Commerce is to bring all 20 of them together. We think we can do that.

MG: How would you characterize the region's relationship with Frankfort and its engagement with the rest of Kentucky?

BB: There has never been a better working relationship or a more supportive executive branch of state government in respect to helping us. There's never been a closer working relationship. For eight years under the previous administration, Northern Kentucky got nothing, and it was all lost time. This governor has boundless energy. He's very personable, and the people he has surrounded himself with are strong. It's a lot of fun to work

with them, particularly when we get an economic development opportunity or a prospect in the city. They're the greatest team we've ever seen out of that office.

MG: How can the process for upgrading the Brent Spence Bridge and resolving the traffic bottleneck there be pushed forward?

BB: I feel like the federal government owns that bridge. They built the interstate systems. They have the responsibility to build this bridge.

MG: Does the region have enough available land?

BB: We have the land. We need to quit covering it with warehouses. I started in that business, but we need white-collar jobs. We need high-pay jobs. If you want to grow taxes, you don't have to add infrastructure; you have to go for a higher-paying job, where you just generate four times as much revenue from the same activity level. ■



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



**“YOUR JOB AS A LEADER
AND YOUR JOB AS A TEAM
MEMBER IS TO UNLEASH THE
POWER OF PEOPLE.”**

David Novak

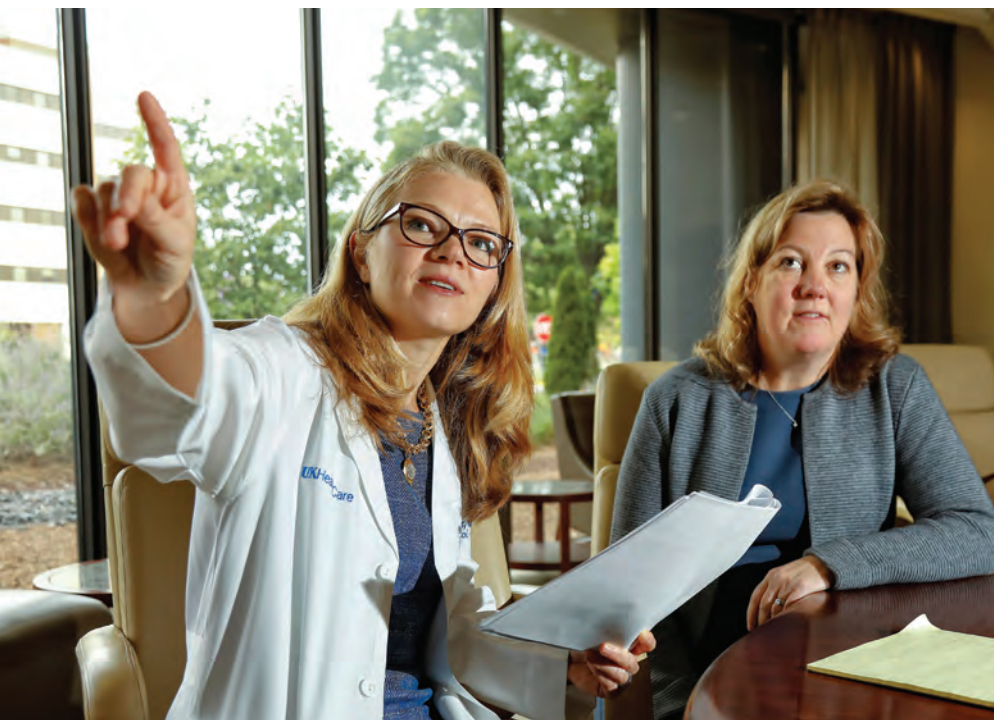
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After genomic testing to find the various gene mutations that gave rise to their specific cancer, Kentucky patients get recommendations for individually customized treatments from the Molecular Tumor Board at the University of Kentucky Markey Cancer Center. Dr. Rachel Miller, left, and Dr. Jill Kolesar are codirectors of the MTB.

Genomics Improves Kentucky Cancer Care

Informatics tools making treatment of nation's worst concentration of malignancy personal

BY JOSH SHEPHERD

Editor's note: This is the second in a two-part look at efforts to change Kentucky's worst-in-the-nation cancer mortality rate.

FIFTEEN years down the road from the first sequencing of the human genome, genomic medicine is yielding big steps forward in treating cancer and other diseases, say several Kentucky researchers and oncologists. Because the state has the nation's worst rate of cancer occurrence and mortality, genomic medicine could have its greatest positive impact in Kentucky.

Within a decade or so, healthy adults could opt to have their complete genetic profile assessed to determine their future risk for disease. And for Kentucky populations, such data is expected to yield deeper insights

because the Kentucky Cancer Registry recently began a first-of-its-kind project to collect and compile genomic trends for the state's hard-hit geographies.

It's hard to say when, but parents may soon be able to consider genetic screens for their children, said Dr. Douglas Flora, medical director of the St. Elizabeth Healthcare Cancer Center. As part of a child's annual physical checkup, physicians could use genomics to longitudinally track risks and suggest modified behaviors and treatments to prevent or get ahead of the possible development of disease.



Dr. Douglas Flora, Medical Director, St. Elizabeth Healthcare Cancer Center

"The ability to see just a little piece of the future for each patient will allow physicians to make more educated decisions about screenings and tailor care to the individual patient," Flora said.

In terms of future cancer care, some patients might have the opportunity to take steps to prevent it from developing in the first place rather than waiting for a tumor to occur and grow to a detectable level.

"That is a goal, but we're not anywhere near there yet," said Dr. Jill Kolesar, a clinical pharmacologist at the University of Kentucky. Kolesar is co-director of the Precision Medicine Clinic at the UK Markey Cancer Center, which has a network of 20 affiliated hospitals in the state, and a co-chair of the Molecular Tumor Board.

She has been directly involved with genomic research for two decades as it has evolved from pure research into the realm of patient care.

"It's only been within the last five years that genomic sequencing has even moved into the clinical setting," she said.

Kolesar worked with two medical oncologists to establish precision medicine services at University of Wisconsin's Carbone Cancer Center while she was on faculty there. After joining UK's Markey Cancer Center faculty, she worked with Dr. Rachel Miller, a gynecological oncologist, and Dr. Susanne Arnold, a medical oncologist, to found the first Molecular Tumor Board in Kentucky and organize the UK Precision Medicine Clinic, which launched in February 2018.



Dr. Jill Kolesar, Co-director, Precision Medicine Clinic, University of Kentucky Markey Cancer Center

Most genomic benefits yet to come

Before discussing the functions of those entities, Kolesar explained that the term "precision" or "targeted" medicine actually describes a broad range of cancer-fighting services, some of which hospitals have been engaged in for decades. Weapon number one remains screenings. Triggered either due to a patient's age or because they have a family history of cancer or heart disease, doctors order colonoscopies, mammograms, prostate exams or stress tests.

"We know that genetics plays a role in a patient's risk for developing cancer," Kolesar said. "We try to mitigate that risk. But it's important to remember that genetics only indicates a risk – not a guarantee (that a tendency will occur). Physical exercise, a healthy diet and cutting out smoking significantly reduces cancer risk, even for those who have a family history of disease."

Genomic science is still comparatively new, she and her colleagues emphasize. While genetic insight offers exciting possibilities for the future of patient care, the news that has received the most public attention is a bit more hype than fact.

In terms of cancer treatment, "where the science is today is breaking down the genetic sequence of cancer tumors to identify known mutations, then matching those mutations to the most effective drug therapy available," Kolesar said.

While that summary may sound simple, it represents a substantial breakthrough in medicine's understanding of cancer cells. Before genetic sequencing, cancer treatment "pathways" were much the same from patient to patient, but outcomes often differed.

Some patients respond well to basic treatment, and their cancer is stabilized, shrinks or becomes undetectable. But for others, tumors persist and become metastatic despite the various interventions oncologists have at hand.

In the last decade, however, patients who don't respond to standard chemotherapy or radiation treatment have improving opportunities for survival thanks to medicine's increasing understanding of genetic sequencing, Kolesar said. Genetics has shown researchers that literally no two cancers are alike. The molecular composition of tumors is as individually unique as any other living organism. Meanwhile, researchers have learned there are common mutation forms among tumors that oncologists know are vulnerable to specific treatments or drugs.

This growing base of knowledge and understanding about the genetic mutations common to various human cancers led UK health care officials to assemble a unique type of cancer review board in 2016. The Molecular Tumor Board allows UK researchers to collaborate with oncologists

throughout the commonwealth on treatment of patients suffering from advanced-stage cancer.

State's first Molecular Tumor Board

UK Molecular Tumor Board services are free and available to all surgical and medical oncologists in Kentucky, Kolesar said. The board is a multidisciplinary group of cancer specialists, including pathologists, medical oncologists, surgical oncologists, radiologists, genetics counselors, pharmacologists and basic scientists. The MTB works to uncover possible alternative treatment options for patients who are not responding to traditional therapies.

The treating oncologist submits his or her case to the MTB online with a request for a review. Usually, a tumor sample already has been subject to gene sequencing with an accompanying report identifying the known mutations.

The mutations contained in MTB request reports are cross-referenced with a national database such as The Cancer Genome Atlas (TCGA), which is maintained by the National Institutes of Health, to identify the chemotherapeutic drugs known to be most effective against them. The options found are compiled into a final report for the board.

If there are no proven drugs, Kolesar said, there might be a clinical drug trial that the patient can join or some patients may qualify for an investigational drug trial available only through the Precision Medicine Clinic at UK.

When the MTB was established two years ago, gene sequencing could compare tumor samples against an estimated 196 known gene mutations. By

May 2018, (TCGA) had identified over 300 gene mutations. Those numbers will continue to climb as research continues.

The volunteer board meets every first and third Tuesday of the month to review case reports. Kolesar and fellow board co-chair Dr. Rachel Miller are among those who regularly attend. It's a significant comment on the commitment of the cancer specialists who participate, she said, that they give their time to help colleagues find alternative or investigational treatments for their patients.

The MTB is not recommended for all cases, Kolesar said. In fact, gene sequencing is not an automatic first step for most early cancer diagnoses.

"We don't recommend using this type of precision medicine therapy unless the track is proven to be better than standard approaches to the disease," she said.

There are exceptions.

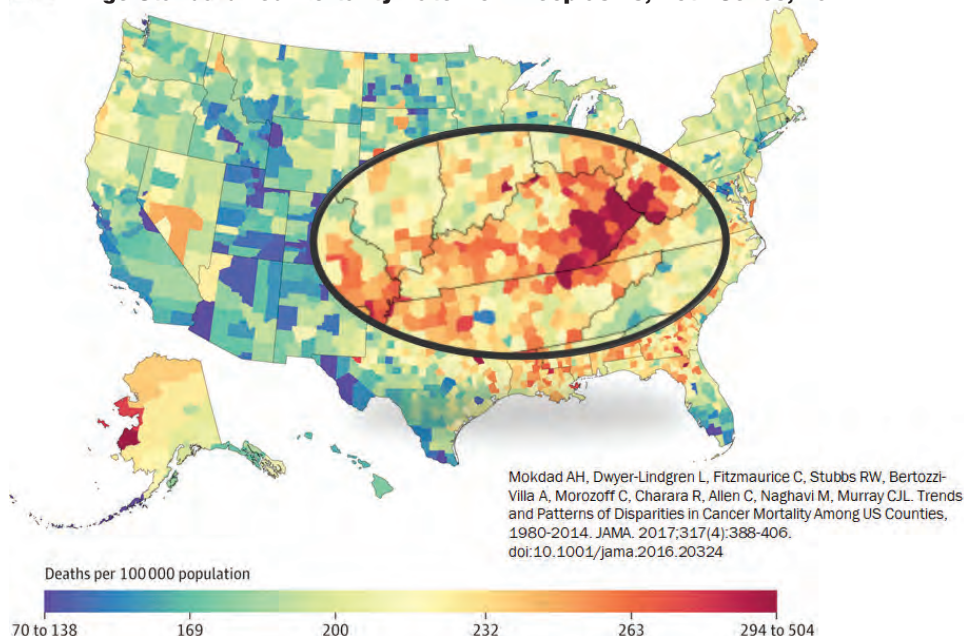
For example, because Kentucky leads the nation in lung cancer, the state's oncologists already know a great deal about the types of mutations involved. While not yet a standard of care, gene sequencing of lung biopsies is an increasingly common practice today in the commonwealth.

The MTB's work is yielding good outcomes, but a great deal of research and discovery remains to be done. Some of this will come from cancer informatics specialist Dr. Eric Durbin, director of the Kentucky Cancer Registry (KCR), who regularly sits in on the twice-monthly MTB meetings to supply research and population-based data for physicians to consider.

Molecular Tumor Board Codirectors Dr. Rachel Miller, left, and Dr. Jill Kolesar, right, confer with Siva Theru Arumagam, director of the Oncogenomics Shared Resource Facility at UK Markey Cancer Center as well as director of UK HealthCare Genomics Center and of Clinical Molecular Pathology.



Age-Standardized Mortality Rate from Neoplasms, Both Sexes, 2014



A population-based mutations registry

The TCGA database is a high-value resource for the MTB and advanced genomic research in general. Even so, Durbin realized the large data warehouses don't provide an important information set to the commonwealth's cancer treatment decision makers. As a result, he launched an ambitious effort to assemble the nation's first population-based registry of known cancer mutations; its data will be specific to Kentucky's population and demographics.

"National databases collect data from patients everywhere in the country. The data doesn't represent any (localized) underlying population. It's like basing your conclusions about Kentucky's cancer problem by reviewing all the cases from the Mayo Clinic," Durbin said.

A state-specific, localized mutation registry is wanted because Kentucky has the worst cancer problem in the nation; its rates of occurrence and mortality lead all states, and that is due to a concentration in a cluster of counties in Eastern Kentucky. Durbin conceived of the idea to embark on KCR's ambitious new project while participating in MTB sessions during the past few months.

Is it possible, he wondered, to predict better courses of treatment or outcomes if there was data on the historical experience of patients who shared similar demographics? Is it

possible to identify matched patients in a population-based registry who share a similar molecular profile? If the registry identifies similar cases in the registry, would it be able to inform physicians about treatments that result in longer-term survival, better quality of life and better outcomes?

Durbin believes it will. With the support of oncologists and researchers from UK and the University of Louisville, as well as several tertiary-care hospitals in the state, the KCR is already in the process of collecting genomic test data to answer those questions.

The KCR already collects population-based data on cancer incidence, treatment and a host of other measures. Creating a population-based set of tumor mutation data in the commonwealth is one natural step for the registry and "could give insights and better predictions about which patients would best respond to specific treatments because there will be information in the registry on patients (in the local population) who have tried those agents," Durbin said.

Complying with patient privacy and confidentiality standards, the KCR is negotiating agreements with health-care systems and genomic testing laboratories to share basic information.

"We're the first state cancer registry to build such a database. We'll depend a great deal on mutual cooperation with health systems and laboratories to gather this data. It's a huge undertaking, but the end result could have a significant impact on improving survival and other positive outcomes for cancer care," Durbin said.



Dr. Eric Durbin,
Director,
Kentucky
Cancer
Registry

This graphic from the Journal of the American Medical Association depicts cancer mortality rates by county, showing that the worst cancer concentration in the United States occurs in Eastern Kentucky.

Greater understanding of the science will lead also to better analytic methods to process this information. In addition to a catalog of the genetic mutations that may be particular to Kentucky, the raw data will allow oncologists to re-analyze those files against what will be learned in the future.

"Who knows what insights we'll discover? It's exciting to think about," Durbin said.

Immunotherapy 'miraculous' for some

Up until this point, the discussion of sequencing genetic tumors has focused on identifying specific gene mutations in cancer cells as if patients only suffered from one or two. But the disease is rarely that simple, Kolesar said. There are patients whose cancers have a "high mutation burden."

One of the little-known functions of the body's immune system is to track down cell mutations and engulf them as they would an invading virus. But cancer is smart, said Dr. Mark Evers, director of the Markey Cancer Center. Forms of the disease have evolved a survival mechanism to mask its presence. It tricks the body into thinking it's a normal cell and, therefore, the body's immune system doesn't activate.

Immunotherapy uses drugs to boost and reactivate the immune system, Evers said.

The treatment is very much a type of precision medicine. It's a specialized type of treatment that works only for certain individuals, Kolesar said. Immunotherapy treatment can pose too much risk for other patients.

"The procedure basically takes the brakes off the body's immune system," she said, and an immune system going out of control can pose as serious a threat as the cancer.

However, immunotherapy has proven quite effective on patients with melanoma. Less than a decade ago, Evers said, there wasn't much to offer patients with metastatic melanoma except for some toxic therapies that, frankly, didn't do much.

"We've seen miraculous effects from immunotherapy drugs. For some



Dr. Mark Evers,
Director,
University
of Kentucky
Markey Cancer
Center

patients, those drugs are really helping,” he said.

Genetics counseling

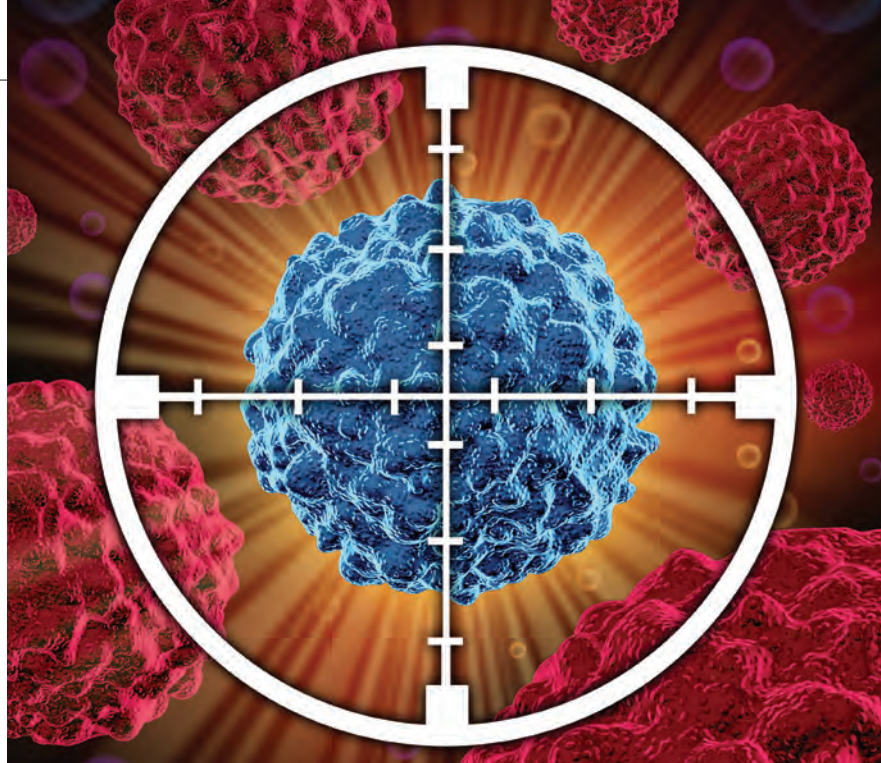
Growth in genomics-based services has spurred the creation of new health professions. One new profession to emerge in recent years is genetics counseling, which helps patients interpret and understand the results of a genetics laboratory report.

In recent years, researchers have started identifying and documenting genetic mutations that can indicate a genetic propensity to certain cancers. For example, the presence of some form of the “BRCA” mutation could indicate a predisposition to breast cancer. Its presence, combined with a host of other variables, could mean a patient has a 50 to 80 percent chance of developing the disease. Knowing this information, there are ways in which patients can organize their lifestyles to reduce those risks.

Some patients have chosen to undergo surgical procedures as a precaution against breast cancer, which has attracted media attention. Using genomic reports as a means to be proactive in cancer control does not mean that people should take such radical steps, Flora said.

The St. Elizabeth Health System in Northern Kentucky, like many others in Kentucky, offers some form of a hereditary cancer program in its menu of patient-care services. For a nominal fee, a blood test is submitted to an accredited commercial genetics laboratory for analysis, and the report is reviewed by a clinical medical director and pharmacologist, who in turn advise the patient on what the results mean.

“In the near future, we plan to expand this service to ‘the worried well’ – people who are concerned that they may be at risk for heart disease or cancer but never had a meaningful way to address those concerns until now,” Flora said.



If there is a serious concern, a patient can be referred to a specialist – a precision medicine expert in pharmacy, oncology, cardiology, or even psychiatry – to develop a personal treatment regimen.

Baptist Health offers a similar service. Patients may have to travel to a laboratory to submit blood or tissue for analysis, but the meeting with genetics counselors usually occurs at home.

“Baptist uses telehealth services so patients can consult with a genetics counselor from their home hospital. A few of my patients at Baptist Health La Grange do this,” said Dr. John Huber, director of cancer care services for the Baptist Health Medical Group. “A genetics visit is not difficult to get, and our counselors will help patients understand if there is a concern. Most of the time, there is not.”

Even though genomic services in health care is becoming increasingly popular, there are some valid criticisms that the field is still too new and may be hyped more than it should at this point.

Dr. Scott Pierce is a medical oncologist with KentuckyOne Health with over 25 years of practice experience

in the Lexington area. Advances in genomic medicine have been a leap forward in cancer care, he said, but he also argues the field is still not advanced to the point where every patient needs to undergo some molecular study.

“There is popular media that makes genetic testing seem like the perfect screening tool. But unless there is an extensive family history or other serious concern, the results may not be worth the cost,” Pierce said.

Other oncologists and researchers agree. Evers emphasizes that there are ongoing national discussions regarding ethical concerns as the clinical applications of genomics expand in cancer care and other clinical applications.

“There is a need for more data and more research. But these concerns shouldn’t dissuade us from moving down the path. As we gain more knowledge and understanding, our ability to predict who will benefit most from genomics will improve,” Durbin said. ■

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

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Tariffs Tilting Project Finances

Steel, aluminum price hikes complicate construction bidding for designers and builders

BY GREG PAETH

COMPANIES that want to build an office, warehouse, retail space or manufacturing plant have learned a lesson that whacks them squarely on the bottom line: The project should have been completed a couple of years ago.

Bidding construction projects and managing costs is getting more complicated today.

Trump administration tariffs imposed earlier this year on steel, aluminum and lumber have driven up the cost of domestic as well as foreign building materials and created a quandary for businesses that want to have a new roof overhead.

On one hand are businesses that may have been priced out of a new building by rising costs even though the economy appears to be booming. On the other are far more businesses that see an urgent need to build immediately before increasing prices snowball further.

Because no one seems capable of predicting where costs might be in a year, the only certainty in commercial construction seems to be uncertainty, especially when estimating a project cost and, in some cases, submitting a bid that locks in a price for a month or longer.

"It is extremely hard to design for a budget with these wacky tariffs," said Darendra Watkins, a principal in CMW, an architecture, engineering and design firm in Lexington. "You've also got project owners and contractors who want their subs (subcontractors) to hold their bid prices for 90 days, and then they bid more to cover the cost of what might happen in the future."

In the past bid prices on materials typically expired after 30 days.



*Darendra Watkins,
Principal,
CMW*

"It's not fun right now," Watkins said. "From week to week, costs are increasing."

Most construction industry insiders throughout the state echoed Watkins in her assessment about rising prices and how contractors and their suppliers have to roll the dice when they're estimating costs and sometimes submitting binding bids on projects with multimillion-dollar price tags.

Cost increases and invoice uncertainty don't reflect precisely when the Trump tariffs took effect. The tariff on imported steel (25 percent) and aluminum (10 percent) went into effect in the latter part of March for many countries and was broadened to include products from the European Union, Canada and Mexico on June 1. Duties on lumber from Canada, the subject of a long-running dispute between the two countries, hit 20 percent late last year.

President Trump pledged throughout his campaign to rip up agreements he blames for massive trade imbalances that he considers a major impediment to his effort to "Make America Great Again."

Comments from Kentucky contractors seemed to mirror, for the most part, what has been happening at the national level, where the Association of General Contractors of America, a trade group that says it represents 26,000 firms, seems to track every eight-penny nail that's been used by a builder.

Price hikes will continue

"Although price changes for construction materials in July were mixed, contractors are likely to be hit with additional cost increases as new tariffs take hold and stocks of items purchased before the

tariffs are used up,” the association’s chief economist, Ken Simonson, said in August from the association’s office outside of Washington, D.C.

“Despite the pause in cost increases in July, prices for goods and services used in construction rose over the past year at more than double the rate that contractors have raised their bid prices to put up new buildings,” Simonson said.

AGC notes the producer price index for construction “inputs” – a weighted average of all goods and services used in building – is up 8.1 percent since July 2017. “In contrast, an index that measures what contractors say they would charge to erect five types of nonresidential buildings rose just 3.3 percent over the year, indicating contractors were absorbing more of the costs than they were passing on to owners.

Most Kentucky contractors *The Lane Report* spoke with said prices began to increase well in advance of the tariffs being levied as manufacturers and other suppliers anticipated rising costs for imports.

Additionally, tariffs or the threat of them cleared the way for some domestic suppliers to bump up their prices, many contractors said.

“What I’ve been hearing in reports from some of the trade organizations is that materials such as aluminum, copper and especially steel, and then wood, have been jumping anywhere from 10 to 20 to 25 percent in material

costs, and that’ll have an impact on bidding,” said Bill Pickering, an architect with CMW.

Overall project costs – following broad, general guidelines – typically breaks down to 60 percent for labor and 40 percent for materials, he said.

“Supply-and-demand will be what people use to justify why they raised the price, but if the foreign product was coming in at a lower price than domestic (products and) now it’s jumped up higher, then the domestic supplier can now raise their price. Now that the foreign price is higher, they can creep up and get just underneath the foreign price. The bottom line is: the entire market sees an increase,” Pickering said.

Like every contractor interviewed for this report, Mark Hill, vice president and Lexington region leader for Messer Construction, said there’s no question that material prices are rising. With just one exception, contractors and building professionals agreed that estimating costs and bidding on a job are trickier now.

“Here in Lexington, overall in terms of bid prices across the whole project, we’ve seen about a 3.5 percent increase ... and that’s probably in the last 12 months. As far as steel itself, it’s probably increased about 15 percent across the last two years and about 9.5



Ken Simonson,
Chief
Economist,
Association
of General
Contractors
of America



Bill Pickering,
Architect,
CMW



Mark Hill,
Vice President
and Lexington
Region Leader,
Messer
Construction



The City Center Lexington project topped out steel construction on the office in April 2018, which put its acquisition ahead of steel tariff announcements by the Trump administration. Doug Wilburn, cofounder of City Center general contractor D.W. Wilburn, said steel prices are up substantially since tariff announcements began last spring and contractors should try to lock in prices with vendors as quickly as they can. Tariffs apply to foreign steel, but domestic product prices have increased, too.

percent of that is in the last year, so it’s definitely affecting things,” said Hill, whose Cincinnati-based firm operates in five states and had revenues of more than \$1.1 billion last year.

Making bids is a challenge

“Right now we’re projecting that overall construction prices – the escalation we’re telling people to use – is about 5 to 6 percent over the next 12 months. A lot of that is due to the steel prices,” Hill said.





He provided a concrete example on the increase in steel prices.

Reinforcing steel used inside concrete walls, columns and foundations was \$780 per ton last fall, providers advised, when Messer submitted the winning bid to build Eastern Kentucky University's \$40 million Student Recreation and Wellness Center in Richmond.

"This summer we just recently bid a real similar project and that price was \$980 a ton," Hill said. "It jumped up \$200 (a ton) in about nine months."

Hill said there's no question that pricing a project, especially a government project that requires a firm bid, is far more of a gamble today.

"A lot of times owners (of the project) will put in the bid (document) that our bid has to be good for 60 days ... so we're sitting there in a tough situation because you've got subcontractors telling you that their bid is only good for 20 days. It does make it tough (and some) subs may want to bill for stored materials. It's a challenge, so what we're trying to do is get the contracts awarded real quick," Hill said.

Thomas Gumm acknowledged some people in the market for a new building might be skeptical about a contractor's advice to build now rather than a year in the future.

"I know it might sound like a sales pitch, but it's the real world we're in right now," said Gumm, the founder and CEO of Alliance Corp., a \$75 million-a-year

construction firm headquartered in Glasgow.

Gumm believes steel prices are up at least 10 percent and his company is anticipating further increases. But because steel is just one component of a building, he said, the "net effect is a 2 to 3 percent increase" on the total cost of a project.

Customers know hikes coming

"What I'm hearing overall is that things are so good that people are not getting too upset about the 2 to 3 percent increase," said Gumm, whose projects include the Augenstein Alumni Center in Bowling Green, Glasgow High School and the Hardin County Government Center.

G. Michael Murphy, CEO of Scott, Murphy & Daniel in Bowling Green, said customers, for the most part, know prices are heading higher. He said the price tag for one of his buildings has increased 3 to 5 percent this year.

"People who have considered building in the past will go ahead now and pull the trigger to avoid further increases. They will go ahead even earlier than they had expected," said Murphy, whose



Thomas Gumm,
Founder/CEO,
Alliance Corp.



G. Michael Murphy,
CEO, Scott,
Murphy
& Daniels

company has a thick portfolio of completed projects in the industrial, medical and institutional categories.

"In 2018, we have experienced an approximate increase of 20 percent in steel prices on our projects, which would include structural steel, metal wall panels, metal roofing, metal frames, reinforcing steel for concrete, etc.," Murphy said. Tariffs have "raised the 'playing field' of (all) steel prices and allowed the market values (prices) to increase."

Like other contractors who specialize in commercial construction, Murphy's company doesn't use much lumber, which has also increased in price.

"My project managers and warehouse managers tell me that lumber products have increased 12 to 20 percent this year and that is because a great deal of the wood construction products come from Canada, and with their prices increasing due to the tariffs that market has also seen increases," he said.

"Instability and uncertainty is never good"

While most contractors seemed convinced tariffs on imports paved the way for domestic producers to raise prices, J. Todd Ball, president of Bristol Group in Lexington, a design, engineering and construction firm, raised a more fundamental question.

"They (the Trump administration) say that they're doing this because of national security, but I don't know what the national security threat is. It seems like they're doing it for no good reason," Ball said. "Creating instability and uncertainty in the market is never good."

While contractors are dealing with relatively modest increases in the cost of buildings, Ball said auto manufacturers and auto parts manufacturers have seen dramatic increases in the cost of doing business. Steel prices and tariffs on imported parts could add hundreds of dollars to the price of a car, said Ball, who was told by auto manufacturers that the average monthly payment for new cars might be bumped up by \$60 to \$100.

Paul Hemmer Jr., president of the Paul Hemmer Co. in Fort Mitchell, said his project prices have edged up 2 to 3 percent, and volatile prices make estimating a job more complicated.

"When we put a price together there are a lot of components in a project and it takes time to put the bid together. Then the customer needs time to evaluate



J. Todd Ball,
President,
Bristol Group



Paul Hemmer Jr.,
President,
Paul Hemmer Co.

In addition to foreign steel and aluminum, U.S. tariffs of 10 percent to 25 percent are being levied against all Chinese imports. China is imposing equal tariffs on U.S. products, but in the previous 12 months through July 2018, China sent \$529 billion in exports to the U.S. versus \$135 billion in U.S. exports to China.

it, and that's difficult to do when you have a steel price that's good for 10 to 30 days," said Hemmer, whose company has annual revenues of about \$90 million.

If there's a risk that material prices might change, Hemmer said, it's not uncommon for his company to "qualify" a bid with an expiration date. But he also pointed out that submitting a "qualified" bid isn't always possible for public projects.

Even though his company has been busy erecting steel in Lexington for the City Center project and in Frankfort for the Capital Plaza redevelopment project, whose centerpiece is a 390,000-s.f. office building for the state, Doug Wilburn, one of two founders of D.W. Wilburn, thinks the construction market is "soft" in Kentucky right now, not nearly as bustling as his colleagues/competitors said.

He does agree that prices – especially for steel – are climbing.



"Absolutely, steel prices are jumping. If you've got a new project planned you better get a vendor and lock your steel prices immediately. I can't quote how much (of an increase) since those tariffs were announced, but it's substantial," said Wilburn, adding that he has heard about "a 30 percent increase (for steel) coming out of the mills" in the last few months. "They've (prices) been moving ever since they (tariffs) were announced," said Wilburn, whose Lexington-based company has been in operation since 1986.

He said submitting bids on projects

isn't all that perilous as long as prices are guaranteed by his suppliers.

Wilburn said his company locked in steel prices on the Capital Plaza project in March and probably would have had to pay an additional 10 to 15 percent more for that same steel today.

"I don't care if it's the structural steel for a building or the chain link fence that goes around the building, you've just got to lock that stuff in so you don't get on the wrong side of the price fluctuation," he said. ■

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

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Being an Architect Is 'A Fun Job' Again

Busy Kentucky design firms are growing with the rebounding state and national construction market

BY MARK GREEN

KENTUCKY architects are having some of their best years ever as they work to meet clients' pent-up post-recession need for new construction, expansions and updates to business, government and nonprofit facilities. Firms' growing staffs and billings are topping pre-recession levels.

A shortage of skilled construction labor nationally is slowing the cycle on seeing some jobs through to completion, Kentucky architects said, but beyond that, it's a good time to be a professional designer of construction projects.

"It's a fun job," said Wayne Estopinal, founder of Louisville-based TEG Architects. "What we do every day (create and build new facilities) most of our clients do once or twice in a career."

Estopinal spoke by phone in early September from Louisiana on a day he had meetings with two clients in the health-care sector in different parts of that state. TEG specializes in health care and has "about 60 employees" today, nearly double the 32 it had in 2008.

Kentucky had 724 registered resident architects as of mid-2017 and another 1,906 registered under reciprocal agreements, according to the National Council of Architectural Registration Boards. NCARB reported 113,554 architects nationally in 2017, a 3 percent jump from 2016 and about 10 percent more than a decade earlier.

The number of active U.S. construction



*Wayne Estopinal,
Founder, TEG
Architects*

projects has continued rising in 2018, according to the Dodge Index, which tracks the numbers. July figures, the most recently available, were on track for around \$817 billion in U.S. construction. That is up by 70 percent from the numbers seen in 2011 and 2012.

"Ten years ago it was 'What can we do to survive this?' Billings today are back to the levels of allowing us to grow the firm and reward our employees," said Estopinal.

Hospitals especially get "so much wear and tear" and require more maintenance than most categories of building, said Brad Stengel, a co-senior principal and owner with Charles "Chip" Hill of Stengel Hill Architecture. The 22-year-old Louisville firm also specializes in health care, which kept it in steady work through the recession.



*Brad Stengel,
Co-Senior
Principal/
Owner,
Stengel Hill
Architecture*

Ever-changing medical technology keeps bringing work to Stengel Hill and its 45 employees because each new generation of imaging or radiation equipment or new surgical strategy often means construction to support it. The growth of behavioral health care the past 10 years is also generating construction, such as the 77,000-s.f. Southcoast Behavioral Health psychiatric hospital Stengel Hill recently designed in Dartmouth, Mass.

"The current business environment and foreseeable horizon is probably the best Stengel Hill has ever seen," Stengel said.

Business efficiency is building demand

The Great Recession and its financial crisis a decade ago brought most construction to a halt for a couple of years. A slow-growth recovery kept business offices concerned and capital budgets tight. It was a difficult period for architects, whose unemployment rate climbed to around 30 percent.

However, management efforts that ramped up then to make business operations in all sectors more efficient are part of what is driving increased levels of construction today, according to architects interviewed for this article.

Corporate clients have become actively interested in human well being, said Eric Zabilka, vice president and a principal at Omni Architects of Lexington.

Employees in settings that support their well being have fewer sick days and are more productive and the business where they work "has a better bottom line," he said.

The structures Omni crafts today “use evidence-based design. We use ideas that have been researched and investigated,” said Mike Jacobs, president and principal. “Natural daylight is important to job satisfaction and even well being. We have an unstated policy that we are not going to put somebody in a windowless box.”

Today’s desire calls for individual work stations with nearby common areas for collaboration and meetings.

“Sustainable building design is very important and is becoming the norm,” said Richard Polk, a senior partner with EOP. “Clients now expect architects to design highly efficient, healthy buildings as standard practice. Sustainable goals are being elevated to include net-zero energy buildings that consume no more energy than they produce. The next frontier includes positive-energy buildings that produce more energy



*Mike Jacobs,
President/
Principal,
Omni
Architects*



*Richard Polk,
Senior Partner,
EOP Architects*

than they consume and are net contributors to the energy grid.”

EOP also has plenty of health-care projects, and its list of civic-sector jobs includes what is currently the largest active construction project in the state, the \$230 million expansion and renovation of the Lexington Convention Center and Rupp Arena that will transform the iconic facility into a glitzy, glass-skinned anchor of downtown Lexington.

Omni designs a new category

Now in its 43rd year, Omni has handled numerous higher education projects, such as the University of Louisville student recreation building, Eastern Kentucky University’s new science building, Northern Kentucky University’s campus recreation center and student union, and the University of Kentucky’s \$200 million, 378,000-s.f. Gatton Student Center that opened Aug. 31.

Omni has also developed a reputation for creating advanced manufacturing training facilities. Since doing its first one 10 years ago at Gateway Community Technical College in Edgewood, others have followed at Toyota Motor Manufacturing Kentucky in Georgetown and in Maysville at Rowan Community

Technical College. A fourth is about to go out to bid that will create a new level of partnership in Louisville between Jefferson Community Technical College and Ford Motor Co.

NBC News came to Gateway to report about the first one, and other states have followed Kentucky’s lead in creating advanced manufacturing training education programs. Omni’s Jacobs has been invited to speak around the country on this new niche category.

“Kentucky is a market leader on that building type,” Zabilka said. “This is a highly specialized type of project.”



Omni is the leader in designing them because it more or less had to invent them. When the firm took on the first assignment at Gateway, it researched for a precedent facility as a reference point and found none, Zabilka and Jacobs said.



*Eric Zabilka,
Vice President/
Principal,
Omni
Architects*

Kentucky is very cost sensitive

“One factor that the design professionals in Kentucky must be particularly sensitive to is cost of construction,” said

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COVER STORY

Rick Ekhoﬀ, co-founder and design partner of EOP Architects. “Our developer clients cannot expect the same rental or sales prices that developers can ask for in the larger cities, so we must create design excellence on a much tighter budget.”



*Rick Ekhoﬀ,
Co-founder/
Design Partner,
EOP Architects*

Lexington-based EOP also finds that health care “is still a very strong market, as is higher ed,” Ekhoﬀ said. “We are seeing some resurgence in the retail market.”

K. Norman Berry Associates Architects did the design work for the recently completed \$32 million renovation of the former Fayette County Courthouse into a mixed-use office and event space and the renovation of 10,000 s.f. of space in the 700 block of West Main Street in Louisville into new offices for Leadership Louisville Center.



*Bob Haffermann,
Principal, K.
Norman Berry
Associates
Architects*

“The past few years have seen expansion in corporate office and higher education sectors, with sustained involvement in historic restoration and

renovation projects,” said Bob Haffermann, principal with K. Norman Berry.

CMW Architects & Engineers in Lexington “is fortunate to have recently been awarded two major shopping center renovations/expansions and several new shopping centers,” said Darenda Watkins, principal. “Office space seems to be in high-demand, as we have also been awarded several new office buildings. A new market for CMW that has really taken off in the past two years is the hotel business.”

Detention centers are a strong market for CMW, Watkins said, because most of Kentucky’s facilities are overcrowded and have failing infrastructure. Sports parks and complexes are another bright spot.

“Manufacturing and warehouse projects are exploding, and health care remains strong,” Watkins said.

The general drive toward more efficiency is affecting design trends so that builders can be more productive also.

“Modular construction is growing in both residential and commercial markets, said Richard Polk Jr., senior partner at



*Darenda
Watkins,
Principal,
CMW
Architects
& Engineers*

EOP Architects. “This allows portions of the work to be prefabricated off-site in controlled workshops to save time, reduce cost, reduce waste and improve quality. Many hotels and high-density residential projects now bring in fully completed bathroom modules that are set in place as finished units. This is also occurring in other repetitive building types such as hospitals, offices and retail.”

There also is increasing modularization in health-care projects, Estopinal said.

The skilled trades workers shortage is driving the modular construction trend as well. A ductwork installer who can fabricate 100 linear feet a day working overhead on a ladder at a construction site might do 180 linear feet a day if that work is taking place on a warehouse floor, Estopinal said.

The efficiency movement is prompting some experimentation, too.

“I’m not sure it’s a trend,” Watkins said, “but we are currently designing a new coffee shop prototype out of shipping containers. It’s certainly been an interesting project, but not one that we think is going to take off in this area for a while.” ■

*Mark Green is executive editor of The Lane Report.
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Getting Cozy with the Cloud

Kentucky businesses shift more services and IT operations away from legacy systems

BY SUSAN GOSSELIN

WHEN it comes to their IT capabilities and services – for employees and customers – more companies than ever are looking to the cloud. Cloud computing, that is, which allows companies to replace their legacy software and data centers in favor of subscription-based platforms, software-as-a-service and storage solutions that are offered by outside providers.

Cloud computing has become mainstream, with large companies working to transition to cloud-based

services, and new companies building with a “cloud first” platform philosophy. Worldwide, public cloud services are projected to grow 21.4 percent in 2018 to a total of \$186.4 billion, up from \$153.5 billion in 2015, according to a recent forecast from Gartner Inc. By 2020, Forrester estimates the market for public cloud computing services will reach \$260.3 billion.

While thousands of cloud-based IT services are available to companies, they generally fall into three primary types:

- Infrastructure as a Service (IaaS), where companies contract with cloud

providers for the server space, storage and networking they traditionally would have in their data center.

- Software as a Service (SaaS), where cloud providers offer continuously updated subscription-based software.

- Platform as a Service (PaaS), where a third-party provider offers hardware and software tools that make it possible for companies to build and test their own applications in a cloud-based environment.

“Every company we work with has a high interest in cloud computing, and the trend points toward broad adoption,” said Greg Rhoades, chief technology officer for SIS, a Lexington-based company that provides consulting services for companies looking to transition to the cloud. “It’s easy to be overwhelmed by all the available options. We see clients taking on everything from Microsoft Office 365 to Google G-Suite, to Amazon Web Services, to more complex platform services that give them a virtualization platform for development. There are so many benefits to using cloud services that most companies can’t afford not to at least consider it.”



*Greg Rhoades,
Chief
Technology
Officer, SIS*

Less cost, more security

Companies taking the plunge with cloud services often experience big savings from investing in the cloud, sources say. Instead of having to purchase software annually, or develop and maintain software themselves, companies can purchase what they need on a subscription basis, moving costs from capital expenses to the operating cost side of the ledger. With cloud-based IT, there’s no more down time that comes from switching out upgrades of software, according to sources. Updates happen in the cloud, continuously.

“What could have been a \$10 million software installation can now be something you buy on demand, on a monthly basis. You’re paying per user and per touch point, for just what you need,” said Erik Dunnigan, managing director of Coastal Cloud, which operates its Midwest Solutions Center in Louisville. “We had a client recently, a manufacturing company, that had more than 30 legacy systems running, many of them that were duplicating



*Erik
Dunnigan,
Managing
Director,
Coastal Cloud*

INFORMATION TECHNOLOGY

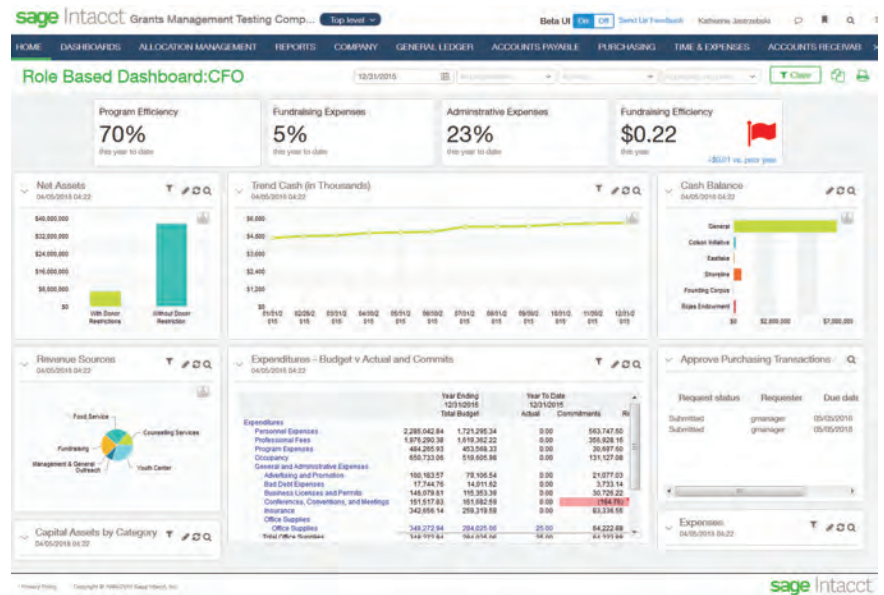
A dashboard for the Sage Intacct financial cloud-based enterprise resource planning (ERP) solution that combines integration, automation and visibility. Products such as Sage Intacct, which Dean Dorton Allen Ford offers, provide both real-time dashboards and systems of record.

data and effort. We were able to eliminate a lot of inefficiencies and expense by getting rid of those, and getting them just the streamlined cloud services that they needed.”

Marshall Butler, president of Volta, an IT consulting firm based in Louisville, concurs.

“Use cases vary widely for the cloud,” Butler said. “But in general, if you’re properly implementing a cloud strategy, you can expect to save between 20 to 25 percent.”

And the benefits go far beyond just cost. Companies get scalability from cloud-based services – services that can take over key functions like email, intranets and even accounting. Jason Miller, director of consulting services for Dean Dorton Allen Ford PLLC in Lexington, said the consulting business is growing faster than ever, thanks to his company’s migration to cloud-based accounting software.



“We do a great deal of financial software systems integration and accounting consulting for our clients,” Miller said. “In 2015, we switched to cloud-based tools for our consulting team, and it has revolutionized our business. Now, all our clients’ accounting work can be done on a shared cloud platform like Bill.com

or Expensify. Our clients have total two-way access to their financial data, so they don’t have to wait for weekly or monthly reports. And we don’t have to wade through 10 versions of Quicken to look at historical data. It has kept our clients truly engaged and involved, and seeing results as they happen,” he said.

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Sources interviewed for this article also cite security as being one of the key advantages of working with cloud-based services, citing the security protocols at major providers like Google, Salesforce or Amazon as being more rigorous and consistently updated than most corporate-level security systems. And the ability to have corporate IT functions spread out over several cloud providers actually enhances security in the event of outages or company-level tech failures, as data is stored in more than one place and platform, they said.

Implementation considerations

Miller warned that while cloud computing has wide use cases, no cloud computing system or service can be one-size-fits-all. Companies that operate in very narrow, niche markets may find that they need the kind of custom design that can only come from developing programs in-house. And Miller said it's never a good idea to leap into cloud computing before doing the proper due diligence.

"Companies considering migrating to the cloud should take the time to evaluate their IT processes, and ask the hard questions. Does this vendor have the proper security protocols to work with our systems? Is it stable? If I want to change cloud service providers, can my data be easily migrated back out? Do they provide the proper reports and systems compliance? Do they offer the ability for third parties to assess their service? You really shouldn't consider proceeding until you've got the answers to those questions," Miller said.

Craig Meadows, sales operations manager at Volta, agreed, saying that instead of automatically choosing a public cloud product some companies might be better served developing a private cloud.

"With a private cloud, companies can use cloud services without having to share a public platform to do it. They can simply use the cloud to provision just the service or platform space they need, making it scalable and affordable to handle peaks and valleys of usage," Meadows said.

Companies wanting to get into cloud computing should approach adding new cloud services like they would adding any other kind of software – with extensive vetting, processes and procedures, according to Rhoades.

"IT departments need to understand their objectives going in when they are considering cloud computing. They need to have a conversation around the complexities of adding cloud services alongside their legacy systems," Rhoades said. "And they need to have a lot in place to make it work, including security guidelines, best-practices architecture guidelines, a formal process for implementation, and a model for compliance with their systems."

"Just because a program or platform or storage solution is offered in the cloud, it doesn't make it bulletproof. But with the right development and governance, it can truly help you streamline your company, and marry your legacy systems with the promise of the cloud," he said. ■

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



*Jason Miller,
Director of
Consulting
Services, Dean
Dorton Allen
Ford PLLC*



*Craig
Meadows,
Sales
Operations
Manager, Volta*



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EMERGING LANE

Kentucky's young professionals and creatives



Former college classmates Lauren Montgomery, left, and Tera Davis opened Couture Closet in 2007 in La Grange with a variety of clothes and shoes for brides, their mothers and girls attending proms. Today the business focuses exclusively on bridal gowns.

Style, Fit, Success

Narrowing their bridal shop to a niche has broadened Couture Closet's business

TERA Davis and Lauren Montgomery were college classmates in 2004 at Sullivan University in the school's travel, tourism and hospitality program.

"I always knew I'd work for myself," Montgomery said. "My family has an entrepreneur attitude, and I could never picture myself working for a company."

She and Davis talked about starting a business together, maybe something involving event planning. After school, they got jobs and husbands – Davis was an assistant events manager at the Speed Art Museum – and they stayed in touch. After a couple of years of bandying around ideas, they actually did create a business together, one centered around their shared love of retail, fashion, creativity, positivity and weddings.

They opened Couture Closet in January 2007 in a storefront building owned by Montgomery's uncle on Main Street in downtown La Grange.

"The space was just perfect for a bridal shop," Montgomery said. "Hardwood floors, open, big windows to display the dresses, and an awesome

gazebo sat in the center of the shop, ideal for the bride to come out and show off the dresses she was trying on."

For the first five years, Davis worked a second job as a front desk agent at the Hyatt Regency Louisville.

"I was able to gain valuable lessons that I learned there and still use today. One of them is, 'I always want to exceed expectations,'" she said.

During those early years, the owners focused on customer service and creating memorable experiences for brides – skills that are second-nature to them today – but they tried to make their bridal boutique be all things to all people, as new-to-business people often do. They offered dresses and headpieces for bridesmaids and mothers of the bride, along with prom dresses and shoes.

And then, slowly but surely, they started homing in on their ideal customer. They dropped one ancillary thing at a time until 2016, when the owners changed the Couture Closet business model to concentrate on one item for one customer: gowns for brides.

"After a solid two years of focusing

on the bride, we can say it was the best decision we have made," Davis said. "It feels great to specialize in one thing, to give our full attention to the bride."

Montgomery and Davis most often work with brides whose personalities match their own: fun and easy-going people who love simple, dreamy, beautiful things. Couture Closet brides tend to want Modern Romantic, a 'boho' look or a bit of whimsy in their wedding gowns. In October 2017, the owners debuted a "curvy plus size" collection of hand-selected gowns.

"We've had incredible response, and word is quickly spreading," Davis said. "We have committed to offering samples ranging from size 18 to 30."

"Body image positivity is our main message this year and continuing forward," Montgomery said.

Meanwhile, two industry changes in particular have helped Couture Closet's business. Over the past few years, bridal customers have shifted from a designer brand mindset to wanting a gown in a style and fit that suits them, regardless of who made it. From an economic standpoint, the economy crash in 2008 brought about lower prices from high-end designers.

"When we first opened there were pretty much two price ranges for bridal, either very low-end or very high-end. The \$1,500 to \$3,000 price range was pretty much non-existent," Montgomery said. "We love both of these changes in the industry and have used both to our advantage over the years."

The owners have a lot in common with each other, especially in terms of being creative and working one-on-one with brides. Behind the scenes, their individual strengths are at play, as Davis is more systems-oriented and gravitates toward numbers and reports, while Montgomery writes most of the company's blogs and manages IT and social media.

Montgomery appreciates the small-business culture in the Louisville area and considers herself fortunate to be a woman entrepreneur and small-business owner of a "successful business that makes other women beautiful and empowers them – I can't get over how lucky I am to be a part of that."

Davis echoed her business partner's sentiments, adding, "We have been asked to move multiple times, and we don't plan on going anywhere. Kentucky has been good to us." — *Kathie Stamps*

Work-Life-School Balance

WKU student revving up a business while living his lessons as he learns them

WHEN Atlanta born and raised Robert Bowden III was in high school looking around the country for a college with a major in entrepreneurship, the only one he found was Western Kentucky University. An image of the pretty campus on Instagram caught his eye, and an in-person visit sealed the deal. He started his freshman year in 2017 in the entrepreneurship program in the Gordon Ford College of Business at WKU.

"I fell in love with the town," he said of Bowling Green.

Bowden is supposed to graduate in 2021, but it might take him an extra year to earn that bachelor of science in entrepreneurship as he juggles credit hours and business hours.

Not many people would turn buying a Jeep at age 17 into a financial opportunity, but Bowden managed it.

"I wanted to modify it but didn't have enough money," he said. Instead, he started an Instagram page named Overkill Off-Road to promote vehicle aftermarket products, and merchants across the country gave him free parts in return so he could customize his Jeep.

In the fall of 2015, while still a high school junior, Bowden incorporated and began putting other companies' products online as a reseller. By November 2017, during his first year at WKU, he had scaled his own business, Spartan 4x4, to an online store reselling 10,000 products from 30 companies. And his education began in earnest.

"After doing research, I found that (resellers) market was saturated," he said. "There were so many companies that were way bigger and able to stock inventory in physical warehouses, I

wouldn't be able to offer a discounted rate and free shipping."

Sharing his passion with other off-road enthusiasts was the easy part. For learning some of the ins and outs of the business itself, Bowden has two strong forces in his corner: his family and WKU.

Bowden and his dad, Robert "Bert" Bowden II, are equal partners in the business. His dad lives in Atlanta and is the CFO of Spartan 4x4.

On campus in his first year, Bowden found the WKU Small Business Accelerator and got involved.

"We have quadrupled in size in the last eight months," Bowden said, crediting the accelerator with much of his business acumen and allowing him to scale Spartan 4x4 by taking action on his research.

"The business model did a 180, we pivoted aggressively, going into 2018," he said. "We restructured our business; that was an extremely good idea."

Spartan 4x4 became an off-road lifestyle brand. "We have our own line of apparel," he said.

T-shirts, hoodies and hats, along with Spartan-branded headlights and taillights, light bars and brackets, foot pegs and tailgate tables are all available on a redesigned website, Spartan4x4.com.

The company is still reselling certain automotive products with some of the smaller manufacturers. Bowden and his staff of two employees, fellow WKU students, also offer consulting for customers who want to work on their own Jeeps. They're in the process of opening an installation center this fall in Bowling Green for parts.

And they're building their own Spartan beast, a Dodge Ram truck they've

named Leonidas – warrior king of Sparta 2,500 years ago – by replacing the grille, bumpers, wheels and other features with aftermarket parts from Addictive Desert Designs, AMP Research, BDS, Method Race Wheels and other off-road companies.

The Spartan staff and Leonidas have attended a couple of auto shows in Tennessee and are ready to make a showing in Las Vegas on Oct. 30 at the Specialty Equipment Market Association Show, an annual event put on by SEMA.

But don't think all this fun and excitement is tempting Bowden to drop out of school and run with his business. He knows what he's doing.

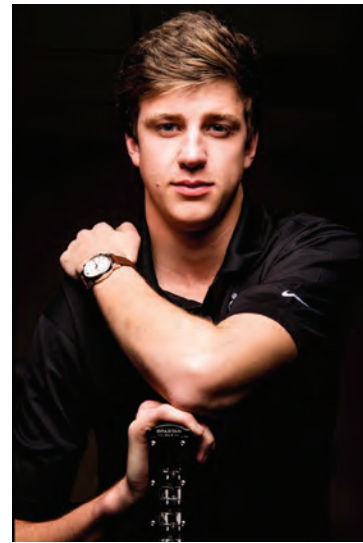
"I want to be in school for several reasons," he said. "Education is very important, so I can treat my employees the best way possible. I'm self-taught, but as we scale and get bigger, I want to have a good understanding of everything."

He's well aware of the importance of a work-life-school balance to prevent burnout. In addition to an education, college provides a social component.

"Being as young as I am, I work a ridiculous amount of hours," Bowden said. "This part of my life only comes once."

He's enjoying every minute of it.—

Kathie Stamps



Robert Bowden III

Laura Ruth Edge Recognized by Leadership Owensboro



Laura Ruth Edge

RECENTLY Leadership Owensboro unveiled its latest 40 Under 40, which included Laura Ruth Edge, owner of L. Ruth Interior Designs. The young entrepreneur founded the company in 2008 to help clients to improve, develop and personalize their workspaces.

Since then she has expanded her staff to seven after a decade of business.

Raised in Owensboro, Edge attended and graduated from the University of Alabama with a bachelor of science in interior design. Prior to starting her own business, she completed an internship with Lexington-based Hubbuch & Co. in 2006.

L. Ruth Interior Designs has worked with a wide array of clients, including those in the restaurant industry, traditional and medical offices, health-care facilities and a variety of residential buildings. The staff works to understand each client's business and operational flow to create a commercial interior design that reflects its business needs and atmosphere.

Services provided by the firm include consultation, site-measurement and project assessment; working with contractors and subcontractors; space planning and concept design; creative concepts for specific needs; kitchen and bath design; custom window treatments; procurement, implementation and installation.

For more information visit lruth.com.

THE LANE LIST

KENTUCKY'S TOP 20 BANKS BY DEPOSIT HOLDINGS

THERE is no change in the rankings of the top 20 banks operating in Kentucky in the latest annual FDIC Deposit Market Share Report figures. Banks sometimes vary in their strategy for carrying amounts of deposits and loans on their books, but generally look to grow. PNC increased its Kentucky deposits by \$380 million from a year earlier and is nearing 10 percent of the market, further cementing its position as the commonwealth's largest deposit holder. Second-place JP Morgan Chase had a \$196 million decrease in its Kentucky deposits. Third-ranked Fifth Third grew its commonwealth deposits by \$457 million, and fourth-ranked BB&T increased by \$451 million.

NAME	STATE (HQ)	STATE/FEDERAL CHARTER	NON-KY. OFFICES	DEPOSITS (\$ MILLION)	KY. OFFICES	DEPOSITS (\$ MILLION)	MARKET SHARE
PNC Bank	DE	Federal	2,390	254.12	91	8,051.15	9.84%
JPMorgan Chase Bank	OH	Federal	5,087	1,267.70	57	6,387.79	7.81%
Fifth Third Bank	OH	State	1,081	101.98	92	6,187.18	7.56%
Branch Banking and Trust	NC	State	1,878	160.61	93	6,106.29	7.46%
U.S. Bank	OH	Federal	3,005	316.62	126	4,330.59	5.29%
Republic Bank & Trust	KY	State	13	0.57	32	3,005.27	3.67%
Community Trust Bank	KY	State	10	0.43	70	2,898.59	3.54%
Stock Yards Bank & Trust	KY	State	11	0.36	26	2,190.37	2.68%
Central Bank & Trust Co.	KY	State	0	0	26	2,055.72	2.51%
Independence Bank of Kentucky	KY	State	0	0	25	1,636.45	2.00%
United Bank & Capital Trust	KY	State	0	0	34	1,360.70	1.66%
Traditional Bank	KY	State	0	0	14	1,219.47	1.49%
Whitaker Bank	KY	State	0	0	35	1,044.65	1.28%
South Central Bank	KY	State	0	0	24	996.57	1.22%
Community Financial Services Bank	KY	State	0	0	6	972.15	1.19%
Limestone Bank	KY	State	0	0	16	851.90	1.04%
Forcht Bank	KY	Federal	0	0	25	850.64	1.04%
Commonwealth Bank & Trust	KY	State	0	0	17	827.07	1.01%
Kentucky Bank	KY	State	0	0	17	807.36	0.99%
Old National Bank	IN	Federal	174	11.86	15	807.07	0.99%

Source: FDIC.gov Deposit Market Share Report

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SPOTLIGHT ON THE ARTS

Public art helps define a sense of place.



The Value of Public Art

Communities are reaping the economic benefits of public art

BY CHRIS CATHERS

Editor's Note: This is a truncated version of a speech Kentucky Arts Council Interim Executive Director Chris Cathers gave to participants in the Kentucky Main Street Program Conference Aug. 23 in Danville.

PUBLIC art is everywhere. It doesn't have to be as big as something like Millennium Park in Chicago or even the major metropolitan areas here in Kentucky. Great examples of public art are all over our state. The Owensboro Health campus features many works of art for its patients, visitors and employees to enjoy. Downtown murals, often collaborative works by groups of local artists or students, prominently grace the exterior walls of local businesses. The giant bat at the Louisville Slugger Museum should be considered a piece of public art.

Public art has been around for centuries across the globe. Egyptian pyramids and ancient temples in South America still stand as examples of art that had function. Europe is replete with examples of great works that came out of the Renaissance, and the Asian nations have their unique style in art, music and architecture.

Americans have always been a creative bunch, and there is probably not a town square in the country that is missing a

statue of a local hero or heroine. But in America the first government-supported public art programs were in the DNA of Franklin Roosevelt's New Deal, which created in 1934 the Treasury Department's Section of Painting and Sculpture. The program commissioned artists through competitions to create high-quality art for federal buildings like post offices. It had the benefit of identifying public art as essential and also putting artists to work.

As has been witnessed throughout history, public art can be an essential element when a municipality wishes to progress economically and to be viable to its current and prospective citizens. Data strongly indicates that cities with an active and dynamic cultural scene are more attractive to individuals and business.

We know this is true because here in Kentucky both the current county judge-executive and former mayor of Owensboro/Daviess County, Al Mattingly and Ron Payne, have said that businesses have chosen to locate there based on amenities like the arts and public art available to their employees. And in Berea, where we took part in a national arts conference earlier this month, art is integral to not just the community's economy, but its identity.

Berea's place as a mecca of creativity is supported by its mayor, Steve Connelly.

The Kentucky Quilt Trail is an example of public art that takes visitors on a journey and highlights our cultural heritage. It is not bolted to the ground in a single spot, but situated throughout the state. Visitors can take in as much or as little as they like along the Quilt Trail, and they stop in our cities and towns to eat and shop along the way. And because it is a trail, it connects Kentucky communities.

How many have visited Chicago's Millennium Park and taken a selfie at The Bean? That's an example of interactive public art that attracts tourists and locals. And that kind of art could be anywhere. As long as it's something that visitors leave town and talk about with their neighbors, or that locals tell to their out-of-town friends, it's something that can positively impact local economic development.

In the case of Chicago, its \$500 million investment, which included both public and private funds, has generated about \$1.4 billion in visitor spending and added \$1.4 billion in value to the adjacent real estate from its opening to its 10-year anniversary in 2014.

This is arguably a powerhouse in placemaking, providing real economic benefits via higher property values, higher occupancy rates, increased tourism and more jobs.

Not everyone has \$500 million to play with, and it's fair to ask if public art and creative placemaking as economic engines are feasible for smaller communities.

The answer is "yes." Developing a great place in your community can be achieved through temporary events, inexpensive treatments or even encouraging businesses to stay open longer for a monthly event – all of these options produce economic returns.

We have seen this in Franklin County's Josephine Sculpture Park, former farmland that is now home to diverse examples of sculpture. It's estimated, based on a formula the state uses to determine economic impact, that the park's 20,000 annual visitors generate about \$1.1 million in additional local spending.

Josephine Sculpture Park opened in 2009, so I would remind you that these are not the kind of numbers you're going to get overnight, but they are possible if you cultivate the notion now that public art can pay off in the future. ■



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



The elegant interior of My Old Kentucky Dinner Train

Chow Down on the Choo Choo

Climb aboard My Old Kentucky Dinner Train for a special experience

BY KATHERINE TANDY BROWN

ONE of my fondest childhood memories is taking the train each summer with friends all the way from Nashville – 70 miles from my hometown of Hopkinsville – to camp in North Carolina. We’d board at night, climb into our Pullman berths, fall asleep to the soothing clickety-clack of the wheels and the next day, arise to wolf down breakfast in the dining car and marvel at America’s backyards speeding by before arriving at our destination.

To this day, I believe there’s nothing like a train ride.

If you’re up for a journey on the rails, My Old Kentucky Dinner Train in Bardstown can provide a memorable

experience a bit out of the norm for a business meeting, corporate retreat, committee luncheon, special occasion celebration, school outing or even an “escape day” from your own same old routine.

“People outside major cities rarely visit train stations and ride trains anymore,” says Barry Corman, the attraction’s general manager. “The train is so nostalgic. My grandfather could’ve been riding this train to visit family in Chicago in the ‘40s. And the décor is timeless. There’s nice woodwork inside. Essentially, it’s an upscale, sit-down restaurant, yet truly an out-of-the-ordinary venue.”

He laughs. “And we don’t slouch on the food.”

Not by a long shot. The three-course lunches and four-course dinners are gourmet meals that can include a Kentucky Hot Brown or prime rib. You can even add a chocolate choo-choo to your dessert. And all are served on tables set with white linen, china and crystal.

The three steel-skirted railroad cars used were built in the late 1940s after Word War II and refurbished far beyond the original interior design. You’ll spend 2 ½ to 3 hours in total comfort and revel in a tasty meal while passing 37 miles of scenic countryside, including the 16,625-acre Bernheim Forest. You’ll view historic spots such as Limestone Springs Junction, an Old English-style depot where wealthy and famous passengers once overnighted and where part of the 1981 Bill Murray/John Candy movie “Stripes,” was filmed.

You’ll also see Samuels’ bourbon rickhouses, designed by T.W. Samuels bourbon founder Bill Samuels, who altered the roofs to allow better air flow and thus produce bourbon more efficiently. Heaven Hill now uses these rickhouses, the only ones of their design in Kentucky.

If the walls of the James Safe House could talk, lots of legendary tales would emerge from this home purported to have often sheltered notorious bandits Frank and Jesse James. And you’ll chug past the Jim Beam Distillery, founded by the German immigrant Beam family and named for the member that revitalized the company after Prohibition.

Speaking of spirits, the Dinner Train also offers bourbon-tasting runs. Onboard, one of Central Kentucky’s rock-star master distillers offers tastings of his distillery’s lower, medium and higher-tier bourbons,

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plus a signature cocktail. While you're sipping and supping on your four courses, the distiller chats on the PA about their company and what exactly you're drinking.

Oct. 13 is the train's next scheduled tasting. If the play's the thing for you and you're up for amateur sleuthing, a Murder Mystery Theatre might be your ticket. You can participate with the professional actors or just keep on slicing your steak. The next performance trains are on Oct. 20, and Nov. 10 and 24.

Another possibility is to treat your sweetheart to an unforgettable New Year's Eve, when you can add roses and chocolates to the gourmet rail-riding experience.

For a meeting, groups can reserve the beautifully renovated 1860s Bardstown Depot, used for freight and passengers until 1953. The last remaining "dry-laid" limestone depot in the state, the structure is listed on the National Register of Historic Places and can comfortably accommodate 270. Attendees can meet here for, say, a training session – there's a 70-foot TV inside and complete A/V equipment – enjoy a catered lunch, resume meeting in the afternoon and take the train for dinner that evening. Options include a total buyout of the train's 136 seats, 64 in one car and 72 in the other, and/or scheduling a special extra run,



Three-course lunch options include a Kentucky Hot Brown.



Above: My Old Kentucky Dinner Train carries passengers through 37 miles of scenic countryside.

Right: The train's four-course dinners include offerings such as prime rib (right), honey-garlic shrimp and Italian stuffed chicken.



depending upon the desired date. Groups of 10 or more nab special pricing.

Come holiday time, the kids can be your excuse for a ride on the train's Halloween Express on Oct. 27. Or opt for the North Pole Express, where you'll join Santa and Mrs. Claus for a yummy meal, crafts, singing carols and photos with the jolly ol' man himself. Check the train's website for a selection of November and December dates.

Started in 1988, My Old Kentucky Dinner Train was the brainchild of Nicholasville native and extraordinary entrepreneur R.J. "Rick" Corman. Corman began his company in 1973, right out of high school, with a backhoe, a dump truck and a mission to become one of the nation's leading railroad service providers – which he accomplished big-time. Now headquartered in his hometown, the R.J. Corman Railroad Group LLC has field locations in 22 states, offering an array of services that include railroad construction, short-line railroad operations, dispatch, industrial switching operations, emergency response (in

Hurricane Katrina, for instance), track material logistics, distribution centers, signal design and construction...and an excursion dinner train.

"Everything else we do is Class I railroads, big business," says Barry, who's no relation to Rick. "The dinner train was something he wanted to bring back. With Mr. Corman, if there was something he wanted to do, he was going to find a way to do it."

Now you can appreciate his legacy while dining on My Old Kentucky Dinner Train. Find your options at kydinnertrain.com or call (502) 348-7300. ■

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

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Can Trees Make You Healthier?

WE all know that it's good to include leafy greens in our diet, but could simply living around the leaves of trees and shrubs help make us healthier as well?

In a first-of-its-kind study, researchers from the University of Louisville Envirome Institute are working with a neighborhood in south Louisville to answer that question.

The University of Louisville has been selected to receive a five-year, \$3 million grant from the National Institute of Environmental Health Sciences of the National Institutes of Health to help fund The Green Heart Project. The university has also received a \$2 million grant from The Nature Conservancy to support the endeavor. Aruni Bhatnagar, director of the Envirome Institute and the Smith and Lucille Gibson Chair in Medicine, will lead the project.

"People appreciate trees and they're aesthetically pleasing, but whether they actually have specific quantifiable health-promoting effects by removing pollutants from air has never been rigorously tested," said Bhatnagar. "Through The Green Heart Project, we are changing that."

According to the Envirome Institute, more than half the world's population resides in urban areas, which have higher than average levels of air pollution. Air pollution is a significant contributor to cardiovascular disease and is linked to 7 million premature deaths worldwide annually, 200,000 in the United States alone.

Bhatnagar and his team will include 16 low-vegetation neighborhood clusters in Louisville to examine the impact of urban greenery on their health. The researchers are recruiting



700 community participants within the 16 clusters for the study. The team will examine blood, urine and hair samples to assess cardiovascular health.

In eight of the clusters, the team and their partners will plant as many as 8,000 native trees of all sizes. Shrubbery and grasses will also be planted to further optimize the ability to filter pollutants from the air.

Two years later, the researchers again will collect samples from the volunteers and analyze the differences. They also will compare the results to those from the participants in the eight neighborhood clusters that did not live in the areas that had the plantings.

"We believe that the greening of the neighborhoods will positively impact not only the air quality, but also the health of the people who live in those areas," Bhatnagar said. "If we are correct, we may be able to create new strategies for the prevention of cardiovascular disease. The results of this project also will provide new insights into the effects of urban vegetation on community environment. These findings will be relevant to the development of new public health policies and the optimization of ongoing planting efforts in cities around the world to enhance public health."

Closing the Deal over Dinner



BUSINESS dinners are more than just talking shop: How you handle a business dinner can make or break a deal.

International business etiquette expert Sharon Schweitzer offers the following advice to help you present both yourself and your company in the best possible light:

Invitations – The person extending the invitation is the host and is responsible for the bill. When receiving or extending invitations, pay attention to special dietary needs. The host may ask about food allergies or sensitivities, kosher, gluten-

free, etc. Be sure to reply within 24 hours with any dietary restrictions.

Guest Duties – Observe the host for cues. For example: place your napkin in your lap after the host; the host does so first to signal the start of the meal. When excusing yourself between courses, the napkin is placed on the chair seat, soiled side down. At meal's end, place your loosely folded napkin on the left of your plate after the host does. Don't refold it.

Silverware and Service Signals – Once silverware is used, including handles, it doesn't touch the table again. Rest forks, knives and spoons on the side of your plate. Between bites, place your fork, with tines up, near the top of your plate. To signal that you're finished, place your fork and knife across the center of the plate at the 5 o'clock position. Close your menu to indicate you're ready to order. If you are browsing an open menu, the server has the impression you aren't ready.

What should you order? Ask the person who invited you (host/hostess) for suggestions on the menu. Listen carefully because they will provide a top and bottom price range based on the entrées they recommend. Then select a moderately priced item or one of the dishes they recommend.

To drink or not to drink? If the host

orders alcohol, and you don't wish to drink, you simply order the beverage of your preference without an explanation. "I'll have an iced tea with lemon please" or "Diet Coke please" and continue to browse the menu. You are under no obligation to consume alcohol.

Connections and Conversation – It's the host's job to keep conversation going during the meal and guests must contribute with courtesy. Just don't monopolize the conversation; rather, ask questions and express interest. Light topics include books, travel, vacation, movies, and pets; avoid politics, sex and religion. If you need to talk to the server, don't interrupt the flow of the conversation. Catch the eye of the server if you need assistance, or slightly raise your hand. If they are busy, softly call their name or "server?"

Tipping – The host is the person who extended the invitation, and they are responsible for paying the bill. Consider these U.S. tipping guidelines: bartender – 10-20 percent of bar bill; valet – \$2-5; coat check – \$1 per coat; server – 15-20 percent of bill or 25 percent for extraordinary service; sommelier – 15 percent of wine bill. The tip should reflect the total price of the bill before any coupons, discounts or gift certificates.

4 Kentuckians Named Among Most Influential in U.S. Health Care



Bruce Broussard



Gov. Matt Bevin



Sen. Mitch McConnell



Sen. Rand Paul

HUMANA CEO Bruce Broussard, Gov. Matt Bevin and U.S. Sens. Mitch McConnell and Rand Paul have been named to *Modern Healthcare's* list of the "100 Most Influential People in Healthcare 2018."

The program honors individuals in health care who are deemed by their peers and the senior editors of *Modern Healthcare* to be the most influential individuals in the industry in terms of leadership and impact.

Broussard, who held a 12-way tie for No. 2 on the listing, was cited for his efforts to expand Humana's reach. *Modern Healthcare* noted that the Louisville-based company's acquisition of Curo Health Services and Kindred Healthcare has paved the way for the creation of the nation's largest hospice operator, and a partnership with Walgreens will launch new retail clinics.

As Senate majority leader, Sen. Mitch McConnell (No. 43) has major sway over the nation's health policy.

The magazine notes that the most significant issue on McConnell's agenda at this time is the nomination of Brett Kavanaugh to fill the vacant seat on the U.S. Supreme Court, which will see a number of health-care-related issues come before the high court in the years ahead. Sen. Rand Paul (No. 49), who is himself a physician, will be a crucial vote in the Kavanaugh nomination. Paul has also been a long-time advocate for association health plans as a way to address problems with the health-care system.

Kentucky Gov. Matt Bevin (No. 50) has drawn attention for his efforts to implement work/volunteer requirements for Medicaid recipients who are physically able.

Champion Ham Goes for a Hefty Price



An 18.77-pound ham auctioned off at Kentucky Farm Bureau's annual ham auction brought in a record \$2.8 million. The money will be distributed to Kentucky charities.

ELECTED officials and business executives from across the commonwealth joined Kentucky Farm Bureau members at the 2018 Kentucky State Fair for the KFB's 55th annual ham breakfast and auction.

The historically lively auction culminated in Central Bank Chairman, President and CEO Luther Deaton Jr. and Dr. Mark and Cindy Lynn combining their bids of \$1.4 million for a record total of \$2.8 million.

The 18.77-pound ham was produced by Broadbent B & B Foods of Kuttawa and was auctioned by Leon Shirk.

"We look forward to the ham breakfast every year because it brings so many well-respected Kentuckians

together for a great cause. The Kentucky Farm Bureau always hosts a great event that highlights all that is good about our state," said Deaton.

The University of Kentucky, the Gatton College of Business and Keeneland will receive the funds contributed by Deaton.

"We came into this auction hoping we could make a difference in the community. We have been blessed and feel fortunate to be able to give back. The agriculture community is a cornerstone of Kentucky, and the 4-H and FFA play a vital role in creating the future leaders for agriculture and this state. We know the funds from today's auction will benefit those organizations, and we encourage any future donors to contribute to the great work they do," said Mark Lynn.

Since the first ham breakfast in 1964, Kentucky Farm Bureau has raised nearly \$13 million for Kentucky charities.

Teaching Students About the Joy of Philanthropy

A new center on the campus of the University of Kentucky opened on Sept. 7 with the goal of spreading the joy of philanthropy throughout the campus and surrounding community.

The Center for Student Philanthropy is among the first of its kind in the United States and will serve as the basis for teaching students the value of philanthropy – whether it is giving charitably, volunteering or helping to organize philanthropic events.



"The essence of true giving – giving to those who may never know you, giving on behalf of a cause and mission larger than one's self, giving as a way of reflecting a lifetime of service to others – is reflected across the University of Kentucky campus," said President Eli Capilouto during the ribbon cutting ceremony. "As Kentucky's indispensable institution, we hope to instill the spirit of philanthropy within our students – to show them how shared vision and commitment can transform lives for the better, just as their lives have been shaped by those who came before them. This center is crucial to those efforts."

Using the motto "Educate. Participate. Celebrate.," the center is focused on education and engagement, offering students information about fundraising and giving and opportunities to see the benefits philanthropy can have on their community and on their own lives.

"UK Philanthropy often partners with students for philanthropic events, and we have seen that they have a hunger to give back and to effect change in their communities," said Susannah Denomme, associate vice president for philanthropy. "When we envisioned the center, we wanted it to be student led and student driven to fully engage students in the giving process and to show them the impact they could make. We cannot wait to see what these students accomplish."

KENTUCKY PEOPLE

LOUISVILLE

NORTON CHILDREN'S HOSPITAL RECEIVES NATIONAL RECOGNITION FOR TREATMENT OF CHILDHOOD DIABETES



The Joint Commission, a national health-care accrediting organization, recently awarded the Wendy Novak Diabetes Center at Norton Children's Hospital in Louisville with a certificate of distinction for inpatient diabetes care. The hospital, in partnership with the University of Louisville, is one of only three children's hospitals in the country to receive the designation. Pictured here (left to right) are Ashley Novak Butler, executive director, Lift a Life Foundation; Emmett Ramser, chief administrative officer, Norton Children's Hospital; Oliver Thomas; Alex Barr; Quimby and Stella Chrisman; Timothy McCuen; Dr. Kupper Wintergerst, pediatric endocrinology chief, Norton Children's & University of Louisville; and Tomi Ganzel, dean, University of Louisville School of Medicine.

LEXINGTON

FATHER JIM SICHKO UNVEILS NEW FOOD LABEL IN MEMORY OF MOTHER, PROCEEDS BENEFIT CHARITIES



Father Jim Sichko, a preacher, evangelist and motivational speaker based in the Diocese of Lexington, has added a new dimension to his career with the launch his own food label: Miss Marie's Spaghetti Sauce. The name is a tribute to Sichko's mother, Marie, who passed away last year and was well known for her Italian cooking. Father Sichko is pictured here in a 2011 photo with (left to right) his sister, Thereze Ann Sichko, Marie Sichko and entertainer Harry Connick Jr., who met the Sichkos when making an appearance for a fundraiser in Richmond and always addressed Marie as "Miss Marie." Proceeds from the sale of Miss Marie's Spaghetti Sauce (available at missmariesspaghettisauce.net and in various stores across the state) will be divided equally between South East Texas Hospice (one of the first 20 hospices founded in the United States) and the Diocese of Lexington's One in Christ Annual Appeal, which assists families in Eastern Kentucky.

LOUISVILLE

1,000 AREA BUSINESS AND CIVIC LEADERS GATHER FOR ANNUAL LEADERSHIP LOUISVILLE LUNCHEON

The Leadership Louisville Center kicked off its 40th anniversary year by welcoming more than 1,000 business and civic leaders to a luncheon at the Omni Louisville Hotel on Aug. 22. The featured speakers at the event were Pete Buttigieg, mayor of South Bend, Ind., and Amy Liu, vice president and director of the Metropolitan Policy Program at The Brookings Institution. Pictured here (left to right) are Louisville Mayor Greg Fischer; Pete Buttigieg, Ken Selvaggi of WAVE 3 News, Paul Thompson of LG&E/KU Energy, Amy Liu and Cynthia Knappek of the Leadership Louisville Center.



DANVILLE

WILDERNESS TRAIL'S SHANE BAKER LEADS DISTILLERY TOURS



Wilderness Trail Distillery Master Distiller Shane Baker was on hand to share information and lead distillery tours at the Danville distillery on Sept. 8. The tours coincided with the KY State BBQ Festival, which was held Sept. 7-9 on the distillery's 44-acre campus in Danville. The event, which was a fundraiser for the Heart of Kentucky United Way, featured food served up by seven celebrity pitmasters, vendors and live music by seven bands.

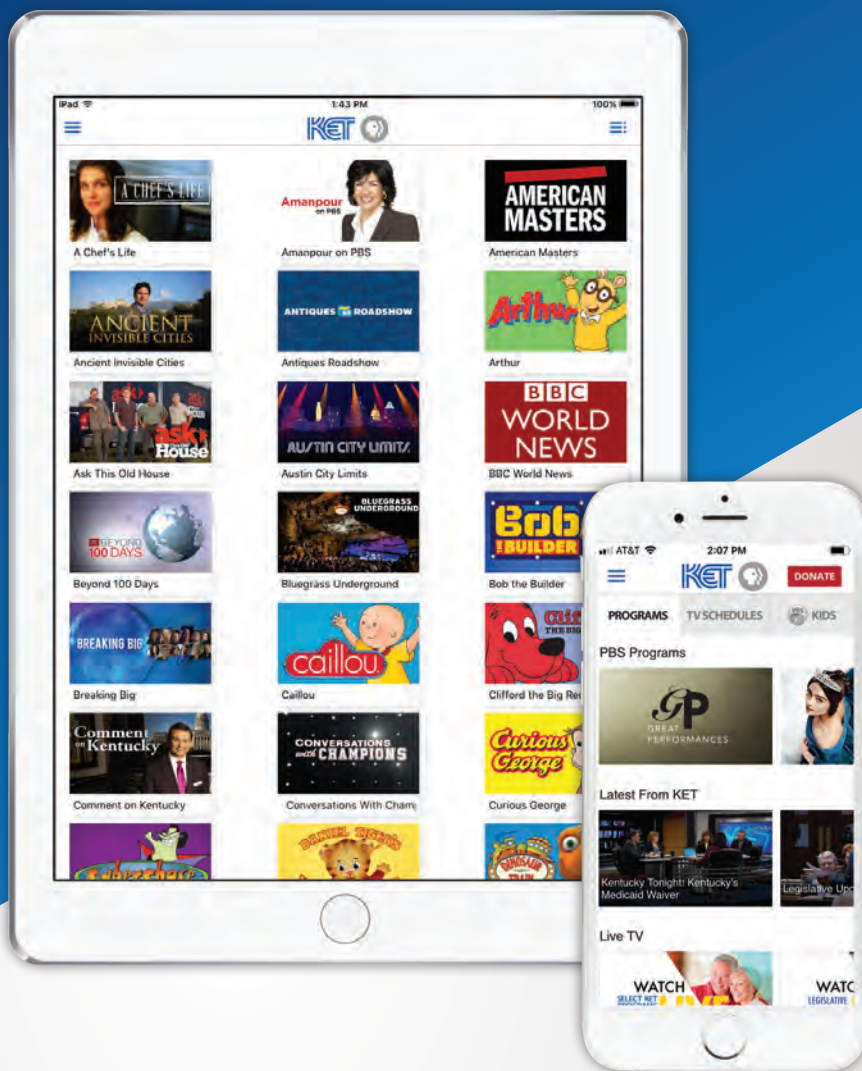
ERLANGER

CVG AWARDED \$7.1M IN FEDERAL AIRPORT IMPROVEMENT GRANTS



United States Secretary of Transportation Elaine Chao (left) was in Erlanger on Aug. 24 to announce that the Cincinnati/Northern Kentucky International Airport (CVG) will receive \$7.1 million in airport improvement program grants. The projects at CVG will include an additional de-icing pad, a ramp rehabilitation project and a new baggage carousel in Concourse A. Pictured here with Chao is CVG CEO Candace McGraw.

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