

The Lane Report

KENTUCKY'S BUSINESS NEWS SOURCE FOR 35 YEARS
lanereport.com

JUNE/JULY 2020

\$5.99

POISED FOR RECOVERY

With operations adjusted for COVID-19 safety measures, Kentucky businesses are back at work – and some never stopped



LANE ONE-ON-ONE:
JOHN A. ROUSH
President, Centre College



PRST STD
U.S. POSTAGE
PAID
Permit #327
Lebanon Junction
KY 40150

601 W. Short St., Lexington KY 40508
ELECTRONIC SERVICE REQUESTED

TEAM
KENTUCKY
CABINET FOR ECONOMIC DEVELOPMENT

**OPPORTUNITY KNOCKS
IN KENTUCKY WITH**

**KY
OZ**

Kentucky has 144 Opportunity Zones. That's 12 dozen places where you can open or expand a business and realize significant tax benefits. Be one of the first to take advantage of these opportunities.

Find out more at KYOZ.com

Don't let uncertainty stop you from going to the ER.

Our facilities are taking extra precautions to help keep you safe:

- ✓ **Enhanced cleaning**
- ✓ **Social distancing, as practical**
- ✓ **Screening before entry**
- ✓ **Testing prior to certain services**



CHI Saint Joseph Health

CHISaintJosephHealth.org/Guidelines

CHI SAINT JOSEPH HEALTH ER LOCATIONS:

FLAGET MEMORIAL HOSPITAL · SAINT JOSEPH BEREA · SAINT JOSEPH EAST · SAINT JOSEPH HOSPITAL
SAINT JOSEPH JESSAMINE · SAINT JOSEPH LONDON · SAINT JOSEPH MOUNT STERLING



At LG&E and KU, our support of Kentucky's economy goes far beyond delivering safe, reliable energy with rates that are among the lowest in the nation. Throughout our 100-year history, we have developed programs for our less fortunate customers, created quality of life activities, driven economic development and much more. And now, more than ever, we're here to help businesses reopen and recover while attracting new jobs to the Commonwealth.



empowering Kentucky businesses,
now more than ever.

Our more than 3,500 employees continue to work seamlessly to ensure uninterrupted service to our customers, and we help employ nearly 5,000 people through vendors and contractors across Kentucky. We're also providing COVID-19 relief through more than \$250,000 in community donations — and a grant program designed to incentivize local communities to pursue economic development initiatives. **Visit lge-ku.com/recovery** to learn more.



24 COVER STORY POISED FOR RECOVERY

With operations adjusted for COVID-19 safety measures, Kentucky businesses are back at work—and some never stopped

38 TIF PROJECTS TOP \$10 BILLION

Tax increment financing is key to unlocking Kentucky's urban economic development

42 NEW WAYS TO KEEP GROWING

Leaders of Kentucky economic development offices still see plenty of opportunity ahead

48 POWERING THROUGH A CRISIS

Kentucky's utility companies have remained a constant in the midst of unprecedented change

52 BUILDING ON STRENGTHS IN AGING CARE

New cooperation, partnerships, initiatives keep key Louisville business cluster's profile rising



38



42



48



ON THE COVER

Kentucky's major industrial and commercial facilities that halted operations due to the coronavirus pandemic shutdown are back in business—some of the commonwealth's largest employers, such as UPS and Amazon, never stopped because they are deemed critical infrastructure. Social distancing and other measure to prevent spread of COVID-19 are in place and business is coming back to life across the state.

DEPARTMENTS

6	Perspective	64	Technology
8	Fast Lane	66	Philanthropy
17	Interstate Lane	68	Insurance and Investments
18	Corporate Moves	70	Marketing
19	On the Boards	72	Small Business Spotlight
20	Lane One-on-One: John Roush Outgoing President, Centre College	73	Spotlight on the Arts
		74	Lifestyle
		76	Exploring Kentucky
58	Minority Business	78	Passing Lane
60	Public Policy	80	Kentucky People



lanereport.com Kentucky business news online

Read up-to-the-minute Kentucky business news stories, current and archived copies of *The Lane Report*, *Market Reviews*, *Health Kentucky*, *Research Kentucky* special reports and community profiles.

Faster Lane Email news bulletin

Five times a week, the editors of *The Lane Report* publish Faster Lane—email bulletins of fast-breaking and important Kentucky business and economic news, including a Corporate Moves newsletter once a week.

Visit lanereport.com to sign-up for this free, must-have, at-your-fingertips news service.

WE'RE HERE TO HELP.



We're here for your business, and we're here for you.

To discuss your business options, give us a call
at 859-253-6222 or visit us at centralbank.com.





FOUNDER
Ed Lane
1985-2015

OWNER/PUBLISHER
Kevin O. Stinnett

CHIEF OPERATING OFFICER
Jake Kratzenberg

EDITORIAL

VICE PRESIDENT/EDITORIAL DIRECTOR
Mark Green

SENIOR EDITOR
Karen Baird

SPECIAL PUBLICATIONS EDITOR
Lorie Hailey

PRODUCTION

VICE PRESIDENT OF PRODUCTION
Jessica Merriman

DIRECTOR OF DIGITAL MEDIA
Jonathan Miller

CREATIVE SERVICES
Stone Advisory

SALES & MARKETING

SENIOR MARKETING STRATEGIST
Hal Moss

MARKETING STRATEGIST
Natalie Pitman

MARKETING CONSULTANTS
Kristina Dahl
Curtiss Smith

*Inquire about magazine
and digital advertising:*
Sales@lanereport.com
(859) 244-3500

The annual subscription rate
is \$49 plus tax. To subscribe:
lanereport.com/subscribe

LaneReport.com



THE LANE REPORT, INC.

601 West Short St
Lexington, KY 40508
editorial@lanereport.com

The Lane Report corrects all significant errors
that are brought to the editors' attention.

©2020 The Lane Report, Inc.
All editorial material is fully protected and
must not be reproduced in any manner
without prior permission.

PERSPECTIVE

Necessity Also Is the Mother of Innovation

We like telehealth; and today's social distancing
is tomorrow's lower frequency for all disease

BY MARK GREEN

CHALLENGING times and big problems bring stress and reveal the weaknesses we successfully ignore when times are good, but they also bring out the best in many people and manage to bring us together. What an opportunity 2020 and the coronavirus pandemic is presenting!

If we maintain the unity of effort coming to the fore in the most difficult year nearly all of us have ever seen, we will emerge better and healthier and more productive than ever. Kentuckians are being innovative and creative and sacrificing to help their families, their neighbors, coworkers, businesses, organizations, communities, commonwealth and country.

Social distancing does not come naturally to many of us. We are doing this, and undertaking many more measures, though, to protect ourselves not just individually but collectively. We are becoming more aware of basic health practices that today prevent the spread of a particularly vicious virus and in the future will prevent the spread of many other infectious health problems.

Current practices will be carried forward for months at least—until amazing medical researchers and clinicians develop effective treatments and vaccines for COVID-19. By that time, our disease-prevention exercises will be habit.

We are developing a heightened awareness of how infections are transmitted, and we are learning what breaks the chain. Some of it is simple—wash your hands, use gloves, keep your droplet particles to yourself with a mask. And some of it is more technical—soapy washing disinfects and so does washing surfaces in UVC light. The more steps are combined, the more effective they are.

It is reasonable to expect that we will lower the transmission of all infectious diseases moving forward. That sounds like a significant win.

Yes, the coronavirus shutdown and other responses are costing our economy TRILLIONS of dollars. More than 20 million Americans have lost their jobs, way too many of them permanently. However, the majority of us in our lifetimes have seen and come through great difficulty such as 9/11 and the monumental financial crisis of 2008 and 2009. They were painful but taught us we will figure today's unprecedented difficulties out, too.

Difficulty forces innovation and creative solutions and spurs a willingness to try out new solutions. As The Lane Report has presented in its very recent issues, medical providers and operations here in Kentucky this year moved forward their plans to expand telehealth platforms and offer more telehealth tools at warp speed, doing in 10 days this spring what they planned to do over the rest of 2020 and all of 2021. And the improvement that resulted has been revelatory.

Medical specialist care that is in short supply across rural Kentucky is being projected digitally into community hospitals and clinics. Specialists are seeing patients without driving an hour or more each way. Older Kentuckians can see their doctor quicker and more conveniently at home without leaving the house.

Many of us have had our first telehealth visit in the past couple of months—and find it much preferable to an office visit.

Even more of us have worked at home some or all of the past few months and quickly found it is not only not bad, it is good. Tech businesses and others decided quickly this will be permanent.

We are just starting to learn the lessons of the innovations large and small we are inventing daily. It is making us better. ■



Mark Green is editorial director of The Lane Report. Opinions expressed are those of the writer and not The Lane Report.



YOU KNOW WHAT
IT TAKES TO RUN
A BUSINESS.

**And we're here to help make
it happen.**

Whether you're a company of one or a large scale operation, running a business is no small task. It takes passion, drive and dedication. As your business evolves, we're here to offer experienced guidance and dedicated support to help you.

[53.com/CommercialBank](https://www.53.com/CommercialBank)



FIFTH THIRD BANK

Fifth Third Means Business



Fifth Third Bank, National Association. Member FDIC.

LEXINGTON/SOMERSET

UK, SOMERSET COMMUNITY COLLEGE PARTNER TO CREATE ANTIVIRAL MASK

A team from the **University of Kentucky** and **Somerset Community College (SCC)** has been awarded funding and support from Kentucky's **National Science Foundation**-sponsored Established Program to Stimulate Competitive Research (EPSCoR) to create 3D-printed face masks that can inactivate the coronavirus via a special filter.

The filter will contain a unique membrane that will feature medical-grade silver nanoparticles, known for their antiviral efficiency. The silver nanoparticles "prevent the virus from binding and attaching, and it inactivates," explained Isabel Escobar, professor of chemical and materials engineering at UK and associate director of UK's Center of Membrane Sciences, who is working to perfect the filter.



Isabel Escobar, professor of chemical and materials engineering at UK, is creating membrane-filtered masks that can inactivate the coronavirus.

Eric Wooldridge, professor of additive manufacturing at SCC, and his team will be providing the structure for the masks. These

substrates, made of polypropylene, will be 3D-printed in a honeycomb pattern to allow for a strong, breathable structure. The antiseptic membranes from Escobar's team will then line the insides, ultimately creating a safer, cost-effective and environmentally sustainable product that would match or exceed N95 mask requirements.

"Our goal is to not only demonstrate that it can be done, but that we can rapidly scale production through our KCTCS (**Kentucky Community and Technical College System**) additive manufacturing network," Wooldridge said.

In May, UK received a grant funding a similar project being developed by Dibakar Bhattacharyya. Bhattacharyya is also seeking to develop antiviral membrane masks but through different means.

STATE

3 KY ECONOMIC DEVELOPMENT GROUPS RANKED AMONG NATION'S TOP 20

ECONOMIC development groups working in Kentucky's three largest metropolitan areas have all been ranked among the top 20 in the nation, according to an annual ranking by **Site Selection** magazine, a business publication with international circulation that covers corporate real estate and economic development.

Commerce Lexington, Greater Louisville Inc. (GLI)/Louisville Forward, and **Northern Kentucky Tri-County Economic Development Corp. (Tri-ED)** have been presented with *Site Selection's* Mac Conway Awards for Excellence in Economic Development, which recognize the top local and regional economic development agencies in the United States.

The winners were determined by an index that examined 2019 corporate facility investment projects in U.S. metro areas as tracked by *Site Selection's* Conway Projects database. Scores were awarded based on six criteria: total projects, total investment associated with those projects and jobs

associated with those projects; the remaining three criteria represent a per capita calculation of those same metrics.

This is not the first year that Kentucky has been recognized for its outstanding work in economic development. Commerce Lexington has made the list two of the last three years; Louisville Forward has been recognized for six straight years and the combined efforts of Louisville Forward and GLI have resulted in them sharing the award for four consecutive years; while Tri-ED and **REDI Cincinnati** have shared the award for their work in the Northern Kentucky/Cincinnati region for three years in a row.

"Locations throughout the U.S. and in every region of the world compete aggressively for direct investment at home and from abroad," said *Site Selection* Editor in Chief Mark Arend. "Those appearing on these rankings have demonstrated with actual project numbers and other measures that they have the location attributes most in demand by capital investors."



STATE

KY UNIVERSITIES EXCEED GOAL FOR PRODUCING MORE GRADS IN HIGH-DEMAND STEM + H FIELDS



Wikipedia/Chirico00 photo

KENTUCKY'S public universities are making impressive progress in producing more graduates who are workforce ready, surpassing a major milestone for the number of bachelor's degrees in the high-demand STEM + H fields (science, technology, engineering, math and health care).

The state's strategic plan, Stronger by Degrees, called on universities to produce at least 6,620 STEM + H degrees annually by the 2020-21 academic year. However, campuses have reached that

goal two years early. According to the latest progress report from the **Kentucky Council on Postsecondary Education** (CPE), public universities awarded 6,685 such degrees last year—a 31% increase over the last five years.

Those degrees will be needed: A recent analysis by the CPE projects that engineering jobs alone in Kentucky will increase more than 11.2% by 2029, outpacing the national average of 10.8%.

CPE figures also show that the number of bachelor degrees conferred to minority students in 2018-2019 increased 5.3% over the previous year and credentials awarded to minority students through the **Kentucky Community and Technical College System** increased 7.4%.

Kentucky is working to have 60% of working-age adults in Kentucky earn a postsecondary degree or credential by 2030.

STATE

COVID-19 SLOWS KENTUCKY HOUSING MARKET SALES, BUT DROP SOFTENED BY HIGHER PRICES

LIKE many industries across the nation and the world, the **Kentucky housing market** saw a slowdown in April, with a 12.5% drop in the number of homes sold. However, the overall effect was not as bad as anticipated.

The market slowdown in Kentucky did not decrease sales prices. In fact, the average sale surged 8.4% to \$212,361, up from \$195,994 in April 2019. And, sales volume was only down 5.1%

“Buyers have not relaxed much during the pandemic shutdowns and the demand remains”, said Lester T. Sanders, president of Kentucky REALTORS. “Some sellers have been cautious and waited to list homes. But creative strategies such as distancing, sanitizing and virtual showings have allowed Kentuckians to keep homes on the market and still get top dollar.”



HIGHLAND HEIGHTS TECH INNOVATIONS EARN NATIONAL ACCLAIM FOR NKU

NORTHERN Kentucky University's Office of Information Technology is one of five institutions to be honored with the CIO 100 Award.

The annual CIO 100 Award, presented by **CIO** magazine, celebrates 100 organizations and teams that are using information technology in innovative ways to deliver business value by creating competitive advantage, optimizing business processes, enabling growth and improving relationships with customers. An



NKU students practice real-life situations within health technology labs and the St. Elizabeth Center for Simulation Education.

external panel of judges selects applicants who demonstrate their project was executed well and can show specific, measurable business merit. NKU's team earned the national recognition for delivering value through innovation within its state-of-the-art Health Innovation Center (HIC).

NKU's Health Innovation Center is one of the largest and most comprehensive health professions facilities in the country. The HIC includes cutting-edge classroom tools, such as enhanced presentation systems and lecture capture capabilities—allowing students to learn from anywhere or anytime.

BUSINESS BRIEFS

ASHLAND

■ **Braidy Industries** announced on June 9 that it has settled all litigation between the company and founder Craig Bouchard. As part of the settlement, Bouchard has stepped down from the board of directors and is no longer involved with the company in any capacity. In a company statement, Braidy said the settlement removes litigation-focused market concerns and accelerates plans to build its technologically advanced aluminum rolling mill in Ashland's EastPark Industrial Center, a project that is expected to generate more than 1,000 construction jobs and bring some 550 full-time jobs to Northeast Kentucky.



BENTON

■ **Arcadia Communities** has acquired **Stilley House Assisted Living**, a 73-unit retirement community that offers independent, assisted living and memory care services. With the acquisition of Stilley House, Louisville-based Arcadia now seven operates independent and assisted living communities in Kentucky, Michigan and Tennessee.

EDGEWOOD

■ **St. Elizabeth Healthcare** is among the first in the world to enroll patients in a clinical trial that focuses on the potential use of cancer drug PUL-42 to treat COVID-19. Dr. Chaitanya Mandopakala, the lead investigator for the trial at St. Elizabeth, said early lab studies have shown promise in stopping COVID-19 before it advances.

HEBRON

■ The **Cincinnati/Northern Kentucky International Airport** has been named as the best regional airport in North America in the Skytrax 2020 World Airport Awards. The awards are based on responses to customer satisfaction surveys, as benchmarked and ranked by airport passengers around the world. More than 550 airports are ranked and this year marks the seventh time in the last nine years that CVG has won the best regional airport award.



■ Citing a double-digit volume increase in shipments compared to last year, global shipping company **DHL Express** plans to add approximately 400 new jobs in the United States, including 150 at the

company's Americas hub at the **Cincinnati/Northern Kentucky International Airport**. The company is reporting a 30% increase in shipment volumes over last year.

■ **Delta Air Lines** has announced plans to close its pilot base at the **Cincinnati/Northern Kentucky International Airport** (CVG) as the carrier adjusts its flight schedule and personnel to drastically reduced travel demands brought on by the COVID-19 pandemic. The closure, which will take place in about a year, will affect approximately 150 pilots. The company plans to retain its flight attendant base at CVG.

HIGHLAND HEIGHTS

■ **Northern Kentucky University** has broken ground on a new five-story, 297-bed residence hall, the first student housing construction on campus since 2003. **Messer Construction** is leading construction on the 77,200-s.f. project.

STATE

BAPTIST HEALTH EMPLOYS HI-TECH APPROACH FOR DISINFECTING

BAPTIST Health has equipped its hospitals across the state with two new tools that provide the latest technological advances in disinfecting: the **Clorox Total 360 Electrostatic Sprayer System** and the **Clorox Optimum-UV Enlight System**.

The Clorox Total 360 system is a high-level electrostatic spraying unit that dispenses disinfectant to provide 360-degree coverage of every surface within a room or area. The system kills 99.9% of bacteria, including COVID-19, Methicillin-resistant Staphylococcus aureus (MRSA) and Clostridium difficile (C. diff), as well as cold and flu viruses.

The Clorox Optimum-UV Enlight system delivers a programmed dose of short-wavelength ultraviolet light (UV-C) to kill pathogens such as C. diff, MRSA and COVID-19.

Following a patient discharge, the hospital room is cleaned using traditional methods. Staff then position the Optimum-UV Enlight system, leave the room and activate the system via an iPad. The Enlight system is able to compensate for room size, shape and content to deliver the precise, lethal dose of UV energy needed to kill the pathogens.



Baptist Health is utilizing a UV system in hospital rooms to kill pathogens such as COVID-19, C.diff and MRSA.

LOUISVILLE

NORTON HEALTHCARE TO BUILD PERMANENT EXPRESS TEST SITE



While numerous temporary tent and curbside testing sites for COVID-19 have popped up, Norton believes their new site will be the first permanent structure of its kind in the state.

NORTON Healthcare plans to build a permanent drive-thru/walk-up express health-care site that will offer health-care services while allowing individuals to remain in their vehicle.

The concept, said Norton President/CEO Russell F. Cox, will be similar to drive-thru business models such as those for banks and vehicle maintenance. Individuals will drive into a covered location and stay in their vehicle to receive services such as health screenings and testing, vaccinations, diagnostics and lab work. Walk-up patients will also be accommodated.

"Plan and Save Wisely"

SCOTT, MURPHY & DANIEL

**BUILDING
CONSTRUCTION SPECIALISTS**

"From Conception to Completion, We're Your Road to a Successful Project"

INDUSTRIAL • COMMERCIAL • MEDICAL

Plan and build wisely – before you build that important project, the best opportunity for building the perfect facility and stretching your construction dollars is during the planning phase. Let us perform a pre-construction and economic feasibility study for you.



NHK Spring Precision of America
Louisville, KY



Montebello Packaging
Lebanon, KY



Swedish Match
Owensboro, KY



Unifirst Corp.
Owensboro, KY



Metalsa Structural
Products Inc
Elizabethtown, KY

- SITE SELECTION ANALYSIS
- DESIGN / BUILD
- CONSTRUCTION MANAGEMENT SERVICES
- GENERAL CONTRACTING

Building Kentucky Industries



Ahlstrom-Munksjo
Madisonville, KY



Owensboro Riverport Authority
Owensboro, KY



Ply-Tech Corporation
Glasgow, KY



Tri-State International
Murray, KY



Precision Strip
Bowling Green, KY



Kobe Aluminum Auto Products
Bowling Green, KY



Sumitomo Electric Wiring Systems
Scottsville, KY



Riken Elastomers
Hopkinsville, KY



Franklin Precision Industry
Franklin, KY



1855 Old Calhoun Road • Owensboro
270-926-6554 • Fax 270-685-2854
www.hartzcontracting.com



SCOTT, MURPHY & DANIEL



2335 Barren River Rd. • Bowling Green, KY 42102
(270) 781-9944 • Fax: (270) 782-2506
www.scottmurphydaniel.com

Single-source responsibility providing quality material, professional planning and experienced contracting to save you time and money.

BUSINESS BRIEFS

LEXINGTON

■ The **University of Kentucky** has announced a new undergraduate major in biomedical engineering that will begin this fall. The program, which will be housed in the College of Engineering and supported by the College of Design, will feature a two-semester capstone project that challenges students to creatively engineer a solution to a health-care issue posed by collaborating industrial or health care partners. UK is also launching a new master of science degree in supply chain management, the first degree of its kind in the state.



Keeneland photo

■ The **Kentucky Horse Racing Commission** has approved **Keeneland's** request to conduct a spectator-free, five-day summer meet, to be held July 8-12. Keeneland plans to host nine to 10 races each day of the meet and feature 10 graded stakes traditionally run during the track's spring meet, including preps for the **Kentucky Derby** and **Kentucky Oaks**. The Kentucky Derby has been rescheduled for Sept. 5.

■ **Cityscape Residential**, an Indianapolis-based real estate development and construction firm, plans to lease 13 acres at the University of Kentucky's **Coldstream Research Campus** for a residential village development that will include approximately 250 multifamily residential units. "Multifamily housing will allow for the creation of a dynamic live-work-play-learn environment by providing the social infrastructure necessary to drive the development of office and research and development facilities," said George Ward, executive director of Coldstream Research Campus.

■ **Flaherty Sensabaugh Bonasso**, West Virginia's largest litigation firm, has announced plans to open a new office in Lexington later this year. The Lexington office will be the firm's first location in Kentucky and will be led by nationally recognized trial lawyer Mark Robinson.

■ The **Lexington-Fayette Urban County Council** has approved **Baptist Health Lexington's** plan to build a new medical campus in the city's Hamburg area near I-75. The \$1 billion project, which is slated to begin construction later this year, is expected to add 600-700 new jobs that will create more than \$500,000 a year in new payroll taxes for the city. In addition, Baptist is donating three acres of land, valued at \$2 million, for the construction of a new fire station and will also provide annual flu shots to city employees for 20 years, an expense that typically costs the city around \$40,000 per year.

■ **Neogen Corp.** has been granted temporary approval from Canada to supply its Neogen Viroxide Super disinfectant to aid in the country's fight against COVID-19. The disinfectant, which is produced at Neogen's animal safety division in Lexington, is typically used in agriculture settings but has been proven to inactivate coronaviruses.



STATE

KY AWARDS 5 NEW CONTRACTS TO MANAGE MEDICAID BENEFITS

AETNA, Humana, Molina Healthcare, UnitedHealthcare and WellCare have been awarded contracts to manage benefits for Kentucky's **Medicaid** enrollees. Aetna will also serve children in **Kentucky SKY**, the Medicaid risk-based managed care delivery program for the state foster care program and the Department for Juvenile Justice.

Noticeably absent from the list is Louisville-based **Passport Health Plan**—a company owned by **Evolent Health, the University of Louisville, Norton Healthcare** and other Kentucky-based providers—which has been contracted with the state to administer Medicaid benefits since 1997. Passport CEO Scott Bowers said the company plans to protest the decision. Without the Kentucky contract, Passport will not be moving forward with the new 20-acre Health & Well-Being Campus and **Medicaid Innovation Hub** it had planned for West Louisville.

Current contracts with Aetna (via Coventry Cares), Anthem, Humana (via CareSource), Passport Health Plan and WellCare were originally set to expire June 30. A six-month extension will be added to the existing contracts to give ample time to bring the two new contractors, Molina Healthcare and UnitedHealthcare, on board for a Jan. 1, 2021, start date.

Molina plans to establish its Kentucky headquarters in West Louisville, bringing more than 1,100 jobs to Kentucky.

ELIZABETHTOWN

HARDIN MEMORIAL HEALTH TO JOIN BAPTIST HEALTH IN SEPT.

THE sale of **Hardin Memorial Health (HMH)** to Louisville-based **Baptist Health** has been accelerated and will now be finalized by Sept. 1, 2020, which is the beginning of Baptist's fiscal year.



Terms call for Baptist to invest a minimum of \$150 million in the first five years to build new facilities, recruit physicians, upgrade technology and equipment, and strength HMH's position as a regional health care center. After the first five-year period, Baptist will commit an additional \$85 million in capital investments.

All HMH noncontract employees will be offered employment at their existing rate of pay and the senior leadership will remain in place as well, with Dennis Johnson continuing as HMH president.


EST.



1870

AN EXPERIENCED
BANK
THAT UNDERSTANDS
YOUR WORLD
CAN MAKE ALL THE
DIFFERENCE
IN THE WORLD.



WesBanco Bank, Inc. is a Member FDIC. 

We've seen a lot during the past 150 years and through it all our commitment to serving our neighbors and their businesses has never wavered. Fact is, maintaining strong community roots and building trusted relationships has been key to our success. Rest assured, in an everchanging world, we'll always be here to provide banking solutions for your world. [Learn more at wesbanco.com](https://www.wesbanco.com)



© 2020 WesBanco Bank, Inc. All rights reserved.

RANKED #7

PERSONAL • MORTGAGE • BUSINESS • WEALTH MANAGEMENT

BUSINESS BRIEFS

LEXINGTON

■ Lexington-based financial services firm **Unified Trust** has committed to offering free financial plans for health care workers in Kentucky until 2021. Unified is also offering a free financial health hotline for anyone (not only health care workers) to ask questions regarding their finances during this time and will provide advice on how to best protect their finances going forward.

■ **Sev.en Energy** has acquired Lexington-based **Blackhawk Energy LLC**, one of the nation's largest metallurgical coal producers. Blackhawk, which owns the Spurlock Complex in Kentucky's Floyd and Magoffin counties as well as four open-pit mining complexes in West Virginia, has an annual production capacity of 7 to 8 million tons of metallurgical coal. Blackhawk filed for bankruptcy restructuring in July 2019, which subsequently led to layoffs by December 2019. Czechoslovakia-based Sev.en Energy currently owns coal mining and power generation assets in the Czech Republic, the United Kingdom and Australia.



LOUISVILLE

■ **Thornton's**, a Louisville-based company that owns and operates 200 gas and convenience stores in six states, has added hand protectors at all of its locations to help curb the spread of the coronavirus. The **GripHero** hand protectors, which are specially made to be used around fuel, are biodegradable and antistatic and can be used on

any of the fuel pump surfaces, including pin pads, fuel grade selectors or fuel nozzles.

■ **Southwest Airlines** plans to begin offering nonstop flight service between Louisville and Atlanta, beginning Dec. 17, 2020. The service will operate three times a day, utilizing the **Boeing 737** aircraft.

■ Louisville-based **TurnPoint Services Group** has acquired **Cool Air Mechanical**, a Georgia HVAC company that markets its heating, ventilation and air conditioning installation and maintenance services directly to customers primarily through **Costco** warehouses and **Home Depot** stores in the metro Atlanta area. The acquisition provides TurnPoint with an entry into the Atlanta market. TurnPoint also provides plumbing, HVAC, and electrical maintenance and repair services in Florida, Indiana, Kentucky, Oklahoma, South Carolina and Texas.

■ Recently released figures show that the **Louisville Muhammad Ali International Airport** (SDF) was one of the world's busiest cargo airports in 2019. According to statistics from the Airports Council International World, SDF ranked No. 2 in North America and No. 4 in the world.



UPS photo

■ **VanTrust Real Estate** has broken ground on a 702,800-s.f. speculative building in the **River Ridge Commerce Center** that is expected to be complete by December 2020. It is the second building in River Ridge for the national developer: The first, a 592,800-s.f. distribution facility, was completed in 2018 and quickly leased by Ingram Micro.

EDGEWOOD

ST. ELIZABETH ADDS INDIANA HOSPITAL TO HEALTH NETWORK

St. Elizabeth Healthcare is expanding its footprint with plans to integrate a southeast Indiana hospital and its associated physician group into its health care network.

Edgewood-based St. Elizabeth, which operates a total of five facilities in the Northern Kentucky area, has been collaborating with **Highpoint Health** for some time and they recently began working together to develop a new cancer center in Greendale, Ind.



The cancer care center in Greendale is expected to open in 2021-2022. St. Elizabeth is also close to completing a new \$140 million cancer center at its main Edgewood campus.

St. Elizabeth plans to invest approximately \$50 million in capital projects and technology investments for Highpoint over the next five years and hopes to retain all 775 Highpoint Health employees. St. Elizabeth currently employs 9,052 employees in Northern Kentucky and recently announced a 2% pay raise for all employees. The health care system was one of the few that did not reduce pay, furlough or lay off employees in the midst of COVID-19.

LOUISVILLE

UofL RESEARCHERS DEVELOPING N95 MASKS THAT CAN BE REUSED



SCIENTISTS at the **University of Louisville's** Conn Center for Renewable Energy Research and the Advanced Manufacturing Institute of Science & Technology (AMIST) have

partnered with **Advanced Energy Materials, LLC** (ADEM) to develop and patent a more effective and reusable N95 mask to filter COVID-19 droplets and other airborne particles and viruses. The masks are being developed using nanomaterial research at the Conn Center.

Unlike currently available N95 masks, which cannot be reused without special decontamination procedures, these cost-effective nanofilter masks can be easily washed, dried and reused.

Prototype testing is underway. Once validated, the next steps are to set up manufacturing. The Conn Center can produce thousands over the span of a couple of months, until automated production equipment is in place for the mass production of several million per year.

BARDSTOWN

NEW BOTTLING FACILITY BEING ADDED AT BARDSTOWN BOURBON



Bardstown Bourbon Co.'s new bottling facility was designed by Joseph & Joseph Architects PLLC of Louisville. Construction is being managed by Buzick Construction of Bardstown.

BARDSTOWN Bourbon Co. has broken ground on a new bottling facility that will enable the company to bottle hundreds of thousands of cases of distilled spirits per year on site.

“Currently, both our brands and our collaborative distilling partners are bottled by an offsite third party. We’re excited to close the circle and enable a true grain-to-glass process all in our own space,” said Bardstown Bourbon Company CEO Mark Erwin.

Aside from its own brands, Bardstown Bourbon Co. produces custom whiskey for 27 customers, including some of the most well-known brands in the world. The success of its collaborative distilling program—which allows the company’s clients to create a custom bourbon—has enabled the company to quadruple capacity since its inception in 2016. It now produces more than 300 barrels per day.

SIMPSONVILLE

LG&E/KU EXPANDS SOLAR SHARE FACILITY TO MEET RISING DEMAND

LG&E and KU have completed construction of the second 500-kilowatt section at their solar share facility in Simpsonville.

“We created the Solar Share program because our customers expressed an interest in supporting local renewables and their increasing participation shows not only is the interest still there, but it’s on the rise,” said LG&E and KU Vice President-Customer Services Eileen Saunders.

The subscription-based program is a cost-effective option available to residential, business and industrial customers. When energy is produced by the facility, customers earn credits on their monthly bills based on their subscription level, getting the benefits from solar energy without the up-front cost and long-term maintenance of a private solar system.

Eight Solar Share sections are planned for the Simpsonville facility. The utility is currently accepting enrollments for the third section, which is now more than 60% subscribed.

BUSINESS BRIEFS

LOUISVILLE

■ **Interapt**, a Louisville-based software development and design company, has announced plans to establish its national headquarters in downtown Louisville and will add another 100 technology positions this year. The company currently employs a team of 63 around the country, with 46 located in Kentucky.



■ **Northwest Ordinance Distilling** is investing \$39.5 million to expand its distilled spirits bottling facility. The expansion will include \$7.5 million in building improvements and \$32 million in new processing and bottling lines. The expansion will add 50 new full-time positions to the existing 100-member staff. The facility is located in the former **General Mills Pillsbury** plant in New Albany (Ind.), which closed in 2016.

■ **Matter Creative Group**, a full-service design and branding agency with offices in Austin and Cincinnati, is now part of **LEAP Group**, a Louisville-based network of independent marketing and advertising agencies. Matter Creative is now operating as **LEAP Matter** and joins **LEAP Amp**, **LEAP Frame**, **LEAP Spark** and **LEAG Agency** as full-service agencies under the LEAP Group parent company.

■ Louisville-based **Brown-Forman Corp.** has announced that it will sell its **Early Times**, **Canadian Mist** and **Collingwood** brands to **Sazerac Co.**, a privately owned company that owns the **Buffalo Trace** distillery in Frankfort, **Barton 1792** distillery in Bardstown, and the **Glenmore** distillery in Owensboro. Brown-Forman said the sale reflects the its evolving portfolio strategy to focus on its premium brands. Financial details of the transaction have not been disclosed.

MOREHEAD

■ **Morehead State University** has received approval to start a new program this fall, the bachelor of science in systems integration engineering. The BSSIE, the first of its kind in the state, will combine science, physics and mathematics courses with hands-on mechanical and electrical engineering classes and labs that will prepare students for careers requiring advanced systems integration skills. The program was developed in cooperation with local industries and is designed to meet the needs of industry in the area.

RICHMOND

■ **Eastern Kentucky University** is now accepting applications for online graduate degree and certificate programs in computer science, with multiple concentration options available. Classes will begin in August 2020. ECU is also adding three new areas to its online business degree options. Beginning this fall, students can earn an online bachelor’s degree in management, marketing or finance. An undergraduate certificate in global supply chain management is also coming online and can be added to any business program.

SHELBYVILLE

■ **Spotz Gelato**, whose bright pink trucks and wagons have become a familiar sight at events across Central Kentucky, has opened a new brick-and-mortar location on Main Street in Shelbyville. The new location is the company’s third store, after opening shops in Versailles and Georgetown in 2019.



BUSINESS BRIEFS

SOMERSET

■ The **Somerset-Pulaski Economic Development Authority** has partnered with **Lake Cumberland Tourism** to offer free hospitality training to local employees, with the goal of providing visitors to the area with the best possible customer service. The training sessions are open to anyone but are targeted toward front-line employees such as those who work in hotels, retail, restaurants, convenience stores and other businesses that interact directly with visitors. The program will focus on the basics of excellent customer service, including telephone etiquette, verbal and nonverbal communication, dealing with difficult customers, email and social media etiquette, dressing for success and knowing the community. Tourism is a major industry in the area, generating significant tax revenue and supporting more than 1,000 tourism-related jobs.

SOUTHGATE

■ The City of Southgate has approved an agreement with Edgewood-based **Ashley Builders Group** and **Vision Realty Group** for the development of Memorial Point, an 80-acre residential community that will be built on the site of the former **Beverly Hills Supper Club**. In addition to construction of an assisted living center, luxury apartments and single-family homes, the \$65 million project will include a memorial to the victims of the 1977 Beverly Hills Supper Club fire that claimed 165 lives.

WILLIAMSBURG

■ **University of the Cumberlands** has partnered with the **Eastern Kentucky Concentrated Employment Program Inc. (EKCEP)** to offer computer science courses this summer and fall to high school juniors and seniors in 23 Appalachian coalfields counties. The courses, which are being paid for by EKCEP and are all being offered online, will enable students to develop cybersecurity skills and earn key industry certifications required for entry-level work in cybersecurity.

WINCHESTER

■ **GenCanna Global USA Inc.**, a Winchester-based company that specializes in the production of hemp rich in cannabidiol (CBD), has received approval from the **United States Bankruptcy Court** to sell all of its assets to funds managed by its long-term investor, **MGG Investment Group**. The transaction enables GenCanna to maintain its operations in Kentucky as a standalone CBD and wellness business with reduced debt and new capital to pursue growth opportunities. In conjunction with the completion of the sale to MGG, GenCanna has appointed veteran executive Andrew Barnett as CEO.

STATE

■ The **Kentucky Department of Agriculture** has secured a \$25,000 grant from the **U.S. Department of Agriculture** that is being used to purchase 32 freezers and 24 refrigerators for food pantries across the commonwealth. Feeding Kentucky's seven member food banks serve all 120 Kentucky counties, with a network of more than 800 local food pantries and shelters. With many Kentuckians being out of work the last several months, food banks have seen a significant increase in need for their services.



Steven Depolo photo

MOREHEAD

RAJANT TO EXPAND, ADD JOBS FOR WIRELESS NETWORK OPERATIONS

RAJANT Corp., the provider of **Kinetic Mesh** wireless networks, is expanding its operations in Rowan County to extend the company's production and services.



Rajant's technology facilitates mobile communications in some of the world's harshest environments, and Rajant currently operates under contract with the **U.S. Department of Defense** to build the next generation of wireless communications for voice, data, video and other applications. The company, which opened its Morehead operation five years ago, plans to move from its current 9,600-s.f. facility on Main Street to a 48,000-s.f. spec building on nearly 15 acres in the nearby MMR Industrial Park.

Rajant currently employs a staff of 24 in Morehead—including designers, engineers, service technicians and assemblers, many of who graduated from **Morehead State University's** space engineering program—and plans to add another 26 full-time positions as a result of the expansion.

HENDERSON

GERONIMO BUYS 418 ACRES FOR 160MW SOLAR ENERGY PROJECT

GERONIMO Energy, a leading North American renewable energy development company, has purchased 418 acres in the 4-Star Industrial Park for a 160-megawatt solar energy project that will ultimately encompass 1,500 acres in Henderson and Webster counties.

The **Unbridled Solar Project** is currently the largest solar project development in the state, according to information released by **Henderson Economic Development**.

Geronimo has signed a power purchase agreement for the project with Henderson-based **Big Rivers Electric Corp.**, which will make the energy from the project available to its customers across 22 western Kentucky counties.

The solar project is expected to be operational by the end of 2023.

Henderson County Judge-Executive Brad Schneider said the agreement "will enhance our community's efforts to land new industries that require a proven renewable energy source to help supply their plants," and that the area's "willingness to embrace and utilize new technologies will hopefully convince other businesses with products or ideas on the cutting edge to locate here."

INDIANA

CORMO BUILDING NEW PLANT TO RECYCLE CORNFIELD WASTE

CORMO USA, a company that utilizes technology to turn cornfield waste into sustainable products, plans to establish its first United States operation in Indiana, creating up to 250 new jobs by the end of 2023.

The company, a joint venture between Switzerland-based **Cormo AG** and Florida-based **Sustainable Projects Group Inc.**, will invest approximately \$29.5 million to construct and equip a facility in Rushville, Ind., that will process maize straw from up to 150,000 acres of cornfields each year and convert it into sustainable products such as a peat moss substitute and foam products.

Cormo plans to break ground on the project this summer.



Cormo's new Indiana plant will convert cornfield waste into sustainable products.

INDIANA

STEEL COMPANY PICKS INDIANA FOR ITS NORTH AMERICAN HQ



INOX processes stainless steel for the home appliance, elevator and escalator, and industrial sector.

INOX processes stainless steel for the home appliance, elevator and escalator, and industrial sector.

The new facility will allow INOX to expand its stainless steel slitting and forming operations to meet growing customer demand in the home appliance, elevator and escalator, and industrial sectors.

Local officials noted that stainless steel plants create less disturbance of the environment when compared to other industrial processes, as stainless steel is a 100% recyclable product. The product continues to be in high demand, as stainless steel is widely used in applications where maintaining clean surfaces is a high priority.

Construction is slated to begin this summer with production beginning in spring 2021.

INOX plans to hire 100 employees for the new location.

BUSINESS BRIEFS

INDIANA

■ Japan-based **Yajima Industry Co. Ltd.**, which supplies automotive components to **Subaru of Indiana Automotive Inc.**, is establishing its U.S. headquarters in West Lafayette, Ind. Yajima will focus on the development of lightweight parts and components with carbon fiber-reinforced polymer composites and noncombustible magnesium alloy parts.

■ **POINT Biopharma**, a clinical-stage pharmaceutical company, is investing more than \$25 million to establish its first U.S. manufacturing facility in Indianapolis. POINT, which specializes in radiopharmaceuticals for cancer treatments, expects to move into the new space later this year and to be fully operational by 2021. The Canada-based company plans to hire more than 100 employees for the new facility by 2024.



■ **Alliance Steel** has moved its headquarters to Gary, Ind., bringing 100 new jobs to the area. The company, which specializes in coil processing and flat-rolled steel, moved to the northwest Indiana community from Chicago.



OHIO

■ **Carvana**, the Arizona-based company known for its "auto vending machines," plans to invest \$35-40 million to build a 200,000-s.f. facility in Trenton,

Ohio, that will be used to prepare pre-owned cars for resale. Construction is expected to begin this summer and be complete by December 2021. The company plans to hire 400 employees for the facility within three years of opening.

■ Ohio-based **AWP Inc.** plans to hire 700 to 1,000 new traffic control specialists across its 21-state network by the end of June to meet the demands of essential utility, telecommunications and construction companies. Traffic control specialists are responsible for keeping work crews and the public safe where highway maintenance and infrastructure work are taking place.

TENNESSEE

■ **McKee Foods Corp.**, the maker of **Little Debbie Snacks**, **Drake's Cakes** and other snack foods, is investing \$500 million to expand its plant in Collegedale, near Chattanooga. The expansion is expected to create 480 new jobs over the next 15 years. McKee has been headquartered in Collegedale for more than 70 years and currently employs more than 3,000 people in Tennessee.



■ **CloudOne** is investing \$2 million to establish a call center operation in Nashville that will create nearly 320 new jobs. The Washington-based company provides auto dealers with the customer service infrastructure to facilitate sales and also offers marketing services and lead generation.

BIG MOVES

■ **Lynn Tsiboukas**

has been named vice president and human resources director for Lexington-based Bank of the Bluegrass & Trust Co.



Lynn
Tsiboukas

■ **Ben Stollerman**

has been named to lead the Government Studio for Lockett & Farley, a Louisville-based architecture, engineering, and interior design firm.



Ben
Stollerman

■ United Way of the Bluegrass has announced the following appointments:

■ **Sean Ross** has been named vice president, resource development.



Sean Ross

■ **Jonathan Kohn** has been promoted to vice president, community impact.



Jonathan
Kohn

■ **Melissa Karrer** has been named as the new executive director of Kentucky CancerLink.



Melissa
Karrer

BANKING

■ **Pamela Goetting** has joined Heartland Bank as senior vice president of the Northern Kentucky region.

BUSINESS/ECONOMIC DEVELOPMENT

■ **Deana Epperly Karem** has been selected as the new president and CEO of the Jeffersontown Chamber of Commerce. She succeeds **John Cosby**, who is retiring at the end of June.



Dwayne
Mack

EDUCATION

■ **Dwayne Mack** has been named vice president for diversity, equity and inclusion at Berea College.

■ **Jeffery Talbert** has been named director of the University of Kentucky Institute for Biomedical Informatics.

■ **Jason Brooks** has been named director for institutional engagement for the University of Kentucky.

■ **Angela Crawford** has been appointed vice president for digital, graduate and professional programs at Thomas More University.

■ Transylvania University has named Interim President **John N. Williams** as the university's permanent president.



John N.
Williams

■ **Jeff Whitaker** has been named chief information officer at Eastern Kentucky University.

■ **David Hendricksen** has been named dean of the Sullivan University College of Hospitality Studies.

■ **Deidra Dennie** has been named vice president for diversity and inclusion at Transylvania University.



Deidra
Dennie

GOVERNMENT

■ **Terrance Sullivan** has been appointed executive director of the Kentucky Commission on Human Rights.

■ **Cookie Crews** has been appointed commissioner of the Kentucky Department of Corrections.



Cookie Crews

■ **Mark Carter** has joined the office of the secretary of the Kentucky Cabinet for Health and Family Services as executive adviser, leading the COVID-19 contact tracing program.

HEALTH CARE

■ **Matt Smith** has been named chief executive officer of Clark Regional Medical Center in Winchester.



Matt Smith

LEGAL

■ **Justin Knappick** has been named partner at DBL Law. He is based at the firm's Northern Kentucky office.



Justin
Knappick

MEDIA

■ **Jay Hall** has joined Lexington-based Wrigley Media Group as senior vice president, business development.



Jay Hall

NONPROFIT

■ **Allison Adams** has joined the Foundation for a Healthy Kentucky as vice president for public policy.



Allison
Adams

■ **Amy Pehlke** has been named executive director of Susan G. Komen Kentucky, an organization that advocates and supports individuals with breast cancer. Former Executive Director **Lynda Weeks** has assumed a new role as director of development for the organization.

RETAIL

■ **Dan Dipiazza** has been named chief marketing officer for Louisville-based Feeders Supply Co.



Dan Dipiazza

SALES

■ **Fred Sizemore** has joined Stuart Powell Ford-Lincoln-Mazda in Danville as director of dealership operations.



Fred
Sizemore

TECHNOLOGY

■ **Mark Lattis** has been named CEO for PSST LLC, a Louisville company that provides administrative solutions for school systems.



Mario
Gutierrez

■ **Mario Gutierrez** has been named vice president of business development for Louisville-based Aperity Inc.

UTILITIES

■ **Charles Dick** has been appointed superintendent of operations for Kentucky American Water's central division.



Charles Dick

■ **Adam Caswell** has been appointed director of government affairs for Kentucky American Water.



Adam
Caswell

BIG MOVES

KENTUCKY CANCERLINK

■ Kentucky CancerLink has announced the following appointments to its board of directors: President – **Bryan Willett**, chief information security officer, Lexmark; Treasurer – **Keren Salehi**, vice president and compliance officer, Community Trust and Investment Co.; Secretary – **Jacky Space**, executive sales specialist, Merck & Co.



Bryan Willett



Keren Salehi



Jacky Space

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

■ **Alan Long** has been appointed to the Professional Ethics Executive Committee of the American Institute of Certified Public Accountants. Long is the managing member of Richmond-based Baldwin CPAs.



Alan Long

ARGENTUM

■ **Pat Mulloy** has been elected chairman of the board for Argentum, a national association dedicated to supporting companies that manage senior living communities. Mulloy is an attorney with the law firm of Wyatt, Tarrant & Combs, where he is a member of the corporate and securities team.



Pat Mulloy

EMPLOYERS' MUTUAL INSURANCE AUTHORITY

■ Dr. **Rodney Casada** has been appointed to the board of directors of Employers' Mutual Insurance Authority. Casada, of Somerset, is a chiropractor at Wilbert Vault of Somerset.

HEALTH ENTERPRISES NETWORK

■ **Diana Lawrence** has joined the board of directors of the Health Enterprises Network, a health care business network formed to foster the growth of the Greater Louisville health-care economy. Lawrence is



Diana Lawrence

provost and senior vice president for academic affairs at Sullivan University.

KENTUCKY CENTER FOR AFRICAN-AMERICAN HERITAGE

■ **Andrew Baskin** has been appointed as a member of the Kentucky Center of African-American Heritage. Baskin, of Berea, is an educator at Simmons College of Kentucky.

KENTUCKY HORSE RACING COMMISSION

■ **Alan Leavitt**, **Naveed Chowhan**, **Jonathan Rabinowitz** and **Ed Worley** have been appointed to the Kentucky Horse Racing Commission. Leavitt, of Lexington, is a horse breeder. Chowhan, of Louisville, is a physician. Rabinowitz, of Versailles, is an attorney at Morgan & Morgan PLLC. Worley, of Lexington, is a general contractor for and owner of WG&T Builders Inc.

KENTUCKY OIL AND GAS CONSERVATION COMMISSION

■ **Austin Vowels**, **Bernie Mason** and **Rick Fyffe** have been appointed as members of the Kentucky Oil and Gas Conservation Commission. Vowels, of Henderson, is the city commissioner of the City of Henderson and an attorney at Vowels Law PLC. Mason, of Ashland, is in the coal industry. Fyffe, of Ashland, is a retired oil and natural gas engineer.

KENTUCKY STATE CORRECTIONS COMMISSION

■ **Tony White**, **Mark Kleiner** and **Mary Easterling** have been appointed as members of the Kentucky State Corrections Commission. White, of Morehead, is a national outreach and engagement specialist at the Fletcher Group. Kleiner, of Prospect, is the president of Preferred Insurance Group. Easterling, of Louisville, is a community volunteer and small-business owner.

LOUISVILLE ORCHESTRA

■ The Louisville Orchestra has welcomed the following new members to the board of directors: **Mariah Gratz**, **Michelle Hawk Heit**, **Carol Barr Matton**, **OJ Oleka**, **Jeff Roberts**, **Min K Son** and **Dennis Stilger**. **Lee Kirkwood** has been named chairman of the board.

THE NATURE CONSERVANCY

■ **Robert M. Connolly** has been elected to the board of trustees of The Nature Conservancy's Kentucky Chapter. Connolly is chair of the Stites & Harbison law firm and a member of the firm's torts and insurance and business litigation practice groups.



Robert M. Connolly

UNIVERSITY OF LOUISVILLE HEALTH BOARD

■ The following individuals have been named to the newly formed University of Louisville Health board of directors: **Neeli Bendapudi** – president, University of Louisville; **Toni Ganzel** – dean, University of Louisville School of Medicine and vice president for academic medical affairs; **Kelly McMasters** – chair, UofL Department of Surgery; **Diane Medley** – member, UofL board of trustees; **Fred Williams** – physician, UofL Health; **Pat Mulloy** – of counsel, Wyatt, Tarrant and Combs; **Ben Breier** – CEO, Kindred Healthcare; **Heidi Margulis** – retired chief corporate affairs officer, Humana; **Junior Bridgeman** – CEO, Bridgeman Hospitality; **William Ballard** – attorney and former health care executive; and **T. Richard Riney** – former executive vice president and chief administrative officer, Ventas.

YOUNG PROFESSIONALS ASSOCIATION OF LOUISVILLE

■ The Young Professionals Association of Louisville (YPAL) has announced its 2020-2021 board of directors: President – **Rudy J. Ellis**, Dinsmore & Shohl LLP; President-Elect – **Cassidy Hyde**, Make-A-Wish Ohio, Kentucky and Indiana; Immediate Past President – **Nathan Shanks**, Logan Lavelle Hunt; Treasurer – **Patrick Wilson**, MCM CPAs & Advisors; Secretary – **John Weber**, Frost Brown Todd LLC; Vice President of Public Relations – **Betsy Oyler Appleton**, Confluent Health; Vice President of Community – **Dexter Horne**, Louisville Public Media; Vice President of Programming – **Sarah Perry**, Home of the Innocents; Vice President of Engagement – **Michelle Clay**, Humana. The following individuals have been named directors: Communications – **Eiman Zuberi**, Louisville City FC; Social Media – **Sam Draut**, Landmark Community Newspapers; Technology – **Jay Brown**, Smart Data; Community Outreach – **Kelci Webb**, Southeast Christian Church; Public Issues – **Lena Muldoon**, Louisville Forward; Professional Development – **Leah Kelly**, Brown-Forman; Leadership – **Woo Smith**, Terracon Consultants Inc.; Diversity and Inclusion – **Chris Redd**, Healthcare IT Leaders; Recruitment, **Kulwant Singh**, Farm Credit Mid-America; and Membership – **Michael Clemons**, Louisville Running Co.



Rudy J. Ellis



John A. Roush became president of Centre College in 1998. Roush began his career in higher education at Miami University in 1972 as an assistant football coach before transitioning to administration and becoming executive assistant to the president. He joined the University of Richmond in 1982 as executive assistant to the president and later served as vice president for planning and secretary to the board of trustees. In addition to his work in higher education, Roush was a captain in the U.S. Army. He is a regular contributor to professional journals in the areas of leadership, governance and finance in higher education and intercollegiate sports, in addition to serving with numerous education associations and councils. He also remains active in civic and community affairs. Roush grew up in Ohio and earned a bachelor's degree in English from Ohio University's Honors College, where he graduated summa cum laude. He was Ohio University's Scholar Athlete of the Year and was a three-time Academic All-American in football. He earned his master's degree and Ph.D from Miami University. He and his wife, Susie, have two sons and six grandchildren. Roush retired effective June 30, 2020.

Colleges Must Impact Student Lives to Prove They Are Worth Today's Cost

Outgoing President John Roush explains the best practices behind Centre College's 200 years of success in postsecondary education

Mark Green: What tools or metrics have you used to assess how well Centre College is doing, and thus how you're doing in your job?

John Roush: The rankings and ratings that come out every year would be clear evidence that Centre College is a place held in high regard. I'm quick to add that these rating systems are deeply flawed, but they're what we have to work with, and they signal that Centre is one of the premiere, truly outstanding undergraduate colleges in America. That's really good

for us here in Danville, at Centre and for the Commonwealth of Kentucky to have an institution that enjoys that kind of prestige and notoriety.

In terms of how we measure ourselves, we like to be a little more academic. Our core vision is to be a place of both high achievement and high opportunity. That mantra goes back a long time at Centre. We have worked to increase being a place of both high achievement and a place of high opportunity. That first piece is self-explanatory; 65% of our students

are in the top 10% of their class. They have an average ACT of about 30. These are the outstanding students in their high schools.

Just as importantly, during the time I've been here we have upped our game in terms of being a place of opportunity for students who might not normally make their way to an institution of this quality in Kentucky. How do you measure that? When I got here 22 years ago, we were about 8% students of color. We're now, counting our foreign students of color, at about 27%.

Part of our mission is to have serious socioeconomic diversity. When I got here, we had some students who would have been Pell grant (federal aid for those with exceptional financial need) eligible; we now are 20% Pell-eligible and 65% qualify for need-based aid. When I got here, we had about 10 students from other countries and we now have 120. When I got here we had 1,001 students and now we have 1,400.

By the way I measure what we've accomplished, I take confidence in knowing we have made this institution to be more like the nation and world of which we're a part. And we've improved the quality. So when somebody says, "John, how do you measure whatever success you've had?" I would call up those kinds of numbers.

MG: The quality of faculty at Centre is one key to its success. What role do you, as president, play in hiring? How much of the current faculty have been put in place during your 22 years?

JR: When I got here we had 80 faculty; we now have about 140. I've had a hand in helping hire about 60% of that faculty, and I'm proud of that. The more important thing is that I am involved in the process; I sign their appointment letter. But at a really good college or university, my role in faculty appointment is to help recruit them; I'm part of the sales pitch, not so much the selection process. The quality of the faculty was strong when I got here without question. It is stronger now, and that is a compliment to the current members of our faculty who found these people and then recruited them. I played a role in that recruitment, but it would be an overstep to suggest I "sign off" on these people. I do participate in a meaningful way, more around the level of recruitment than selection. That's what has long gone on at really good places.

MG: At a 201-year-old school with a strong sense of its history and high performance, how do you decide to add or change facilities? When an institution is "not broken," how do you decide to fix it?

JR: This institution's really strong history is something to be admired, which is one of the reasons I came. I wanted to go to a place where I thought I could make a contribution to the greater good, and Centre was already a strong, vibrant, important place in Kentucky. What we've done—through growth that's occurred while maintaining our small class sizes, a 10:1 student-faculty ratio, as well as

adding a lot of depth and breadth to the academic program with new hires—we've done at a remarkable level over these 22 years. That is a high compliment not to John Roush but to the people who have worked alongside me. They should get all the credit because they're the ones who have been making this all work over time.

In terms of the growth of the physical institution, we invested about \$130 million, all thanks to the generosity of donors who believe what



- Four-year liberal arts college **founded in 1819**.
- Offers **more than 50** majors, minors, preprofessional and dual-degree programs, and graduate partnerships.
- Has **87** campus organizations and more than **2,000** campus events annually.
- Has **1,450** students, **98%** of whom live on campus.
- **90%** of students receive some kind of financial aid.
- Has a student/faculty ratio of **10:1**.
- The average class size is **18**.
- **85%** of Centre students study abroad.

we look like and how we function day-to-day matters and came up with the support. We've added three major scholarship programs that fund about 120 students per year with full tuition or full tuition plus scholarships, and that's helped to improve the profile of Centre.

It's been a step-by-step process. I'm a big believer in strategic planning. We've gone through three plans during my 22 years, and it's

time for another. As Milton Moreland comes through the door, I've already whispered in his ear, "It's time for another strategic plan." What will we now do going forward to make Centre College and the impact it has on students' lives to be better, stronger and faster?

MG: There was a major facilities upgrade about eight or 10 years ago to Crouse Hall, Centre's main building. Can you tell us about that?

JR: Crouse is our chief academic building. It is home to Doherty Library. It's where about 60% of our faculty are housed. It's filled with classroom spaces and has this glorious statue of Abraham Lincoln out front. It's a spectacular building day or night. When I go work out late at night, one of my great joys is riding my bike past Lincoln and giving him a high five on the way by.

Virtually every building here has either been built or renovated in the last 22 years. A couple are now coming up for their second renovation; it's time to upgrade some residence halls again and brush up some of our academic buildings. We're opening a new Learning Center in Doherty Library next fall, because education's changing. It's never about staying the same. It's always about finding ways to improve your game, to make your program more effective and more impactful in the lives of the young people who come your way—while maintaining our core commitment to being an undergraduate college in the liberal arts and sciences that is highly residential and is about the business of preparing tomorrow's citizen leaders.

MG: A significant trend, accelerated by the pandemic shutdown, is the shift to more online instruction, which would seem to contrast with Centre's reputation for enthusiastic in-class instruction. What has been Centre's approach to online instruction?

JR: We went online, went remote, over a period of four or five days. As a compliment to Centre's faculty and its leadership, let me say people on my

senior team met for hours to execute that pivot in such a way that we did minimal damage to the academic experience of the students who were halfway through their term. I believe we did it better than the rest. I don't want to make it sound like it was just the same as what they had delivered in-person, in a classroom of 18 with a chance to be fully influenced by an outstanding teacher-scholar—which is our model—but we were able to make a good pivot to finish the term in a way that the academic program value was maximized to the extent it could be.

We had the advantage that our classes were still small. Our faculty worked hard to be inventive, creative and flexible in terms of how they administered that online experience. We have outstanding teacher-scholars, and they're best when they're in a classroom with you sitting there taking notes, exchanging questions and so forth. But that high quality plays off even to an offline, remote experience. A lot of them did it very well.

That takes me into the question of if there'll be more of that going forward. The pandemic forced us into something we have been naturally moving toward even as a highly residential, high-quality undergraduate college. Our students of the future will collect some greater amount of their educational experience remotely. They're going to approach a professor and say, "I'd really like to pick up this course. It's offered at another reputable institution. What do you think?" And we're going to figure out a way to say yes.

I've been making this case for four or five years. If this student has a chance to study with one of the most noted historians at Oxford as an undergraduate, beam in and be a part of that class remotely, we're going to tell him or her you can't do that? I don't think so. Those opportunities exist now. They're going to become more numerous, become more affordable, and we're going to have smart young people say, "I'd like to do that." The smart move is to figure out a way to say yes. That will not

become our core experience, it'll always be on the perimeter, but we need to figure out a way to blend that into what we do.

MG: Do agreements between schools to share instructors and/or students exist now?

JR: We already have such a program with Rhodes College and Sewanee: The University of the South, made possible by the Mellon Foundation. It is a collaboration to share resources, to share faculty members, to share students, all built around the notion that education is headed toward collaboration and the sharing of resources. American higher education is late on the draw. This should have been happening 20 years ago; some of us started talking about it 20 years ago.

“ It's not just about getting something accomplished, it's getting something that matters for good accomplished. ”

MG: A 22-year run as a college or university president is especially long. To what do you credit your longevity and success?

JR: I was blessed with good health, a high level of energy since I was a little boy. And a natural curiosity. Not everybody keeps that; for whatever reason I have. I was curious, afraid of nothing growing up, and that's blended into my adult experience. But my greatest asset through all of this has been the people I've been surrounded by, beginning with my wife Susie, who is a remarkable partner and friend and adviser to me. Alongside that are mentors almost too numerous to mention, men and women who have taken a special interest in me and my work and my life, beginning with my mom

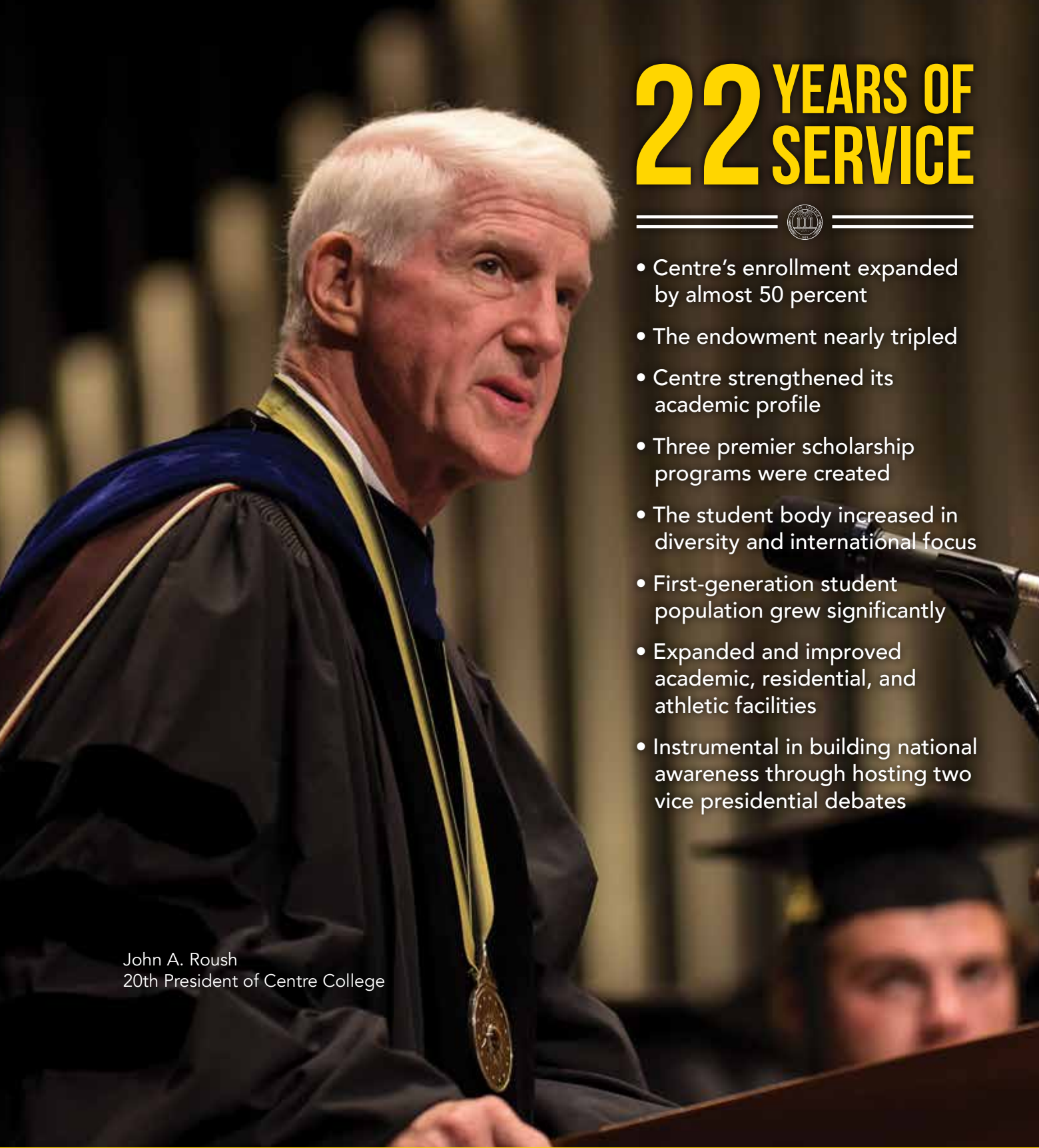
and dad, but a number of teachers and professors and coaches and colleagues who've invested time and energy in me. And the third piece of that, once I began to find myself in leadership positions, is absolute luck of the draw. I didn't hire all these people; most of them were there when I got there. I had the occasion to be surrounded by remarkable, outstanding people who share a common interest in doing good, in making a difference, in having an impact in the lives of the young people. My magic, if I have any as a leader, is to get out of their way and let them do their jobs.

That is an element of good and effective leadership. I always put those words in combination: It's not just being effective; is effective good? That carries with it a little bit of a moral value. It's not just about getting something accomplished, it's getting something that matters for good accomplished. That's been a primary result of the people that I've had the chance to work with.

MG: Centre's website states 98% of students live on campus. That sounds like a very high number. Is it rare?

JR: I've said any number of times, even when I'm at national meetings with other premier undergraduate colleges: There's "residential" and then there's us. Most colleges that are 60% residential, 65%, will talk about being undergraduate residential colleges. At Centre College, virtually everybody lives on campus—2% of 1,400 students is about 28 people (nonresidential). We're having a lot of conversations just now, because our plan is to reopen in-person and on campus, because that's what our students want.

Even though they can be positively affected over time with remote, distance-learning opportunities, the bread and butter here is on-campus, residential, involved in-student activities and athletics, music and theater, and fraternity life and sorority life. For that to be at its absolute best, you need to be residential. So we are that, plus.



22 YEARS OF SERVICE



- Centre's enrollment expanded by almost 50 percent
- The endowment nearly tripled
- Centre strengthened its academic profile
- Three premier scholarship programs were created
- The student body increased in diversity and international focus
- First-generation student population grew significantly
- Expanded and improved academic, residential, and athletic facilities
- Instrumental in building national awareness through hosting two vice presidential debates

John A. Roush
20th President of Centre College

Thank you, John and Susie Roush,
for helping make Centre College a place of
"high achievement and high opportunity."



CENTRE
COLLEGE

John Roush joins in leading the cheers at a Centre College basketball game.

MG: So becoming part of a family and a community in which 98% of them are on campus helps students be more focused on the educational experience?

JR: Well put. You can put quotes around that and give that to me.

MG: Technology has changed dramatically over the past 22 years. Do today's "digital native" students learn differently? Is the core educational process different or essentially the same?

JR: Yes, there's a speed that simply didn't exist when you and I went to do research. There was a rigor associated with it that probably was good for us. It slowed things down a little bit. We were not able to access virtually any piece of information on every subject matter across the world in a matter of seconds. We had to work harder at it. That had a value that these current students are not exposed to. That said, I'd trade with them in a New York minute!



But I do think we have to help them. We have to do a better job helping current students understand context, understand the historical framework for the things they're discovering as new and true information. I don't think we've quite figured that out. A number of faculty reject that idea: "That's not my business to help them understand context or historical reference. They've got to figure that out." At a good college or university, we're going to have to help them find their way. But there's no putting the genie back in the bottle. Access to retrievable information in a microsecond is with

us to stay, so we've got to figure out how to help students be more careful in the manner in which they do their research and come to conclusions.

This is not some kind of impossible task; you just have to be intentional about it. Our students are open to this, it just hasn't been shared with them. They haven't been told in a responsible way that there's more to learning than "as long as you get the answer right it doesn't matter that you understand how you got here, what it means, or where it came from."

MG: You have a professional expertise in leadership. Is it harder to lead the Ph.D. faculty members at an exceptional college, a group who by definition are really, really smart?

JR: I'm a student of leadership, not an expert. The course I teach every Centre term, which has been a great joy for me, is called "Rainmaking," because if you go back and look at some of the phrases associated with leadership, one of them is "leaders make rain." That has application in commerce and business as well as almost every field.



Centre College photo

Centre President John and wife Susie Roush work a crosscut saw on the trunk of an enormous red oak tree that had shaded the southeastern end of the football field since before it was a football field. The tree was estimated between 150 and 200 years old. Old age finally caught up with the campus landmark, however, and the dying tree had to be cut down in September 2007.

Every year I learn as much from my students as I hope they learn from me. I ask them to profile a leader of their choosing, someone historical—there’s got to be some distance between the leader and his or her work so you know how it ended. And it has been such a joy. It’s absolutely a revelation to hear them present their papers on the leader of their choice. I am of the opinion that every person I’ve ever known, myself included, is a work in progress. God’s not finished with me just yet. I’m not finished with becoming the person that I might over time, and I want them to think of themselves that way. The other thing I tell them is that I do take what I do very seriously; I don’t take myself very seriously. That gives me a flexibility to be a little more playful, it allows me to be a little more adventurous, take some greater risk. Because at the end of the day, whatever we accomplish is not about me, it’s about the organization that I serve, whatever that organization might be, and the people it serves. That’s what really counts to me, and I know that sounds a little Boy Scout-y, but that’s the way I was brought up. That’s the experience I’ve had as a worker, that’s the kind of people I’ve been around in my lifetime of work in service, and it’s worked out pretty good.

MG: What are the top challenges for higher education today, both in general and in Kentucky?

JR: Making our way back onto our feet on the heels of this pandemic has been a major challenge but not the first challenge I have experienced. The market crash of 2008-2009 was a financial crisis of similar proportions to what we’re doing now, maybe even greater, though it’s too early to tell. And when 9/11 happened I was president of Centre College. That was a pretty anxious day followed by a number of other anxious days. In my leadership experience, those three are all outstanding challenges.

But back to your question: Three things come to my mind. One is the whole issue of finance. The American college or university has had an accelerated increase in price the last

25 years. At Centre College, we have moderated that; we have not gone up more than what would be the rate of inflation over the last 10 or 15 years. But we still cost \$50,000 for room and board, tuition. That’s a lot of money.

Over 90% of our students receive some kind of aid. So we’re committed to making it possible for a bright, serious young person to attend Centre College. The financial wherewithal required for that is remarkable, and it’s getting more complicated.

Second, the American public is asking the question, is college worth it? That question is asked around



Centre President John Roush and his wife, Susie, welcome singer Willie Nelson to the Centre campus.

more dinner tables, with greater seriousness, by parents and by young people. “Does it really matter that I go to college? Does it matter that I go to a really good college? Or might I be able to just pick up some skills and some degree work and get on with the life that I might lead as a worker, as a doer?” That has been haunting American higher education for the last decade. And I’m not talking about folks who are less educated and haven’t had higher education; I’m talking about families where Mom and Dad both went to college and got an undergraduate degree. Mom’s now

out of work, Dad’s worried about his job. Mom and Dad are not sure they’ve yet had a job where their college education was crucial. They have not lived the American dream experience financially, and they’re saying, “Do you really need to do that?”

And third, America’s (education) institutions have to get back to high quality. Not every institution is measuring its value on whether they are having an impact in student’s lives, helping them to become more effective citizen leaders. Places are throwing together academic experiences because they’re what people want, they sound good, the optics are good. But they’re not focused on high quality and shame on us for letting that happen. I’m not being critical of every institution. If we can’t get back on that, then I think the American public has every right to say, “Why would I send my daughter, why would I send my son to spend four years at your place if they’re not going to have a high-quality experience?” There’s a greater sense of suspicion. Some of that suspicion is earned.

MG: What about Centre has enabled it for so long to maintain its level of educational attainment and subsequent success for its students and alumni?

JR: Centre’s great strength has been its ability to change lives for good and forever by way of its undergraduate experience in the arts and sciences over time. That’s what we do here; we change lives for good and forever, and that’s why our percentage of alumni giving is what you witness. It’s why the loyalty is so strong. Centre College has been doing this for 200 years, changing people’s lives for good and forever. That is why it matters so much. We have been a primary entry in the book “Colleges That Change Lives” (by former *New York Times* education editor Loren Pope, published 1996, 2000, 2006 and 2013) and it’s a well-earned honor for us. It’s a small cadre of schools across America, and it’s not an overstatement in our case. That’s what we’ve been doing here for a long, long time.

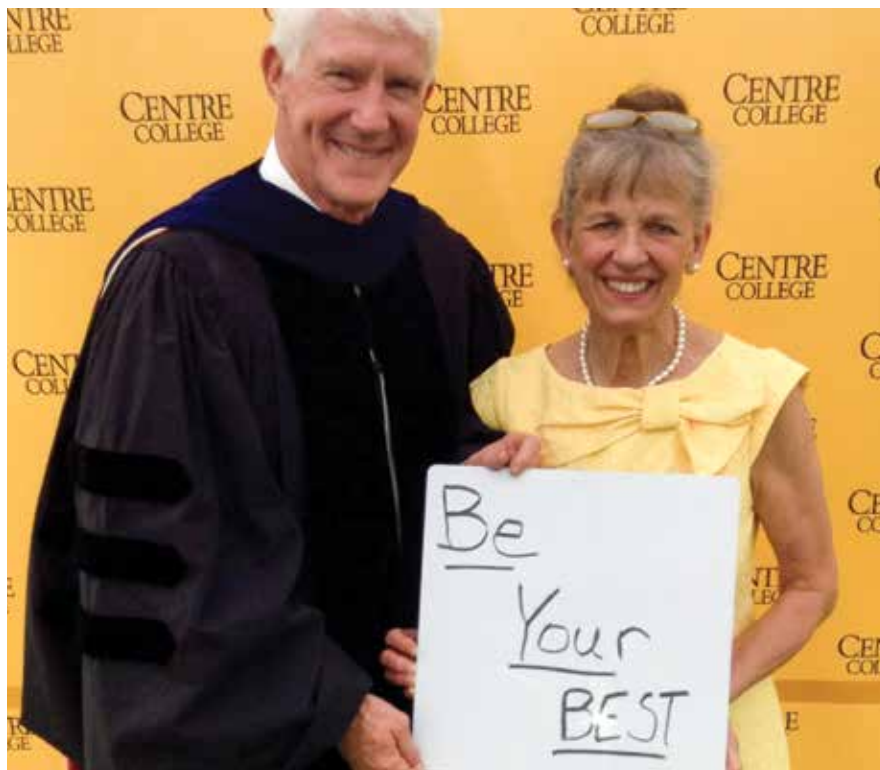
MG: How much of this success is a result of the admissions process and screening students and how much is having that Centre experience and instruction and culture?

JR: The answer is yes to all those. Have we worked really hard in admissions? Do we go out there and beat the bushes each and every year to identify and then recruit young people who will benefit from this educational experience? Yes. Does it cost a lot of money to do that? Yes. When they show up, do they expect to have outstanding teacher-scholars at the front of the room, in buildings equipped to deliver a modern, highly effective undergraduate experience? Yes. Do their parents expect them to get good jobs and placement into outstanding graduate schools at the end of four years? Yes. Do they expect their son or daughter to graduate in four years? In the commonwealth there's nobody within 20 percentage points of our graduation rate for four years, and most are 50 percentage points lower. We're somewhere between 83% and 87% over four years. We have one of the top graduation rates in America, and we should. The investment we make in these young people, the kind of teacher-scholars we put in front of them, the kind of staff, the kind of opportunities we provide for them in music and theater and athletics and student government—we ought to get them out of here in four years and then they ought to go out prepared to do something with their life.

MG: Centre has one of the country's highest rates of alumni financial support. What are the best practices for that?

JR: A lot of people think that happens because it just happens. No. We have had a first-rate development team in place here at Centre for a long time. We're really intentional about that; it doesn't just happen because we wish and hope.

Imagine you're working for the Centre development office and you're going to make a call on a person who has enjoyed real success in his



or her life. You will spend your time, almost for certain, talking about how they got their start and that what really made a difference in their life was their choice to come to Centre College. Period, end of story, nothing else to talk about. Their education experience as an undergraduate is what motivates them to make their gift, whatever that size might be.

Sometimes, people start as a \$100 giver and life goes well and all of a sudden—I can call these people off by name—they become billionaires, worth hundreds of millions of dollars. And their first obligation, alongside other obligations, is to give back to their undergraduate alma mater. Because this is where their life got changed for good and forever.

MG: Do you have any advice for your successor, Milton Moreland?

JR: Milton Moreland I've known for 15, 20 years. I had no hand in his appointment, nor should I have had, but I'm delighted with the pick. He is a good human being. He's smart, he's hard-working, he's got great experience, he's got good instincts, and he's just a good man. He'll do a terrific job. So what advice

John and Susie Roush have spent the past 22 years encouraging Centre students to "Be Your Best."

would I give him? I've always been encouraged, from the time I was a little boy, to aim high, to stay focused on that north star, and I would encourage him to do that.

I would encourage him to love this place. That's different than having a job here. A really good leader finds out that he or she needs to love the place and its people. That would be my advice.

And third, I would counsel him to remember that you're only as strong as the people you're surrounded by. Be sure you share the credit with the trustees, the faculty, the staff, and particularly the senior team members around him—even more often than you think you should. And he will, this is an easy one for him. ■

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

TOP 5 REASONS

Your business needs Cyber Insurance

1. The main root causes of a data breach in the U.S. are malicious/criminal attack, human error, and system glitches.
2. Any organization that retains physical or electronic records of employees, customers, or other third parties is vulnerable and can be a victim of a cyber event.
3. 95% of businesses rely on their computer systems functioning properly for their business to operate. If systems go down due to a glitch, error or attack, businesses can be at risk of suffering a loss of income and customers.
4. Ransomware is evolving and becoming more advanced with infections up 40% within the past year. Extortion events can have a significant impact on business' operations and often require payment of ransom to regain access to data and systems.
5. 49% of organizations with at least one significant attack were successfully attacked again within one year.



Call us today so you can begin protecting your business against Cyber Attack!

(859) 253-6570

info@lexingtoninsuranceagency.com



LEXINGTON
INSURANCE AGENCY

KEYSTONE®

Poised for Recovery



Coronavirus safety actions at Ford Motor Co. include required face masks for everyone entering a Ford facility. Every team member will be provided a care kit including a face mask and other items to help keep them healthy and comfortable at work.

Louisville Assembly Plant returned on a one-shift pattern May 18. LAP, which builds the Ford Escape and the Lincoln Corsair, has 4,100 employees, of which approximately 3,900 are hourly. On June 1, LAP increased production to two shifts.

The Kentucky Truck Plant, which builds the Ford F-250 through F-550 Super Duty trucks, Ford Expedition and Lincoln Navigator, reopened May 18 with a two-shift pattern. KTP has around 8,920 employees, of which 8,620 are hourly.

On the first day back, each Ford employee received a kit with face masks, hand sanitizer, tissues, lip balm and a reusable thermometer. Employees must wear the Ford-provided face mask. Ford installed protective measures in many facilities to protect workers whose jobs must be performed within 6 feet of another person. Safety glasses with side shields or face shields are required in instances where employees' jobs do not allow for at least 6 feet of separation.

To create new operations to protect its workforce, Ford's medical professionals and company leadership worked with experts in infectious disease and epidemiology in consultation with the Centers for Disease Control and Prevention and federal, state and local guidance. The company communicated the practices to employees through its internal website with articles and videos and held on-site discussions.

Ford has developed its own "Return to Work" playbook to ensure workers and suppliers understand Ford's health and safety

With operations adjusted for COVID-19 safety measures, Kentucky businesses are back at work—and some never stopped

KENTUCKY'S business community has emerged from a never-before-seen coronavirus economic shutdown after implementing a slate of safety measures to replace person-to-person contact with social distancing, separation, masks, gloves and disinfection. By opening up social settings only slowly, the commonwealth so far is keeping its infection rate low enough to shift the economy back into gear.

The Lane Report asked several major employers and members of significant industries—some of which never closed due to their "critical infrastructure" designation—how they have managed their operations during the historic challenges of 2020. Here we share the best practices they told us about.

Ford Motor Co. (Louisville)

Ford suspended production at its North America sites, including Louisville where it has 13,000 employees, after shifts March 19 to thoroughly clean facilities to protect its workforce. North America parts distribution centers resumed full operation May 11 to support dealers in providing service. Ford began a phased resumption of North American production May 18 and will ramp up as its workforce and supply chain are able to support it.

Team members whose jobs could not be done remotely returned May 18. Ford produced personal protective equipment (PPE) and medical equipment during the time vehicle production was paused.

Photo courtesy of Ford Motor Co.

practices. The playbooks will change over time as expert recommendations, regulatory guidance and industry practices evolve.

The company implemented robust measures globally to support a safe and healthy environment for its workforce, with health assessment measures, personal protective equipment (PPE), hand sanitation stations through facilities and modifications to increase social distancing. Facilities are thoroughly cleaned with increased frequency now that they have reopened.

Daily online health self-certifications must be completed successfully before work every day. Temperature scans are conducted upon arrival. Everyone entering a Ford facility is required to wear a face mask. The playbook has detailed procedures and protocols for visitors and suppliers.

The company is scheduling more time between shifts to prevent potential interaction between employees and allow for additional cleaning between shifts.

Ford does not know if there will be a lasting impact on employment numbers, but is hiring additional temporary employees to offset an increase in absenteeism due to the pandemic.

While there is speculation some companies will change supply chains as a result of the pandemic and shutdown, Ford reports for now only that its suppliers are put in place several years before it begins to build a vehicle.

As a global company, Ford is evolving health and safety practices as it learns more about the virus and gains experience in its locations around the world. The company said it continues to work with unions, especially the UAW, and experts in infectious diseases and epidemiology, to identify additional methods to keep its workforce safe.

Amazon (Multiple Kentucky sites)

E-commerce giant Amazon has stayed open for business, delivering supplies of every type—some critical—to the doorsteps of homes and businesses. The company is one of Kentucky's largest employers, with 12,500-plus full-time employees at 14 fulfillment and sortation centers, a customer service center, two Whole Foods Markets and its first Prime Air distribution center, now under construction at the Cincinnati-Northern Kentucky International Airport in Hebron. Getting priority items to doorsteps as communities practice social distancing is essential, according to the company, particularly for the elderly and others with underlying health issues. With the expectation that communities around the world are going to increase social distancing, Amazon believes it has a unique role to play.

Amazon expects to invest approximately \$4 billion from April to June on COVID-related initiatives. This includes more than \$800 million in the first half of the year on safety measures, including personal protective equipment, enhanced cleaning of facilities, less efficient process paths that better allow for effective social distancing, and developing its own COVID-19 testing capabilities, etc. It doubled janitorial staff and increased cleanings in common areas; scheduled weekly disinfecting foggings; and installed UV lighting sanitation devices in break areas.

Management implemented over 150 process changes. The company has distributed personal protective gear across its entire operations network and plans to continue investing in safety, pay and benefits for its teams who are getting items to communities around the world.

Since the early days of COVID-19's emergence, Amazon has worked with health authorities to proactively implement measures at facilities to protect employees. It added distance between drivers and customers when making deliveries and every new employee's orientation includes six hours of safety training.

Amazon leaders meet every day to consider the evolving situation and consult with medical experts to ensure the safety at sites for both employees and customers. Regular, critical updates are being made to logistics, transportation, supply chain, purchasing and other processes.

Among the intense measures to ensure the health and safety of employees is a recently implemented policy that individuals who intentionally violate social distancing guidelines will receive two warnings; a second documented offense can result in termination.

Among the new processes the company has implemented to protect employees are:

- Thermal cameras and thermometers at entries for temp screenings.
- Plexiglas around HR/safety areas to allow effective and safe two-way conversations.

Amazon photo



To keep employees safe during the COVID-19 pandemic, Amazon has made over 150 process updates, from enhanced cleaning and social distancing measures to piloting new efforts like disinfectant fog in a New York fulfillment center.

“UPS has gone to great lengths to protect our employees, customers and the general public,” said Jim Mayer, UPS public relations manager. Those measures include social distancing, masks, hand-washing, enhanced cleaning, tracking and tracing.

- Glove vending machines.
- Machine learning tools that understand where there may be areas that need added measures of social distancing.
- New software that allows associates to clock in and out from their phone to reduce crowding and congregation.
- Adjusted software on how work is distributed and processed to maintain social distancing.
- Camera-based contact tracing to validate exposure related to any employee who reports a positive case.
- Use of autonomous carts throughout buildings to move inventory, totes and equipment, reducing the number of touches for an item.

As of early June, Amazon had deployed more than 31,000 thermometers and 1,115-plus thermal cameras, provided 100 million masks, added 2,298 handwashing stations, added 5,765 janitorial staffers to teams, deployed an additional 34 million gloves, added 48 million ounces of hand sanitizer, and added 93 million sanitizing sprays and wipes.

The company is working on building scalable testing for the coronavirus. It aggressively and quickly worked to ensure the safety of teams with guidance from the CDC, the World Health Organization and local health authorities. Some of its more than 150 process updates include:

- No stand-up meetings during shifts; essential information is shared on boards near main areas and conversations with managers or human resources team members.
- Staggered shift start times and break times.
- Staggered staffing at work stations.
- Training in small formats and with in-app training tools and other equipment.



UPS photo

- Employees sanitize and clean their work stations and vehicles at the start and end of every shift.

Employment numbers are booming

In March, Amazon announced it would hire 175,000 temporary full- and part-time employees across its North American operations network, including more than 1,700 in Kentucky. It doubled the hourly base pay rate for overtime hours. As the long-term picture became clearer, Amazon said 125,000 of those who joined in a seasonal role will have an opportunity to transition into a permanent, full-time role beginning in June. More than 1,400 of these seasonal-to-permanent, full-time roles will be offered in Kentucky for customer fulfillment and last-mile delivery. They will join 13,000 full-time employees already working in Amazon facilities across the state in 2020.

Permanent jobs at Amazon have a minimum wage of at least \$15 an hour plus a comprehensive benefits package with a 401(k) that includes a 50% match. Associates have access to training and continuing education programs like the company’s Career Choice, which creates a springboard into a career at Amazon or other companies. An addition to up to 20 weeks of maternal and parental paid leave, innovative benefits such as Leave Share and Ramp Back give new parents flexibility with their growing families.

Though there have been record U.S. unemployment numbers in the spring, Amazon said its hope is that the option for so many people to stay on long-term at Amazon will help

alleviate some of the ongoing burden of unemployment in communities across the U.S.

UPS (Louisville)

UPS, one of Kentucky’s largest employers, remained in operation during the entirety of pandemic. As part of the transportation sector, governments around the world deemed UPS operations a critical infrastructure business and company officials coordinate regularly with federal, state and local health officials.

Consumer e-commerce demand for essential and necessary goods surged. In the first quarter of 2020, next-day air shipments increased more than 20% over the same period in 2019. That continued a trend from 2019, when next-day air volume increased 22% for the full year.

Business closures and stay-at-home restrictions disproportionately affected small- and medium-sized businesses (SMB), and UPS reported a dramatic shift in consumer shopping behavior. By late March its normal 50/50 mix of residential and SMB deliveries had shifted to nearly 70% residential deliveries.

For UPS Airlines, the growth has had a huge impact on the Louisville Muhammad Ali International Airport (SDF), home to UPS’s Worldport sorting hub. It is now the fourth-busiest cargo airport in the world, in a 2019 ranking just released by Airports Council International, an industry trade group. It also was the second busiest in North America. SDF jumped three spots, from seventh



In Somerset-Pulaski County, we're
**making business
about *people.***

And it's working.

COMING SOON TO SOMERSET-PULASKI COUNTY:

HORSE SOLDIER BOURBON

\$50 million, 56 jobs

EXTIEL GPG

\$155 million, 20 jobs

HOLLAENDER

\$667,000, 16 jobs

BLACKBELT HELP

20-30 jobs

TEAM MODERN EXPANSION

20-40 jobs

Learn how we're leading the way, and join us.

somersetkyleads.com @spedaky 

to fourth, in ACI's 2019 preliminary world air traffic report.

In 2019, the Louisville airport handled more than 6.15 billion pounds of packages and freight, the vast majority of it UPS volume.

With guidance from the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) and local health officials, UPS said its employee protection measures go to great lengths.

When the CDC changed its guidance on face masks, the company purchased and began giving masks to employees and is continuing to procure and distribute masks. All employees have access to masks.

UPS also enhanced cleaning of shuttles, vehicles, facilities and aircraft. Because of the worldwide shortage of cleaning supplies early on, in some cases UPS made its own. As the shortage has eased, it is equipping ramp vehicles with cleaning materials and hand sanitizer. Sanitizer has always been available at entrances, and work processes have been modified to allow for more frequent hand washing.

UPS added 30 school buses to its employee shuttle lineup to allow social distancing when entering and exiting Worldport. New signage and ground markings delineate proper social distancing.

The company continues to educate employees about public health practices—frequent hand washing and social distancing are the most important—and continues to collaborate with health officials to further enhance its coronavirus safety measures.

Beyond its own operations, UPS is participating in a series of relief efforts to combat the coronavirus:

- Multiple UPS Foundation grants (including shipping face shields manufactured at the University of Louisville).
- Donated \$100,000 to UofL to fund research for promising COVID treatment.
- Donating N95 facemasks to hospitals in Kentucky.
- Transporting coronavirus tests for the state of Kentucky.



Toyota Motor Manufacturing USA photo

Toyota Motor Manufacturing Kentucky (Georgetown)

Toyota Motor Manufacturing Kentucky and its 8,000 team members resumed operations Monday, May 18, after shutting down Friday, March 20. It took a few days to ramp back up and roll new cars off the production line again, said Susan Elkington, president of TMMK. The plant is working two shifts and expects a full-demand type of operation by the first of August.

Inventories have gone down since TMMK didn't produce vehicles for nearly two months and dealers kept selling vehicles—though at a much slower pace—by utilizing internet sales and home deliveries.

“During the month of April, year over year sales were down about 55%, which was pretty huge,” Elkington said. “But for May the reduction was more about 15-20% from last year. We are seeing demand continue to increase.

“That first week (of May 18), we ran about 25% and currently we are getting up to about 75% for a full eight-hour shift, so we are making progress,” the TMMK president said in early June. “As a plant we typically run planned overtime to meet production demand the majority of the time. Without planned overtime, the current 75% production level is probably at about 60% compared to what normal would be this time of year.”

The Toyota way of doing business has always focused on kaizen, the Japanese word for continuous improvement.

Toyota's Manufacturing Projects Innovation Center in Georgetown, Ky., quickly adapted the innovative makerspace to address the sudden demand for plastic face shields for healthcare workers treating those who've contracted COVID-19. Toyota Motor North America made and donated 500,000 commercial-grade face shields.

“We're used to the changes,” Elkington said. “We're constantly making changes, so with this change, people could put their head in the sand or they can see it as an opportunity. Our organization has seen it as an opportunity—to make us stronger when we come out of it.”

She recalls the economic crisis in 2008 and 2009, which halted production for a time at the Indiana facility where she then worked, as well as the impact of the 2010 tsunami in Japan. These instilled the idea that no matter the crisis, Toyota will get through it.

The company relies on core principals of respect for its employees first, partnering with its communities, and finding ways to make continuous improvement. The latter involves pulling together to learn from each other and from others, then sharing the findings for improvement.

“Those principles haven't changed no matter how long I've worked for Toyota, and I don't expect that they will,” Elkington said. “What I've learned is that these crises are when you really see who your leaders are and who can really step up and go without a guidebook. We've seen that

Is it time for a technology upgrade?



Plus, you don't have to be a technology wizard - *easily operated by anyone on staff!*
Efficient set-up for Zoom meetings and trainings!

Celebrating
98 years!

Barney Miller's
Since 1922

232 E. Main Street Lexington, Kentucky 40507 • 859-252-2216
www.barneymillers.com • info@barneymillers.com

Free parking
at our back door!

over and over again, the remarkable leadership via the team members, to supervisors, to our executives. It's amazing how they've all pulled together to make it where we can be successful in our relaunch."

Preparing for the reopening

With operations across North America and globally, Toyota formed a cross-functional team to work on new protocols and created an 82-page playbook. It includes a screening process for entry into the plant: Every person who comes on site must complete a questionnaire and have a temperature scan.

The group developed protocols to modify processes and help prevent the spread of COVID-19 at work, such as keeping team members 6 feet apart. They looked at different types of barriers to create separation and selected a simple, Lexan-type of plastic. Some employees work in face shields to reduce their chances of spreading the virus.

"Everyone here on site wears a face covering all day except for eating and drinking," Elkington said. "We take very seriously understanding the spread here at work. And our team members have been unbelievable in their response. They want to be back at work producing world-class vehicles for our customers. We've had great response."

The company kept communication lines open during the shutdown.

"During this time we were off we continued to provide pay for our team members. We had some days we asked them to take unpaid or take their vacation time, but for the most part they were paid," Elkington said. "Toyota did what we call *mendomi*, which is showing caring concern and treating others like family. Our supervisors would call team members throughout to check in, see how they and their family are doing, tell them about the things happening here at the plant and what to expect when they came back, what we were seeing in our sales.

"We provided videos. We have an app that we use for communications. I would do videos two or three times a week. Initially it was by a selfie stick on my front porch at home, and the last few weeks it was videos here at work, going over how the changes were here."

Implementing changes at TMMK required significant time on the part of management as well as resources. The plant has 9 million s.f. under roof and every day about 12,000 people come onto the site. Some of the plant's variable "partner" workforce was furloughed, but management expects all of them back by later this summer.

"I can tell you that before we were shutting down we were talking about

how we were going to open back up," Elkington said. "And that changed. As you're seeing in the news, every day it seems something different comes out from the CDC, a new recommendation. We are constantly making changes. What we thought we were going to be doing in March is different than we ended up doing."

However, Toyota did not have to "invent the wheel" in Kentucky for its pandemic response.

"We have plants around the world in regions that were already impacted. We have plants in China, plants in India, plants in Europe, so we were able to learn from them," Elkington said. "Additionally, the companies here in Kentucky that continued operations have been really great resources. The business community has been very open and sharing with each other about things that we have learned and ways we can keep all of our employees safe. I am on the executive board for the Kentucky Chamber, and Commerce Lexington is a great organization to work with."

Infection reduction practices staying in place

TMMK did not have to clean 9 million s.f. of workspace since the virus can't live on its own for two months. The company did disinfect of all common areas, and in many work areas ongoing disinfection and sanitation takes place. Every time team members rotate in their "processes," they clean any tools or devices they have to handle.

Toyota shifted to fewer team member rotations on its processes. It stops production and allows time for cleaning and sanitizing between rotations.

"Typically we had four team members and every two hours a different team member would rotate through the process, and we didn't sanitize between," Elkington said.

Toyota Motor Manufacturing Kentucky has enforced safety measures all over its plant in Georgetown, Ky. In addition to masks, the plant implemented fewer team member rotations, and allows time for cleaning and sanitizing between rotations.



Toyota Motor Manufacturing USA photo

“We reduced it to two. Our teams have always worn some type of gloves, and we now sanitize in addition to that. I cannot foresee we will be able to reduce these protective measures until there is some type of vaccine or treatment measures that help prevent the spread.”

TMMK will continue to pursue kaizen, Elkington said. The plant makes its own face shields, producing almost half a million as of early June. In addition to being used internally, many are donated. And Toyota continues to improve them as well.

“They are designing one that has the full cover of the face so you don’t have to wear a face covering plus the face shield,” Elkington said. “The engineering staff continues to try to find way to create barriers so it will not be necessary to wear the face covering. Maybe there will be a time we don’t have to wear everything because we have some creative way to have separation or prevention of the spread.”

Building cars remains the same

At TMMK, there are no current expectations of changes in supply chain. The majority of its parts come from North America and some from Japan. And while some manufacturing processes at TMMK were adjusted, it wasn’t many. Most adjustments were ways to physically separate processes to create social distancing.

“Maybe the team member now has a barrier between them and that person beside them,” Elkington said. “But the way we build cars is the way we’ve always built cars. We’re just trying to find ways to separate them a little bit farther.”

Nearly 70% of processes and operations at TMMK already allowed for more than 6 feet of separation, she said, so the focus is on the 30% as well as the supervisors and team leaders because they have the personal interaction with team members.

“For the line operators, maybe it has not changed that much,” Elkington said. “But amongst our engineering staff and our production control staff, we are doing things a lot more remotely. We have become experts.



It’s surprising how much paper we used to use and how we’ve shifted to digital means of doing work remotely to prevent having to print out paper and prevent having to hand off paper and pens from one person to another.”

Many plant management functions such as collecting and trending data now take place digitally by smartphone.

A significant impact on costs

Toyota does not know what its total cost for responding to the pandemic will be, but knows it will be a lot.

There are one-time costs to cover shutting down operations for two months and continuing to pay employee wages and utilities for a 9 million-s.f. facility not in operation. Among ongoing costs, there is additional labor for spending time to sanitize as well as to make certain all those things are, indeed, performed. There are additional costs for the materials to sanitize and implement temperature scanning.

“We are still very early in our return (to work) and finding ways to reduce that cost every day,” Elkington said. “Just think about face shields. If you try to buy them it would cost a dollar apiece, and you’ve got 8,000 Toyota employees who need one every single day. And we have many vendors who come on site. It adds up.”

At TMMK, there are no current expectations of changes in supply chain. The majority of its parts come from North America and some from Japan.

Logan Aluminum requires social distancing of 6 feet for its employees. The company frequently cleans high-traffic areas, along with vehicles and other mobile equipment. The plant has operated at full capacity throughout the pandemic.

Logan Aluminum Inc. (Russellville)

Logan Aluminum continued to operate at full capacity throughout the pandemic. Its primary product is rolled aluminum sheet for the canstock market, which has remained strong, President Mike Buckentin said.

A significant amount of time on the part of the crisis management team was required to come up with new operations, particularly in the areas of environmental/health/safety and human resources. Workplace training and communication were conducted multiple times per week to ensure understanding and adherence to the new policies and practices.

As part of Logan’s crisis management training, the plant conducted a table-top exercise several years ago for a pandemic-type event, Buckentin said, adding that the current COVID-19 event has been far more extreme than anything they could have imagined, but the company had made some preparation for supplies (masks, gloves, etc.)

Logan purchased fogging machines in order to frequently clean high-traffic areas and portable spraying machines for cleaning vehicles and other

mobile equipment. Contracts with a professional cleaning company were implemented to clean areas that were identified as high risk.

Social distancing of 6 feet is required wherever possible. When not possible, a mask is required. Temperature screening equipment has been installed at all entry gates, and all employees answer health questionnaires prior to entering the workplace.

As of early June, a large percentage—approximately 70%—of Logan employees were working remotely. The company's operations tend to lend themselves to allowing people to be able to social distance while performing most tasks. Logan plans to return all staff to the site when it is safe to do so and doesn't foresee any long-term impact on employee numbers.

There has been some impact in terms of cost, but controlling those costs has been a high priority for the company, Buckentin said. Additional costs incurred for COVID-related personal protective equipment and supplies, additional / enhanced cleanings, etc., have been somewhat offset by reduced expenses in other areas such as business travel. Buckentin said the company does not foresee any supply-chain changes as a result of the pandemic/shutdown.

Kentucky Power (Ashland)

As a critical infrastructure company, Kentucky Power has continued to provide energy to customers throughout the pandemic.

While many AEP employees can work from home and are doing so, line workers, power plant employees and other critical functions need to report to work locations to keep the lights on for customers. Kentucky Power split up distribution dispatch centers into multiple locations to increase physical distancing for the critical employees who manage and dispatch all outage and hazard orders for customers. It also transitioned more than 82% of call center employees to work from home to increase physical distancing for those still working in the centers.

In its work spaces, Kentucky Power established more frequent cleaning and disinfecting protocols, focusing on high-traffic areas and surfaces touched frequently by multiple people, and put additional cleaning measures in place for fleet vehicles. Deep cleaning and disinfecting is performed when an employee or contractor has been exposed to or diagnosed with COVID-19.

The company has taken significant steps to keep employees safe and healthy. Line workers and other critical employees who have continued reporting to work sites are working



Kentucky Power line workers are working in smaller teams, practicing physical distancing and wearing facial coverings. More than 82% of call center employees transitioned to working from home during the pandemic.

in smaller teams, practicing physical distancing, wearing facial coverings when physical distancing is not possible, monitoring themselves for symptoms and taking other preventive measures recommended by the CDC. Kentucky Power has been educating customers to maintain at least 6 feet of physical distance from workers.

AEP employees who can work from home continue to do so to help minimize contact for all employees. Approximately 12,000—or 70%—of AEP's employees have been working successfully from home since mid-March. There is no expectation of any impact on employee numbers.

The company put in place illness-prevention etiquette guidelines directing employees and contractors to clean their workspaces daily; stay home if they are sick; and wash

hands or use hand sanitizer regularly and especially after using frequently touched surfaces. These measures will continue during annual cold and flu seasons.

Working effectively through the pandemic has required flexibility, ingenuity and resilience. AEP is studying the innovative ways its teams have transformed their work during this time in order to build upon them for the future.

Overall AEP expects residential sales to increase 3% over 2019 levels, largely driven by the activity taking place in homes rather than workplaces or classrooms.

Conversely, commercial sales are expected to decrease 5.6% and industrial sales to decline 8% over 2019 levels. Many businesses have shifted operations to a mostly online platform, while other employers have had to make the difficult decision to furlough or reduce employee head count until market demand is restored. These forecasts lead AEP to expect an overall decline in sales of 3.4%.

AEP has a team of experts dedicated to helping small business customers apply for federal relief programs and make payment arrangements. The Business Solutions Center team has assisted nearly 1,000 business customers with their needs related to the pandemic.

Regarding supply chains, like many companies, lead time for some of equipment has been extended during the pandemic, but AEP typically has more than one supplier for critical equipment and was able to plan ahead and manage through any delays.

The company understands the critical nature of the power services it provides and plans for all types of emergencies, including storms and other widespread events that could disrupt power for customers. Emergency management plans outline how to keep employees safe and healthy while maintaining service to customers. Although this was a different kind of storm, response plans and efforts to train and exercise for all types of events prepared AEP to navigate these challenges in a coordinated way. ■

Companies persevere during COVID-19 to invest in Kentucky and create jobs

By Brandon Mattingly

This year, every state and company has faced unprecedented economic hardship and uncertainty. Nonetheless, Kentucky continues to attract new job-creating investments. Many previously announced new-location and expansion projects are moving ahead as well.

As the state reopens its economy, those trends bode well for the commonwealth's longer-term prospects. Kentucky's existing advantages – including its ideal geographic location, skilled workforce, strong manufacturing base and a leading distribution and logistics industry – will only add more momentum.

“We continue to support business growth in the commonwealth to create good-paying jobs for Kentuckians while navigating the challenges presented by this pandemic,” Kentucky Gov. Andy Beshear said. “The qualities that make Kentucky a great place to do business have not changed, and these companies recognize that. We are glad to see companies like Crown, Dajcor Aluminum and Boxvana forge ahead with their projects while following Healthy at Work guidelines intended to protect Kentuckians and slow the spread of COVID-19.”

In May, Kentucky saw eight new projects announced, totaling \$117.6 million in planned investment and promising to create nearly 760 new full-time jobs in the coming years. Those figures compare well to the pre-pandemic months of January – with \$50 million and 342 announced jobs – and February with \$337 million in planned investment and 691 new jobs.

Progress on multiple previously announced projects rolls forward. For example, site work recently began for a \$147 million project in Bowling Green by CROWN Cork and Seal USA, a subsidiary of Crown Holdings Inc. The construction, in accordance with the state's Healthy at Work guidelines, will see the company build a 126-job facility to manufacture beverage cans.

In late 2019, Dajcor, a Canada-based manufacturer of aluminum products, began renovations of a facility in Hazard with a \$19.6 million investment that will create 265 jobs. Also located in Eastern Kentucky, Boxvana, a manufacturer of modular “tiny” homes, began operations at its Martin County facility in April after announcing a \$2.3 million, 25-job project this past December.

Job and investment numbers since Gov. Beshear took office highlight ongoing growth of Kentucky's business sector. Since Dec. 10, the state recorded 124 proposed new or expansion projects across a range of industries totaling more than \$1 billion in planned investment. Those projects promise to create nearly 3,900 full-time jobs in the coming years, providing hope and opportunity for Kentuckians in every corner of the state.

As Gov. Beshear noted, Kentucky's strengths for attracting new business both withstood the difficult economic climate of the past few months and have been emphasized by it. In no area has that been more apparent than the commonwealth's distribution and logistics industry, which met the rocketing demand for home-delivery services. The major air shipping hubs of UPS Worldport, DHL and Amazon Air, along with the hundreds of warehouses and trucking operations throughout Kentucky, have risen to the challenge. The state's dedicated logistics-industry workforce exemplifies what Kentucky offers prospective businesses.

NEXT STEPS

To help increase Kentucky's momentum, state leaders are working to reopen and rejuvenate local economies safely and effectively. Gov. Beshear's Healthy at Work reopening plan includes industry-specific guidelines to help business leaders understand the new expectations and how best to prepare their employees for a safe return to the workplace. A number of businesses have already resumed operations in some capacity, and others will follow in the weeks ahead. Gov. Beshear has encouraged businesses to allow employees to continue to telecommute where possible. For more information on Kentucky's reopening plan, visit healthyatwork.ky.gov.

State and local economic development leaders have already begun looking ahead at how the economic landscape could change in the post-COVID-19 marketplace. Companies across several industries are expected to evaluate the need to onshore operations, and Kentucky's existing, diverse manufacturing footprint, logistical prowess and low business costs could be major factors as companies expand their U.S. operations to better serve customers nationwide.

As companies change, move and grow in 2020 and beyond, Kentucky is ready to provide the new home they are looking for.

From its hub at the Cincinnati/Northern Kentucky International Airport, DHL ships more than 250,000 packages per day to more than 220 countries and territories around the world. The hub is one of three DHL global hubs – the other two being in Hong Kong and Germany.



The UPS Worldport air cargo hub in Louisville, Ky., employs about 10,000 people and turns over cargo for 130 aircraft a day. Also in Louisville, UPS Centennial Ground Hub employs about 2,000 people. The strong UPS presence has helped attract more than 250 companies to the greater Louisville area.



Amazon's \$1.5 billion air hub at the Cincinnati/Northern Kentucky International Airport will create 2,700 jobs and is scheduled for completion in 2021. Company founder Jeff Bezos, third from left, flew to Kentucky in May 2019 for the groundbreaking.



TIF Projects Top \$10 Billion



Ovation, a \$1 billion mixed-use TIF project in Newport, will include retail and offices, as shown here in a rendering of the planned construction on Main Street.

Tax increment financing is key to unlocking Kentucky's urban economic development

BY ABBY LAUB

SIGNATURE projects around the state are making major impacts on the cities and regions in which they are located, and many are moving forward thanks to Tax Increment Finance (TIF) status through the Kentucky Cabinet for Economic Development. The cabinet website lists \$10.1 billion in completed or planned investment in more than 35 TIF projects, nine of which went on the rolls in the past two years.

Almost 20 years after the first TIF pilot projects were launched, developers, investors and local municipalities are reaping the benefits of the program, which allows

developers to apply a portion of newly generated taxes a project creates to pay for the public infrastructure elements required.

The cabinet lists the status of 16 projects as final and eligible to claim tax benefits of up to \$2.3 billion over their 20- and 30-year TIF terms.

In Bowling Green at the Western

Kentucky University Gateway, site of one of the state's largest TIF zones, local entities have already received tens of millions of dollars from state coffers in tax increment payments since the TIF district was established in 2008. Payments are distributed to the county's fiscal court, bond holders, banks and other investors in the property, which has transformed downtown Bowling Green.

Eleven years ago, the Bowling Green Area Chamber of Commerce building became the TIF's first private investment on the dilapidated 277-acre site and Chamber President/CEO Ron Bunch noted the significant strides the city has made since then.

"The TIF has been very important in a lot of different ways," he said. "It connected the university with the health care cluster and created a building corridor that includes our downtown area. It's been major for our community and has included a number of significant investments like SKyPAC (Southern Kentucky Performing Arts Center) and the stadium (the 4,559-seat Bowling Green Ballpark, home of minor



Corporex Cos.'s massive Ovation project will feature 900 residential units in addition to retail, offices, hotels, restaurants and entertainment.



Kohler Roman photo

Bowling Green SkyPAC: The Southern Kentucky Performing Arts Center (SKyPAC) represents a significant TIF investment in Bowling Green that has helped revitalize the downtown district.

league baseball's Hot Rods). It's revitalized the downtown core area. Now you've got a revitalized square, an amazing park right outside our window with international festivals and other activities."

Some businesses that were outside the TIF moved within the boundaries to demonstrate their commitment to it, he said, and companies on the fringe of the zone have seen big benefits. He called the new area a "real beacon" that even attracts companies to the city's industrial parks because of the improvements it's made in the area's quality of life.

"We've been nationally ranked in economic development for seven consecutive years, so we've been very successful in that," Bunch said. "Every company has been impressed with that downtown investment. We get to show them right out our window some of the quality-of-life benefits."

New construction continues happening in the zone, primarily mixed-use apartment and restaurant structures, with more to come.

It's been so successful that, among many other awards, in 2014 the Warren County Downtown Economic Development Authority was named the winner of the 2014 Council of Development Finance Agencies (CDFA) Excellence in Tax Increment Finance Award for work on the WKU Gateway. Bowling Green also has been the fastest growing city

in Kentucky since 2011. Gateway is the city's only state TIF project.

Municipalities can create TIFs too

Bowling Green is not the only place that has benefited from TIF. Local municipalities can designate their own TIF zones on a smaller scale, but the state's involvement ups the ante and provides a mutually beneficial arrangement for all parties.

“ Without TIFs and that investment in infrastructure, a lot of these projects just couldn't happen. ”

Brandon Mattingly, Kentucky Cabinet for Economic Development

"Tax Increment Financing has been a valuable tool for many local governments to assist in a variety of economic development projects that would not have otherwise occurred, said J.D. Chaney, executive director and CEO of the Kentucky League of Cities, "especially in projects where the state has participated. 'Local only' TIFs, on the other hand, have been much more difficult to utilize because of the limitations on the taxing authority of local governments and their inability to capture sales taxes."

Tax Increment Financing is about economic development. The first

step for all TIF programs is local designation. From there, TIF is a tool that public agencies use to finance needed infrastructure improvements for projects like sidewalks, parking, and sewers by earmarking future tax gains created by development. This future value improvement of a property is used to pay for the costs of the improvements when a developer takes this memorandum of understanding to investors, who would otherwise be leery to foot the bill. TIF is one of many incentive tools the state uses to create growth.

Other recent examples of massive TIF projects include the Paducah Downtown Riverfront Redevelopment Project, the Lexington Center Project, Phoenix Park/City Center (Lexington), the Northern Kentucky University Campus Gateway, Downtown Owensboro, The Summit at Fritz Farm (Lexington), Shelbysburg Research and Technology Park (Louisville) and many others.

"In the big picture, by being able to redevelop large pieces of land ... it's a quality of life improvement," said Jack Mazurak, communications director at the Kentucky Cabinet for Economic Development (KYCED). "It makes it a more compelling place to live and work. [Signature projects] tend to be projects that are place-making types of projects and help cities attract residents by making them the best versions of themselves."

TIF helps bridge funding gaps

In Newport, which has prime riverfront property overlooking Cincinnati, the state and local government-sponsored TIF project located at the confluence of the

Licking and Ohio Rivers is known simply as Ovation.

The \$1 billion mixed-use development being done by Covington-based real estate development giant Corporex is forecasted to generate 6,700 jobs and \$1.7 billion in annual economic impact upon completion. The site is under active construction. Corporex has a history of successfully transforming previously undervalued neighborhoods in Northern Kentucky. Ovation was slated as a TIF zone back in 2007 and has gone through multiple reiterations. It was among the first state TIFs and has weathered both a recession and a long wait for key infrastructure like the extension of Kentucky Route 9. The road is one of Northern Kentucky's most important logistical features and it now passes right in front of Ovation's door.

In the Ovation agreement between the City of Newport, Campbell County and the state, a 30-year term was settled upon, meaning Corporex as the investor will collect tax increments until the year 2047. Corporex Managing Director Tom Banta said in a *River City News* article that per the agreement, Corporex would have to see investment of \$200 million at the site before any TIF funds are recouped. Corporex is investing \$70 million of its own money rather than relying on bonds.

The layers required for TIF designation are complex, and Mazurak noted that outside consultants hammer out all of the large and minute details surrounding the tax revenue projections and more. But the value lies in the ability that TIF creates for a developer to more successfully secure loans and bonds for a project.

"Without TIFs and that investment in infrastructure, a lot of these projects just couldn't happen," said KYCED communications specialist Brandon Mattingly. "A developer just came in to do a parking garage and they had to complete a sewer system, and they can't foot that bill. TIF makes these big projects available and helps bridge that gap."

For an area to be designated as a TIF zone, the state can either designate it as such or they can be approached by a developer. TIF at the local level



has a different set of guidelines depending on each municipality, but for a state TIF to be established, the development must first get local TIF designation and be on previously underdeveloped or blighted land with a 30-year maximum term. Net new tax revenue must be created.

Kylee Palmer, program manager in the KYCED's Department for Financial Services, added that each TIF arrangement is different and the state has more than 30 TIF projects funded or with the potential to receive increments at the state level. The state's primary incentive lies in the TIF program's ability to boost economic growth.

"Ten to 15 years down the road, we see that investment and say, 'That worked,'" she said.

For some, TIF isn't the answer. It can be a complicated process, and the state will often point businesses to other incentive programs. Every state TIF program houses multiple companies, and the increment is not available until a developer has met an agreed-upon minimum capital investment.

In Louisville, the 230 acres known as Shelby Campus at the University of Louisville is part of the ShelbyHurst Research and Technology Park that earned TIF approval at the end of 2014 and is still adding buildings. The TIF district is expected to pull in hundreds of millions of dollars over the 30-year agreement. It includes academic and research facilities, and when complete will have more than 1.5 million s.f. of modern office space managed, developed and leased by

The City Block Development Project is Paducah's first proposed private development project within the Downtown Riverfront TIF District.

NTS Development Co., in partnership with the UofL Foundation.

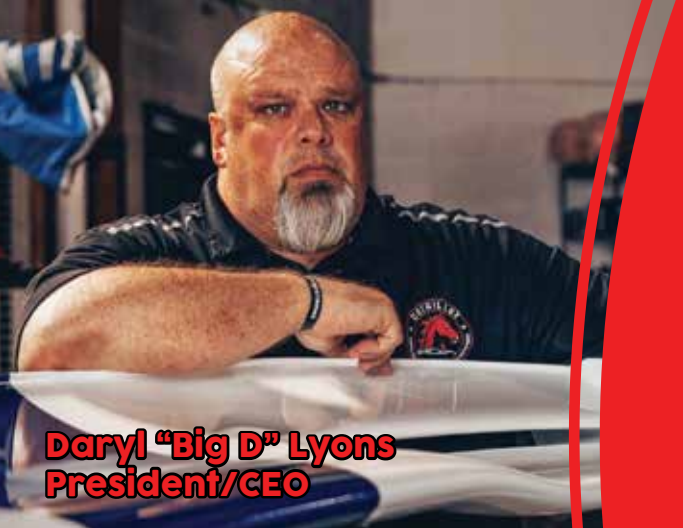
One notable tenant is BrightSpring Health Services, formerly known as ResCare Inc. It is the nation's largest provider of both health and human services. ResCare has been headquartered in Louisville since 1974 and has more than 45,000 employees in 42 states, including 1,900 in Kentucky.

Ground was broken in 2018 on Louisville's newest TIF area, the Butchertown Stadium District. Fifth Third Bank will lead the syndication of the \$55 million professional soccer stadium.

The 11,300-seat stadium is scheduled to open this year. Louisville City secured \$21.7 million in TIF financing at the end of May 2018, which will flow back to the club over the course of its 20-year TIF. The TIF was a key component to obtaining the bank financing. The project is centered around the stadium and also includes hotels, office space and supportive retail, entertainment and dining options.

LouCity Executive Vice President Brad Estes called the project "legacy work that will leave a permanent impression on our city." ■

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



Daryl "Big D" Lyons
President/CEO



DETAIL LEX

TWO LOCATIONS:
195 S. FORBES RD
LEXINGTON, KY 40511

540 E. 2ND ST.
LEXINGTON, KY 40508

859.246.0006
DETAILLEX.COM

**WE USE THE LATEST IN AUTOMOTIVE
DETAILING TECHNOLOGY TO
PROVIDE YOU WITH THE BEST
EXPERIENCE AVAILABLE!**

**BOATS, RV'S, SEMI-TRUCKS,
BUSES, AIR CRAFT**

- Ceramic Coatings • Full Vehicle Detail
- Leather Repair • Wheel Repair
- Headlight Restoration • Paint Correction
- Steam Cleaning • Certified Detailer's
- Free Pick Up and Delivery

New Ways to Keep Growing



Video meetings have become a necessity in the midst of the COVID-19 pandemic and while businesses across the nation are reopening, economic development leaders predict the technology will continue to be a useful tool going forward.

Charles Sexton

President/CEO, One East Kentucky

As we experience an unprecedented moment in history, any theory on economic development going forward can be disproven at the drop of a hat. However, it is still professional economic developers' job to seek data from leading economists, private-sector executives and site-location consultants to help shape our community and regional strategies, both short and long term. My own observations, coupled with that of the aforementioned professionals, leads me to believe we are headed for potential recovery in the next two years, beginning slowly and ramping up speed. How quickly it ramps up will be determined by multiple factors, including the potential for a COVID-19 resurgence and eventual vaccination. The commonwealth has to take into account our primary industry and employment bases as well as our strategic location when making prognostications.



Charles Sexton

- The automotive sector will have a faster return to somewhat normal while the aerospace sector will lag behind—both will be dependent upon the consumer market. With low interest rates, folks could turn toward vehicle purchases as the desire increases for traveling and “drive-thru” tourism. Conversely, the public’s feelings toward air travel and a return to pre-COVID levels could take much longer, causing the aerospace industry to have a slower return to former employment levels. I

Leaders of Kentucky economic development offices still see plenty of opportunity ahead

WHILE the last several months have proven to be unlike anything most of us have ever experienced, businesses across the commonwealth are cautiously reopening and figuring out how to make our economy work while we continue to fight the spread of COVID-19.

And with the true spirit and resilience of those who first settled in Kentucky, economic development experts across the state are expressing optimism about what the future holds for their communities in the months ahead.

Many see an increase in “reshoring” operations that have previously been located overseas. If indeed that comes to pass, Kentucky’s central location could be a significant geographic advantage for companies bringing operations back to the states. Communities will also need to be

ready to respond to their needs, with appropriate zoning, infrastructure and available buildings.

Economic development officials also predict that Kentucky’s already strong logistics network will grow even more important, as more consumers continue to rely on ecommerce.

Likewise, technology and automation—and the jobs that support those sectors—will continue to grow in importance as we find new ways to work around the obstacles that the coronavirus has thrown in our way.

Assuredly, the coming weeks and months will be different, but businesses are already finding new ways to work and those who lead Kentucky’s economic development efforts are optimistic that creativity and resilience will put the commonwealth back on solid ground for economic growth.

see no spike in new facility locations in these sectors, except for increased demand for North American-based supply chains. Therein lies the opportunity. Kentucky, being centralized to the automotive and East Coast aerospace corridors, has the ability to capture new supply chain-related projects.

- Distribution and logistics will increase, and Kentucky's location is a distinct advantage. Our big competitor will be Tennessee, and we have to ensure our state's competitiveness to win projects. In early June, our organization was contacted directly regarding two distribution/logistics projects related to the continued uptick in online retail, which has risen drastically due to COVID-19 and will likely continue as many Americans who were not already accustomed to it were forced to experience it. This will have an adverse effect on the retail brick-and-mortar sector, which we have already been seeing.

- Similar to auto and aero supply chains needing to "reshore," medical device and pharmaceutical manufacturing may begin moving toward North American facilities. The federal government should institute incentive programs to encourage these projects for national and health security purposes. Kentucky, again, can have an advantage due to our central location for distribution.

- Automation is consistently increasing in manufacturing and industry, however, timelines within sectors that have not yet automated will push forward to help manage risk associated with future potential pandemics or other production shutdowns. While automation typically replaces lower-wage jobs, there will be an increased need for higher skilled technicians, maintenance and distribution centers for robotic

technologies. The food supply chain likely will be an early adopter of new technologies to decrease points of contact, whether in production facilities, grocery distribution or big-box grocery centers. Food and beverage is another key sector in Kentucky, which could attract these technologies into our state not only for use but technical support and distribution.

Regarding commercial office space and remote-work jobs, many large companies may never return to their pre-COVID office space use, increasing vacancies in metro areas and even some rural communities. Work-from-home will continue in these types of jobs as many businesses have recognized people are just as, if not more, productive than when working in an office. This isn't just coming; it is here now. For the commonwealth to compete, our elected officials should be discussing tax reforms that prevent them from having revenue shortages when property and occupational taxes begin decreasing due to work-from-home.

More than ever, our success as a state will be dependent upon how elected officials move forward and work together to place Kentucky in a strategic position to grow. While what we think now regarding economic development could be completely wrong. The worst thing we can do is to be unprepared. A special task force by the Beshear administration to understand the private sector's

continuously evolving reality would be beneficial to help inform their decisions regarding what Kentucky can do to capture upcoming opportunities.

Ronald Bunch

President/CEO, Bowling Green Area Chamber of Commerce

Especially in these challenging times we need to acknowledge the outsized benefits of economic development, so that we properly invest in efforts that will generate far more than the amount dedicated to the endeavors.

In addition to investing in product, Bowling Green is preparing to recover faster and more fully from the impacts of COVID-19. The Bowling Green Strategic Council has been convened to plan for recovery and identify opportunities emerging from the pandemic and alteration of global supply chains. With insight being offered by CEOs in our top business sectors, education, workforce and political leaders, the Strategic Council is poised to prepare Bowling Green for another decade of groundbreaking economic growth.

And even in the midst of a pandemic, economic development in Bowling Green has produced measurable results. Crown Cork and Seal USA Inc. is investing \$147



Ronald Bunch



DHL photo

DHL Express operates a major hub at the Cincinnati/Northern Kentucky International Airport. With e-commerce continuing to skyrocket, logistics and distribution companies will become increasingly important.

million in a state-of-the-art bottling plant in Bowling Green. This will very likely be one of the largest projects of 2020—a 327,000-s.f. facility that will create 126 direct jobs.

The company evaluated 25 locations in three states and chose Bowling Green because the community had already invested in product and infrastructure and had the right staff in place to respond to their request quickly and sufficiently. Over the next 10 years, the economic impact of this project will exceed \$304 million and is expected support creation of an additional 194 jobs in other businesses in our community.

Crown’s investment in Bowling Green will produce returns across many different economic sectors. Crown’s decision to locate in Bowling Green will have a far-reaching impact through direct and indirect spending. The new jobs being created will result in significant consumer spending in practically every business sector in our area. This includes \$1.2 million spent in retail, such as \$358,000 in grocery stores; \$228,000 in restaurants; \$138,000 on home furnishings; and \$236,000 on vehicles. It is estimated that an additional \$328,000 will be spent on mortgages and \$151,000 on property taxes as a result of this job creation. Local utility companies will also see \$315,000 in additional revenue.

The Crown project highlights the importance of continuing to invest in product and infrastructure to ensure we can attract high-quality companies and facilitate their construction timelines. If we wait to develop product until businesses have expressed interest, it’s too late. If the Transpark had not been ready for Crown, Bowling Green would have lost the project. Instead, an excess of \$304 million will now be generated in our community thanks to Crown’s initial investment. Bowling Green is building upon this success by expanding our product offerings and making additional investments into roads that connect product to major transportation routes.

From a return-on-investment perspective, there is no better

investment that a state or locality can make than their commitment to economic development. Economic development success generates a return that pays for the services and quality-of-life programs that residents use daily. Schools, health care, roads, public safety, parks and recreation all provide the high quality of life that make Bowling Green, and other Kentucky communities, incredible places to live and raise a family.

To properly invest in them and enhance our future, we need a strong and growing employment base of prospering companies. Economic



Owensboro EDC photo

With many economic development leaders predicting that manufacturers may be looking to “reshore” overseas operations, having available land and facilities can give a community an advantage in bringing new jobs to the area.

development initiatives drive these virtuous outcomes by supporting existing businesses and attracting new operations to join our communities.

Gina Greathouse

Executive Vice President—Economic Development, Commerce Lexington Inc.

There’s no question that the strong momentum in Lexington’s economic development efforts at the start of the year in terms of visits from prospects and interest from site-selection consultants came to a sudden halt due to the COVID-19 pandemic. Our team’s immediate focus shifted to



Gina Greathouse

helping existing businesses in the region navigate the abrupt stoppage in the economy and providing support to the City of Lexington in efforts to find available personal protective equipment (PPE) for frontline workers.

Going forward this year, the landscape of economic development looks very different, with most meetings and site visits virtual rather than in-person. In May our team hosted its first virtual client visit. The expectation is that technology platforms will become increasingly more important, and economic development professionals will need to be experts in virtual and geospatial platforms, and make use of drone footage when appropriate.

Although personal relationships with consultants will take longer to develop, they will remain critical, and we still expect in-person meetings for the final community rounds of project recruiting. And while many companies are seeing a decline in revenue this year, economic incentives will remain an important factor for those making decisions on business relocation and expansion.

Commerce Lexington Inc. has continued to call on our existing companies and remained in close contact (via Zoom or conference call) with site-selection consultants, while being respectful of the current situation. We remain optimistic about our new clients who were in the pipeline early in the year. Many are temporarily on hold with their planning but continue to express interest in our area as the economy reopens. We are anticipating the pipeline of new projects to break loose later this summer.

For the longer term, many of our industry association experts are anticipating the reshoring of production for items that are key to our national security, such as medicines, pharmaceuticals, auto parts, aerospace, defense and others. This will impact the commercial real estate market, so communities will need to be prepared with appropriately zoned land and available buildings. As the U.S. economy continues to restart,

greater access to capital, job training and infrastructure will be necessary.

Sarah Davasher-Wisdom

President/CEO, Greater Louisville Inc.

Like many regions throughout the U.S., the Greater Louisville economy had tremendous momentum prior to COVID-19. As of mid-March, the unemployment rate in Greater Louisville was 4.3%, according to the Federal Reserve Bank of St. Louis. However, as many companies now begin re-opening their businesses within state-mandated guidelines, it is apparent that it will not be “business as usual” for a long time.



Sarah Davasher-Wisdom

Companies are now dealing with new operational guidelines including planning, implementation, monitoring, equipment, staffing and expense increases associated with these changes. Employers also are experiencing barriers related to their employees’ ability—and in some cases willingness—to return to work due to myriad environmental and financial factors.

GLI immediately engaged our community and began developing nontraditional economic development strategies to empower businesses and accelerate re-opening across industries. In addition to creating a Crisis Support Hub to collect COVID-19-related information to make available to businesses and individuals, GLI also implemented a number of support programs. GLI has been collecting PPE supplier connections, taking and delivering small-order face mask orders, connecting displaced workers with businesses hiring in essential industries, and developing best-practice resources for re-opening operations.

As we look toward the end of 2020 and into 2021, GLI sees vast opportunities and we are accelerating business and talent attraction efforts to target companies and individuals in larger markets that may be looking for a new, risk-averse environment.

We will continue targeted outreach and community marketing to tell Greater Louisville’s story of being a welcoming and affordable community, rich with culture and quality of place that provides unmatched advantages for companies and their workforce due to geography, key-industry density and assets, and a loyal, passionate workforce.

Lee Crume

*President/CEO,
Northern Kentucky Tri-ED*

Northern Kentucky and the Cincinnati region have a well-diversified economy and business base. Through our outreach with more than 500



Lee Crume

companies over the last couple of months, we have found that the mood is cautious and leaning toward cautiously optimistic among the majority of businesses. Tri-ED has played an active role in connecting companies to resources they need—from providing supplier lists to connecting them with the Northern Kentucky Career Center, Workforce Investment Board and GROW NKY.

We know companies are doing all they can to retain their employees—some reduced the number of team members on shifts, then added an additional shift so employees are social distanced and they can keep the majority of their employees working. GROW and the Kentucky Career Center are helping to match laid-off employees to companies that are hiring.

We are working with several local companies on expansions due to an increased need for their products. Interest and project activity from outside Northern Kentucky is strong as well. Chemical and clinical-trial companies and manufacturers of PPE, plastic barriers and products for the health care industry have seen tremendous demand and growth as a result of COVID-19. Companies in the aerospace and tradeshow industries have slowed down for now.

Tri-ED launched a series of CEO roundtable conversations in early June to hear from our business leaders about what's on their minds, their concerns and where they see opportunities for their companies and the region. The Tri-ED team will take key learnings from these conversations and integrate them into our efforts to serve the businesses in the region and attract new companies to Boone, Campbell and Kenton counties.

Northern Kentucky is a prime location for businesses as they consider regionalizing supply chains. With the DHL North American Super Hub and the now-under-construction Amazon Air hub at Cincinnati/Northern Kentucky International Airport, our region provides a significant advantage and global access. Technology, data analytics, AI

(artificial intelligence) and blockchain play critical roles in supply-chain considerations. The Greater Cincinnati region has six universities within an hour. The College of Informatics and Global Supply Chain Management Program at Northern Kentucky University provides the talent that companies need as we move past the pandemic.

We are hopeful that as our economy, service sector and companies re-open, our region's unemployment numbers will drop and businesses will recover. New companies and new ways of working will come out of this crisis and we feel ready to welcome them in Northern Kentucky.

Brittaney Johnson

President/CEO, Greater Owensboro Economic Development Corp.

The work of the Greater Owensboro Economic Development Corp. is constantly evolving, reacting to the unique needs of our community. We will continue to work with local businesses to understand the workforce needs and support entrepreneurship efforts. Supporting our existing businesses will be a high priority while the attraction of new companies will be important in continuing to recover lost jobs and the tax base.



Brittaney Johnson

We continue to develop relationships throughout the nation with networks of business contacts working with companies looking to expand or relocate.

With every challenge comes opportunity. The recovery, growth and success of this region depends on businesses and community leaders working together. We will prevail. Each day is about exploring what the future looks like, adapting and being flexible. The Greater Owensboro region is strong and resilient, and the present-day challenges are opportunities to learn, change and grow. Every challenge and every problem, big or small, carries a silver lining if you know where to look!



In the post-COVID business world, economic development experts predict an increasing use of technology. Drones, for instance, can offer clients a virtual way to view properties.

Bruce Wilcox

President/CEO, Greater Paducah Economic Development

Our community has been very blessed from an economic development activity perspective during the COVID-19 pandemic thus far. We have completed three new requests for information (RFI) and had two Zoom presentations with site selectors. Things have continued to move forward. We've been able to announce and finalize 165 new jobs. While we are starting to see some international activity pause while the United States and world economies recover, we expect these projects to regain momentum later this year or early into 2021.



Bruce Wilcox

Prior to COVID-19, the fundamentals of our economy were strong. As restrictions continue to ease and businesses resume normal activity, we anticipate economic development activity to increase—particularly with increased interest in the return of domestic advanced industrial manufacturing. Our community stands ready and we welcome the opportunity for growth. We are ready and open for business!

Chris Girdler

President/CEO, Somerset Pulaski Economic Development Authority

While things did slow down from this government-induced recession, I can literally feel what seems to be a quick bounce back on the way. Through my many discussions with business leaders, the feedback I receive is positive. I use the analogy that the economy and our business community is “pawing at the ground,” ready to be released. The second half of 2020 is going to see a resurgence of our economy, and if the markets are allowed to reopen, we will truly see a more “V-like” recovery.

When President Franklin Delano Roosevelt addressed the nation in 1933 during his inauguration, our



Chris Girdler

country faced one of the darkest economic times it has ever known, but he delivered one of the most memorable lines of his presidency:


“The only thing we have to fear is fear itself.”


President Roosevelt laced his address with comfort and optimism, courage and resolve at a time Americans feared for their livelihoods. Today is another frightening time in our economy—only now, according to many in the medical field, our health and lives also are at risk. But Roosevelt was right: Fear is counterproductive. While our thoughts and prayers are with those who are suffering, there have been pandemics since the beginning of time and as history shows us, we do rise again. Our public health efforts, along with the fortitude of American capitalism and a strong work ethic, will prevail.

The next few months will be more important than the past two. While allowing our health care community to help guide us, we must move forward with sequentially opening Kentucky’s economy.

At SPEDA we hear constantly from small-business owners, restaurateurs, factory managers, and independent contractors such as barbers, dentists and chiropractors about helping them get back to earning a living. There is a surge in unity, collaboration and togetherness. There is always a silver lining if one looks hard enough. Within the business community there will be creative innovation, entrepreneurship, and repurposing and refocusing one’s life. In Roosevelt’s words, “... this great nation will endure as it has endured; (it) will revive and will prosper.” ■

**WE
KEEP
COMMUNITIES
FLOWING**




**KENTUCKY
AMERICAN WATER**

WE KEEP LIFE FLOWING™

1-800-678-6301
www.kentuckyamwater.com

Powering Through a Crisis

Kentucky's utility companies have remained a constant in the midst of unprecedented change

BY KATHIE STAMPS

WITHOUT water we can't live. Without electricity we can't live well. The COVID-19 coronavirus pandemic intensified the focus of Kentucky utility managers on operational fundamentals, flexibility and safety—while hoping the economy bounces back soon.

The utilities industry provides essential services 24/7/365. There are upwards of 1,100 such companies throughout the commonwealth that provide electric, gas, sewer, telecommunication and water services to residential and corporate customers. Except for municipal utilities, they all are regulated by the Kentucky Public Service Commission (PSC). Created in 1934, the PSC is an

agency attached to the Kentucky Energy and Environment Cabinet.

The energy industry is changing as rapidly as it ever has.

“From evolving technologies like renewables and energy storage to the growing importance of multistate energy markets to the broadening use of electricity for applications such as automobiles, energy companies must become more flexible and adapt more quickly,” said Anthony “Tony” Campbell, president and CEO of East Kentucky Power Cooperative (EKPC).

EKPC is a not-for-profit, member-owned cooperative providing



Anthony “Tony” Campbell, President/CEO, East Kentucky Power Cooperative

wholesale electricity to 16 owner-member distribution cooperatives that serve 1.1 million Kentucky residents in 535,000 homes, farms, businesses and industries across 87 counties.

While the pandemic has been challenging, Campbell says it is an opportunity “for our cooperative to step back and make sure we’re doing the things we need to do to be sustainable, to be relevant and to offer value far into the future.”

For some mission-critical roles, EKPC has segregated crews and shifts of workers from each other. As often as possible, line crews have focused on tasks that require only one person.

Meanwhile, for the past decade, EKPC has focused on building financial strength, particularly equity.

“That has been very beneficial during this crisis. I’m confident, in the short term, that EKPC will be OK,” Campbell said. “In the long run, much will depend on if and how the economy bounces back. We want to see a strong

“ ... there’s no
playbook for
this crisis; it’s unlike
anything we’ve dealt
with in our 160 years
of operations.”

**Spencer Bruce, President/CEO
Louisville Water**

economy. Our cooperatives will do everything we can to ensure that Kentucky bounces back quickly and local economies have the resources they need to resume business.”

EKPC is doing all it can to hold off impacts on rates, and electric cooperatives nationwide are advocating for assistance in the form of authorization to refinance federal loans, providing critical stability for our rates. “If Congress passes another round of stimulus, we believe refinancing should be a key element,” Campbell said. “I am confident our congressional delegation understands this is a priority for rural Kentucky in order to keep electric rates low.”

LG&E and KU have seen a 15% to 20% reduction in usage by commercial and industrial customers, due to businesses scaling back operations or closing their doors during the pandemic. This has been partially offset by about a 5% increase in usage by residential customers.

Louisville Gas and Electric Co. and Kentucky Utilities Co. are part of the PPL Corp. (NYSE: PPL) family of companies. LG&E serves 329,000 natural gas and 418,000 electric customers in Louisville and 16 surrounding counties. KU serves 558,000 customers in 77 Kentucky counties and five counties in Virginia.

Like millions of essential workers across the commonwealth, Kentucky American Water employees have continued to work while implementing safety measures to prevent the spread of COVID-19.

“We’re extremely proud of our resilient workforce who’ve faced these challenges with ingenuity, flexibility and an unwavering commitment to our customers,” said Paul W. Thompson, chairman, CEO and president of LG&E and KU. He noted that one of the greatest challenges during an ever-changing crisis is “making prudent, thoughtful decisions in the moment. It must be done using the best information available at the time, with the best interests of our customers, employees, contract partners and community-at-large in mind.”

As the state’s largest electric and natural gas utilities, LG&E and KU have more than 3,500 employees, plus nearly 5,000 associates through vendors and contractors who also live and work in the service communities.

“We also purchase goods and services in 91 Kentucky counties and this region,” Thompson said. “Not only is this important to our operations, but it helps to stabilize Kentucky’s economy while other businesses may still be temporarily shut down or scaling back their operations.”

Even with lower revenues and cash receipts during the pandemic, LG&E and KU are maintaining operations, “including our current capital expenditure program that’s

essential to providing the safe, reliable service our customers expect and need, now more than ever,” Thompson said. “As always, we continue to look for permanent cost-saving measures to maintain our low energy rates, which gives Kentucky a competitive advantage.”

He cited the utilities’ economic development rider as one such incentive that can be used to encourage expansions and new business locations. And he is preparing for new prospects that may come to Kentucky due to business community shifts.

“For example, we’ve been working with our communities to evaluate the possibility of new industrial and commercial sites throughout our service territory while also helping to evaluate existing sites to determine if additional investment may increase exposure to our communities,” he said. “In addition, we’re developing a grant program to incentivize communities to make proactive investments in product readiness and development.”

A subsidiary of American Water (NYSE: AWK), Kentucky American Water is the largest investor-



Paul W. Thompson, Chairman, CEO and President, LG&E and KU



owned water utility in the state, providing services to approximately half a million people in portions of 14 Kentucky counties. In early March, Kentucky American Water and its parent, American Water, took proactive steps to remain operational, to keep employees safe and to support efforts in continuing to provide a critical service.

Actions included suspending all business travel, canceling use of company facilities for external meetings, empowering field employees not to enter a customer's home or business if they were unsure of possible exposure to the virus, and establishing a limit of one person per vehicle whenever possible. Billing-related water service shut-offs were suspended and any customer's service that had been shut off due to a billing-related matter was restored.

"I'm proud that we have also been able to provide additional support to employees to help them manage this uncertain time, such as working with employees who are challenged by childcare issues, establishing a coronavirus response fund for employees in need, and making sure employees are aware of company mental wellness resources available to them if needed," said Nick Rowe, president of Kentucky American Water and senior vice president of American Water, Southeast Division.



Nick Rowe, President, Kentucky American Water

"The greatest challenge for Kentucky's water utilities, consistent with the industry's challenge nationwide, is keeping up with the necessary renewal of water infrastructure," Rowe said. "Kentucky American Water invests approximately \$25 million annually in capital improvements. Additionally, we received approval from the Kentucky Public Service Commission last year to initiate a qualified infrastructure program to help further accelerate our ability to replace aging infrastructure."

American Water significantly invested in Kentucky more than a

decade ago through a \$160 million-plus infrastructure project that included an additional water treatment plant on the Kentucky River, located in Owen County, and a 31-mile water transmission main and related facilities to enhance Kentucky American Water's water treatment capacity and access to water supply.

"Our key focus is and remains the safety of our employees and customers, which is why, in addition to an already robust safety culture, we made the decision to have employees who can work from home continue to do so at least through Labor Day," Rowe said, "and have enacted numerous other safety measures to help prevent the virus from infiltrating our workforce."

Kentucky Power is an operating company in the American Electric Power (AEP) system, based in Columbus, Ohio. Headquartered in Ashland, Ky., Kentucky Power services about 165,000 customers in 20 counties in eastern Kentucky. Since mid-March, 83% of Kentucky Power's employees have been working from home.

"We also have put in place enhancements to our benefits, such as access to additional paid time off and a vacation donation program, to support our employees who are facing unique circumstances due to the pandemic," said Cynthia G. Wiseman, vice president, external affairs and customer services.

AEP overall, with customers in 11 states, is expecting residential sales to increase 3% over 2019 levels, while commercial sales are expected to decrease 5.6% and industrial sales have an anticipated decline of 8% over 2019 levels. "Many businesses have shifted their operations to a mostly online platform, while other employers have had to make the difficult decision to furlough or reduce employee head count until market demand is restored,"



Cynthia G. Wiseman, Vice President, External Affairs and Customer Services, Kentucky Power



Louisville Water added green lights to its historic water tower in a display of compassion for families who lost a loved one due to COVID-19.

Wiseman said. "These forecasts lead us to expect an overall decline in sales of 3.4%."

The annual operating budget and maintenance expenses have been cut by \$100 million this year for the AEP system. "We also are shifting \$500 million of our planned 2020 capital spending to future years but still plan to invest \$33 billion in capital over the next five years to improve service to customers," Wiseman said.

Kentucky Power has proposed a three-step plan to help customers who have fallen behind on their electric bills, including a bill credit to eliminate past due balances, a new flex-pay program to prepay accounts so customers can budget their monthly electricity costs, and a plan to delay any base rate increase for customers until Jan. 1, 2022.

"Our customers are facing serious economic challenges in eastern

Kentucky. The pandemic has caused additional hardships for many in the region who were already struggling to make ends meet,” Wiseman said. “We’re committed to providing essential power to the region in good times and bad and doing everything we can to help our customers and support organizations that provide essential services in our communities.”

Louisville Water provides drinking water to nearly a million people in the Louisville region. Approximately half of the company’s 450 employees began doing their jobs remotely during the week of March 16. With the “healthy at home” effort, residential water usage increased while commercial and industrial usage significantly decreased.

“Our business customers will not see any change or impact because of this crisis. We included our commercial accounts in the decision not to turn off service for

nonpayment and we’re working directly with businesses that have outstanding balances,” said Spencer Bruce, president and CEO. “We look for the business usage to rebound over the third and fourth quarters.”

Within its own business office, Louisville Water has tightened its operating budget, cutting costs where possible and prioritizing work. While Bruce doesn’t see any impact on how the company produces and delivers drinking water, he is looking—like other businesses—“at how we deliver the service, especially the back-office functions,” he said. “For example, do all jobs need a physical location at our facility? These decisions have an impact on the culture of the company but there’s also a financial impact.”



Spencer Bruce, President and CEO, Louisville Water

A new focus for summer is helping the thousands of customers who have an unpaid water bill. In June, Louisville Water launched Drops of Kindness, a customer assistance program for the homeowners and businesses that have found themselves in a bind. “We’re reaching out to these customers and working with them for payment arrangements and in some cases direct bill relief through the Louisville Water Foundation,” Bruce said.

“This crisis has highlighted the need for emergency preparedness, risk communication and business continuity plans,” Bruce said. “Louisville Water had a good foundation with existing plans for each of these but there’s no playbook for this crisis; it’s unlike anything we’ve dealt with in our 160 years of operations.” ■

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

Celebrating 160 Years of Serving You

In 1860, Louisville business leaders pursued their idea to build Kentucky’s first public water provider.

Now, **160 years later**, Louisville Water Company delivers the best-tasting and highest-quality drinking water in the country to nearly one million people.

Quality Water. Quality of Life.

LouisvilleWater.com   





Building on Strengths in Aging Care

New cooperation, partnerships, initiatives keep key Louisville business cluster's profile rising

BY DIANNE H. TIMMERING

COVID-19 has changed everything.

After any war, cities need to be rebuilt, national economies restored, global communities re-established. Due to the pandemic shutdown, Louisville Metro may face a \$30-40 million deficit. And now after the recent public protests, that price tag may be even higher. The city has assets and aspirations, however.

Among those aspirations is Louisville's goal to become the aging innovation capital of the world. The aging-care segment of health care is worth about \$8 trillion—meaning that if Louisville captured even 1% of the market, it would represent some \$80 billion annually for the city.

Some of that is already happening, but creating a collaborative economic ecosystem netting just 1% of aging care would mean a cash flow of more than a third of Kentucky's current gross domestic product (GDP), creating significant opportunity. A flourishing Louisville aging-care cluster could rebuild a strong economy by supplying the rapidly growing new demands and needs of an aging world.

As the source of more than 40% of Kentucky's tax revenues, Louisville's economic importance to the state is already great. Yet, imagine what becoming a major aging innovation capital could be worth to a city in financial distress. A health care renaissance could resolve economic burdens that we haven't seen since the Great Depression.

The recent rise in the use of telehealth has turned out to be helpful for seniors who may find it difficult to get to their health care provider.

"In times of crisis, you go to your strengths and we have that strength in health care aging innovation," said Mary Ellen Wiederwohl, chief of Louisville Forward. "And while U.S. cities begin the recovery from both a health pandemic and a reckoning from institutional racism in this country, we need to think about how we're going to build back our economy in a way that benefits all of our residents. By going to one of our core strengths, we have a greater opportunity to do so."



Mary Ellen Wiederwohl, Chief, Louisville Forward

Anthony Ellis, the Kentucky Cabinet for Economic Development's acting executive director of KY Innovation—the agency's entrepreneurship office—underscored the importance of Louisville's efforts.

"We are extremely excited about Louisville's continued growth in the entrepreneurship and startup sector. With strong leadership in its support organizations like LHCC (Louisville Healthcare CEO Council) and the RISE office (a nonprofit that supports refugees and immigrants), a vibrant and active sector, and collaborative mentors, Louisville is primed for explosive growth as we head into this economic recovery. Aging care is a clear sector for our startup community to target, as Louisville and the commonwealth generally have a robust health care and long-term care industry, and have been a driving force in developments in these segments," said Ellis, who is also the Cabinet's general counsel.

"As a cabinet, we work to grow jobs, recruit talent and generate business investment in all 120 Kentucky counties. When our largest city and so many of its community leaders come together to collaborate on a project like this, it's exciting for the commonwealth as a whole. We at the state are committed to this effort

LHCC COUNCIL COMPANIES



and supporting these innovation activities.”

Gov. Andy Beshear is also behind Louisville’s initiative.

“The pandemic and recent protests have created both

urgency and opportunity in ensuring we build a more equitable future for all Kentuckians, including our older citizens. The partners working to grow Louisville as an aging-care hub are exactly who you’d want on your team,” Gov. Beshear said. “We support the aging-care vision for Louisville and consider the commonwealth a committed partner. Whether in our recruiting, marketing, helping existing businesses grow or by partnering to create a strong startup and innovation culture, Team Kentucky is working toward that same future.”

Health care has changed. Health care will change. Leaders of a health-care consortium in the city of “bourbonism” (a term the city has created to define the tourism draw of its many bourbon-related sites) and horses believe aging innovation can be the front-line of its future. They see it creating trends to solve and fill gaps, evolving solutions to needs and demands in a new health care world while also improving wellness and driving new care models—if Louisville can create the framework to support innovation.



Gov. Andy Beshear

There are significant building blocks and cornerstones, some new, some having emerged over years:

- **The Microsoft Digital Alliance Partnership and Future Work Initiative in partnership with the city, the University of Louisville, and the Brookings Institution was created in 2019 to build a regional digital ground zero for artificial intelligence (AI) and the internet of things (IoT).**

Much of the thrust is centered on digital transformation of the workforce for a tech future. It is no coincidence that Louisville—home to multiple champions of aging health care, from insurance to post-acute care to hospice—attracted this partnership. Together, all the above could be a natural alignment to lead aging innovation.

“We are grateful to Microsoft. They see an opportunity that has some



Louisville’s prominence in the aging-care sector dates back to the 1960s, when Louisville-based Humana became one of the nation’s largest operators of nursing homes. The company has since evolved into other areas of health care and insurance but has retained a strong emphasis on aging care.



unique advantages to be driving innovation in the data economy, which is connected to our aging cluster,” said Ben Reno-Weber, director of the Microsoft Future of Work Initiative. “Louisville, like no other city, has a reservoir of data resources that can trace data across an entire company’s lifecycle. There’s not a place where you can do that everywhere.”

Reno-Weber urges a reframing of how to see data. He imagines shifting its current view from that of a “cost center” into an integral part of doing business, especially with the aging “silver tsunami” now arriving.

“Once we build that infrastructure,” he said, “because health care concentration is such an important part of our industry, success in the data economy is not about the technical shift but a cultural one. If a company in the health care space is going to be successful, it must change the way it sees data as a corporate asset.”

• **The aggregated power of the Big 12 companies now known as the Louisville HealthCare CEO Council (LHCC):**

Some key partnerships are evolving within the LHCC, whose companies (with \$100 billion in revenue) represent the length, breadth and complexities of the health care ecosystem, from payor

to provider to those on the front lines of solving health care problems. Those initial discovery labs will likely evolve now based on the new normal, such as the need for elevated infection control, the emergence of telemedicine, and a first line of defense against a second COVID-19 wave.

Post-COVID aging innovation solutions will center around the need for intense infection control, says Dr. Arif Nazir, immediate past president of The Society for Post-Acute and Long-Term Care Medicine and chief medical officer at Signature Healthcare, a LHCC member.

“We all need to be better stewards of infection control patterns,” Nazir said. “Just think about what’s possible here with new competencies in infection control like face recognition and the ability to trace one’s steps and who used the sink last, how long hands were washed.”

With one in five Americans soon to be 65 or older, LHCC is stepping into the leadership limelight in aging innovation with its upcoming Global Healthcare Summit, now scheduled



Dr. Arif Nazir,
Chief Medical
Officer,
Signature
Healthcare

Pharmaceutical company Pfizer Inc. and the University of Louisville Division of Infectious Diseases are collaborating on epidemiological research related to vaccine-preventable diseases.

for Sept. 2-3, 2020. One of the goals of the summit is for national and world leaders and communities to take note: Louisville is solving global problems and community health issues.

• **International pharma is focusing on Louisville and the power of real data-sharing. Pfizer Inc. and the University of Louisville’s Division of Infectious Diseases have an established history of collaboration. Their synergistic alliance now will become the basis for one of the first of eight adult population research centers being placed globally—and the only one in North America. UofL will “play a significant role in epidemiological research related to vaccine-preventable diseases affecting adults, including the elderly,” a recent UofL news release states.**

The reason for the selection, Reno-Weber said, “is that nine hospitals that treat in Louisville are willing to share their data. At least one of the senior physicians was trained at CERID (The Center of Excellence for Research in Infectious Diseases).”

• **Aging2.0 partnership and relocation to the city:**

Anticipating the next chapter for boomers, Aging2.0 was founded in 2012 on the West Coast to address the need for aging innovation with a public-private approach and international reach that “has grown to 40,000 innovators across 31 countries, with a chapter network that spans 120 cities and 700 events around the world.”

Aging2.0 moved its headquarters to Louisville in May, announcing a strategic alliance with LHCC that enhances the city’s recognition as a global epicenter.

Ecosystem emerged from Humana

The city’s culturally rich aging-care hegemony has its roots in Humana’s early history in the

1960s, when it became the largest nursing home company in the U.S., then transformed into one of the largest hospital companies, and next launched its own health insurance plan in the 1980s. As the American health care system changed, so did Humana. The company's alumni spun proficiencies they developed there into new companies that today are an ecosystem.

"When an industry has thus chosen a locality for itself," the great 19th-century economist Alfred Marshall wrote, "it is likely to stay there long, so great are the advantages which people following the same skilled trade get from near neighborhood to one another. The mysteries of the trade become no mysteries; but are as it were in the air, and children learn many of them unconsciously."

Louisville might next evolve into a driver of expertise in staffing advancements; cures; the tech embrace of data realities; precision medicine; virtual care; the social determinants of outcomes; and the power of the one-on-one to deliver personalized health care that has never existed before.

LHCC members want real data share opportunity that can link with and push statewide advances out through the university system. They imagine Louisville being the pandemic crusader and COVID-19 killer for the world—especially as the leader in aging innovation, saving the most vulnerable among us.

"It's that cultural piece that is potentially powerful," Reno-Weber said. "Either we take advantage of it or we don't."

Louisville still needs money and trust

The finances of funding startup innovation and sustaining those startups through pivots and evolution to achieve sustainability are complex.

Entrepreneurs do, indeed, raise real money locally. In 2019, \$70 million in capital was invested in Louisville. Investors often want the company to remain local for obvious reasons: community investment, access to the build, future growth

implications, proximity to health care or pilot companies. They want companies to access ongoing local support and the navigational advantages of newer organizations like Louisville Entrepreneurship Acceleration Partnership (LEAP), and stalwarts like XLERate Health. There is growing a sense that having the money in Louisville and keeping it here is not the disadvantage that it may have once been.

But those involved in the Kentucky funding community have long said there still is not enough of it. There are, indeed, a lot of angel and venture groups out there and a "robust smaller investment category for super start-ups for \$1 million or less," says Gill Holland, a community leader and developer who launched reinvigoration of the NuLu area just east of downtown. "What we're lacking is the \$1 to \$5 million for a \$10 million raise. We need to get better at attracting out-of-town money."

One local innovator, for example, received an investment from a Columbus, Ohio, incubator but then had to move his company there. And other startups don't need large amounts of money, Holland said,



Gill Holland, Louisville community leader and developer

because they're more centered around "the ones and zeros of computer programming."

What Louisville lacks and does need if it is to attract and encourage creative entrepreneurship—especially when solving for the aging care and innovation gaps—are the bigger dollars of serious equity investment and the funding that can take a solution to manufacturing and be able to see it through an FDA approval process, Holland said.

Such a robust investment community could support, for example, an innovator like Crestwood, Ky.-based Liberate Medical, which is being recognized for its external electrical neuromuscular ventilator technology, which can speed patient liberation from mechanical ventilation. Due to the increased need for ventilators caused by the COVID-19 pandemic, the technology now has the sudden opportunity to be fast-tracked by the Food and Drug Administration (FDA).

Kelby Price, executive director of Venture Capital at Kentucky Science and Technology Corp., agrees.

"Growing Series A investment activity will require more talent, more new companies or starts, and more successful exits," Price said. "Simply said, in order to do it here, the source of the deal or local investors needs to be successful."



Instead, says Larry Horn, director of LEAP, there is “a sucking sound from the venture capital community outside of the state,” looking to take away companies with good ideas.

LHCC aims to reverse that financial draw by creating not just opportunity for aging care-based innovation but new capital dollars from pre-seed to Series B. In 2019 it launched the LHCC Strategic Investment Fund in partnership with an already-established investment committee. The fund’s goal is to deploy the type of dollars that can scale innovation and generate financial momentum and wider revitalization.

According to Horn, Louisville investors can protect their investment and its value by maintaining it right in the city where it’s being developed, grown and piloted. A lead advantage for Louisville, he argues, is that the community’s “density of knowledge is offering more than just money but mentorship and inroads to potential customers.”

Louisville’s health care industry offers comparative advantages to leverage early-stage companies faster: validating that a problem has a possible business solution, pilot-testing strategically with first customers, a willingness to assume the risk of trying new things, and the market in which to do it.

“There are a lot of ingredients there,” Price said.

Holding them together will require a culture of trust, which is necessary in order to believe that collaboration can create more value, not competition. Potential impediments to success could be inadequate trust among the Big 12 LHCC members on the data share; navigating 12 unique corporate cultures for early investment dollars; a well-developed



Larry Horn,
Director,
LEAP



Kelby Price,
Executive
Director
of Venture
Capital,
Kentucky
Science and
Technology
Corp.

pilot that never lifts off; or a stalled opportunity in early adoption phase due to compliance or other legal burdens in an over-regulated HIPAA nation.

Solving for the new normal

“Now is the time for Louisville to take the lead in AI based solutions,” LHCC member Nazir said, “including the automation of wearables so when a doctor logs in, he or she already has 1,000 readings from the pulse rate and we can then start to see trends in their health.”

By automating data gathering for significant health determinants, personalized health care evolves. It allows matching community resources with the background of the patient, enabling clinicians to offer better patient care and services.

With wearables, Nazir said, there are more eyes on his patients—digital eyes that do not tire. And he can focus on responding to needs better and faster while being able to adapt care plans or pathways.

He and other LHCC members see a health care that could involve the following:

Wearables—a new kind of technology that fulfills the need for a better understanding on what is going on in the patient’s body. For instance, simple matters like how any times a patient is turned in a hospital bed can be significant. Human resources make it impossible for a one-on-one clinical patient ratio but with wearables and real-time data, might feed AI for a type of robotic nurse.

Personalized medicine through genetics—giving the patient what they need via a personalized medicine, which links to the data-share opportunity between the Big 12 and the city’s digital alliance with Microsoft. The COVID-19 experience is accelerating the arrival of a new landscape of digital medicine that the world is increasingly ready for.

Technology with a human touch—Telemedicine and broader-based telehealth solutions are all the rage with their urgent adoption due to the dual needs of preventing

transmission and getting care to elders who are the most vulnerable to the coronavirus. But it cannot replace the care given face-to-face. While doctors and clinicians are embracing it for many reasons, social distancing is still considered a temporary practice, and care delivery remains a very organic relationship.

Specialties will begin to expand—Technology is creating an opportunity to push more specialist care out into the system. The medical community already is curious after this spring’s telehealth regulatory waivers to see where health care licensing rules go, as well as interstate commerce of physicians and specialists across state lines.

Creativity in financial controls—Payers are embracing technology for prevention, compassion and lowered costs. Insurance is granting more flexibility of services. Rebranding American health care, with new codes, new waivers and new requests will become a necessity for driving quality care into rural areas, for preventing COVID-19 for patients and staff alike, and making distance care an option.

Filling the need for a new normal

The new normal almost forces a new philosophical framework overlay that has ruled this country since its foundational pillar of capitalism and individualism.

Deficits at the city, county and state levels will demand a new economy with new economic realities. Meeting budgetary shortfalls and bankruptcy threats may be solved by the density of health care knowledge right in the heart of Louisville—if pooled into a post-COVID strategy to revitalize an economy that drives job growth, tax revenues and repopulates hope.

Greater Louisville’s health care leaders think they have the goods, the expertise, the brilliance, the industry respect, the global outreach and the existing infrastructure to figure this out. And a billion people need it. ■

Dianne H. Timmering is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

Thank
YOU
FOR EVERYTHING

**Heartfelt thanks to all first responders,
essential workers and fellow Kentuckians from**

The Lane Report[®]

You answered the call when we needed you most

Like we knew you would!

#TeamKentucky

Growing and Sustaining a Diverse Workforce

Keys to developing more inclusive procedures and policies

BY KYM VOORHESS RAQUE

IT'S our differences that make us stronger. Unique ideas, perspectives and life experiences give birth to innovation. Businesses that embrace diversity and learn to leverage the attributes of a diverse workforce will reap the rewards in productivity, creativity, employee retention and increased revenue.

“By definition, diversity means variety. In this country, the variety of race and ethnically mixed individuals has been a mainstay with most diversity index reports clocking steady growth each year,” said Kimberly L. Bunton, chief administrative officer and general counsel at TKT & Associates, a Louisville-based certified, minority and woman-owned workforce strategy, staffing and workforce development firm.



Kimberly L. Bunton, Chief Administrative Officer, TKT & Associates



According to Bunton, a diverse workforce includes people of various ages, races, religions, nationalities, sexual orientations and gender.

“Right now, businesses are facing a myriad of unique variables that require both creative and logical problem-solving skills. Companies that can adapt quickly will have an advantage. If your workforce is lacking in diversity, now’s the time to re-evaluate your programs and procedures and begin building a more inclusive environment,” said Bunton. “Diversity, inclusion and equal opportunity for all people is at the core of our own business model and the driving force behind our work.”

Bunton offers the following suggestions to build and maintain a diverse workforce.

Building Diversity

- Go where the job seekers are. Post employment notices on niche job boards geared toward specific minority groups.
- Diversity doesn’t happen without representation. Take advantage of the

shift to remote and work-from-home options to recruit talent outside your geographical location.

- Use your company website and message boards to talk about your diversity and inclusion policies and plans.

- Make sure your company recruiters and members of interview panels represent your diverse work culture.

- Is your executive team diverse? These are the leaders everyone in the company is looking to for direction. They need to reflect your diverse culture.

“Hiring a diverse workforce is the first step. Making sure employees feel included and valued is an important next step to any diversity program. Inclusion is paramount to employee satisfaction and retention,” said Bunton. “Allowing employees the space and opportunity they need to be who they are will increase overall productivity, creativity and loyalty.”

Maintaining Your Efforts

- Form an employee panel to look closely at your company’s diversity and inclusion activities. Let them provide recommendations on how you can make your company more inclusive.

- Take advantage of virtual diversity and inclusion by using chat and poll features on virtual platforms such as Zoom. This allows employees to have a voice and encourages feedback and engagement.

- Provide mentorship opportunities at all levels of the company.

- Create diverse work teams. Provide opportunities for those with different backgrounds to work together.

- Offer training opportunities, advancement and benefits that show you are committed to your employees and see them as unique individuals who are valued.

“If we want to remain a leader in the global marketplace, we need to embrace who we are—a diverse culture that strives to include everyone at all levels. From the small business to the Fortune 100 corporation, everyone can benefit from a diverse workforce,” said Bunton.





Why is Inclusion Important in the Workplace?

Different perspectives create a foundation for innovation and creativity

BY RAY DANIELS

In the wake of the tragic killing of George Floyd at the hands of Minneapolis police officers, there is a movement of unity for those who have not been the beneficiary of justice and equality. This rise of solidarity for change has transcended beyond American borders to countries all over the world. Now, more than ever, there are discussions being held on the need for diversity and inclusion in our military, in colleges and universities, in professional sports teams, and in corporate America.

Diversity incorporates elements that make us different, which include race, gender, culture, age and religion, among others. It has been proven that when these elements are represented proportionately within an organization, the company prospers. Diversity provides different perspectives and experience, which results in innovation, creativity and increased profits.

Inclusion refers to the behaviors and norms that ensure people feel welcome. In inclusive offices, employees should be treated fairly, respectfully and should have equal opportunities for growth. Everyone

should feel like they are a part of the team and that their opinions are desired and heard. Organizations that practice inclusion within their culture benefit from high morale, job satisfaction and high efficiency.

As companies begin to embrace diversity and inclusion, the change they want will require a cultural shift. While serving as a director of diversity and inclusion for a major corporation, I personally witnessed the positive impacts of a diverse and inclusive culture. If you put a variety of world views in a room, you will come out the other side with better ideas. The company I was with achieved explosive growth, historic sales and its highest retention rates only after committing to a culture that embraced the diversity of its workforce and vendor partners.

The knowledge and experience that was unveiled produced new leaders, new production systems, people-supply pipelines and management retention that continues to fuel the company's success today. It provided better insight into customers, which facilitated better marketing and service to our patrons.

The diversity and inclusion provided a safe, comfortable space for

teams, associates and focus groups to have meaningful discussions on race and culture. This transformation enabled problems to be solved, and innovation and creativity to flourish.

For decades, organizations have operated within certain comfort zones that lacked variety of thought and perspective. They've assuredly missed opportunities for inclusion, innovation, faster problem-solving and talent retention.

Today, as hundreds of thousands of people of all races are peacefully protesting for change across the world, I am hopeful that our government, universities and corporations will hear their cry for justice and equality.

I am hopeful that these groups will fully embrace the need for diversity and inclusion and establish it as a core value within their organizations.

I'm hopeful that diversity and inclusion will be the goal of every company, not only because it is the moral thing to do, but because it is good for business, it's good for America, and it's good for the world.



Ray Daniels is board chair for Commerce Lexington Inc.



CARES Act Constituent Service

Barr's efforts fix a PPP loan glitch that made existing businesses with new taxpayer ID number ineligible

Editor's note: Interviews for this report took place prior to the sudden and tragic passing of Congressman Barr's wife, Eleanor Carol Leavell Barr, on June 16 from a heart condition. The Lane Report expresses our sincere condolences to Rep. Barr and his family.

BY MARK GREEN

U.S. Rep. Andy Barr, who has represented Kentucky's 6th District since taking office in 2013, was a busy man this spring, providing constituent services to the business community related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The act passed by Congress with overwhelming bipartisan support and was signed into law by President Trump on March 27, 2020.

This \$2 trillion-plus economic relief package included key assistance in the form of the Paycheck Protection Program, which is providing small businesses slammed by the pandemic shutdown with the resources they need to maintain their payroll, keep or hire back employees who may have been laid off, and cover applicable overhead.

The PPP piece of CARES ingeniously first employs private funds from U.S. banks, which make loans to qualifying businesses to cover their payroll and related costs for two months. If a borrowing business fulfills the terms of the program, its loan is "forgiven" and repaid by the U.S. Treasury Department.

The program thus helps support the banks that serve the financial needs of small businesses while keeping those businesses viable and payroll checks

flowing to their employees, even if the business had had to physically close to customers and either stop or drastically limit operations.

Barr describes PPP as "smart" for its use of the private sector.

"We 'deputized' the private-sector lenders, including the financial tech companies," Barr said. "As of now, not a single penny of taxpayer funds has been used."

CARES does cap how much federal government funding can ultimately go to PPP, as well as the size of the salaries it can compensate, the overall amount of an individual loan. The original CARES legislation authorized \$349 million in forgivable loans, then increased that to a potential \$660 billion.

The Lane Report, headquartered in Lexington, was one of the constituents Barr helped. He used knowledge and understanding he had developed about the federal public policy and regulatory process to solve a unique problem that surfaced because this 35-year-old magazine happened to change ownership in March and thus had a brand new taxpayer identification number.

Barr said he also worked very actively on a technical issue Kentucky banks and credit unions brought to him regarding non-PPP or CARES Act loans to restructure debt for businesses in response to the impacts of the pandemic shutdown. Existing rules would call for these changes to be classified as “troubled debt restructuring” loans; bank regulators are required to consider TDR loans as problems on the institutions’ balance sheets that restrict how financial institutions can act in their wider dealings and management.

Unintended inequities

To prevent PPP program fraud and abuse by someone who might create a new business and hire employees in order to obtain benefits, CARES Act provisions required applicants to be well established. The language of the act advises banks to make sure the taxpayer ID number was issued and the business was in existence prior to February 15, 2020.

The Lane Report, which provides Kentucky business and economic development news across the commonwealth, is well established and been in continuous operation since 1985. However, the heirs of founder Ed Lane happened to sell the company to Lexington businessman Kevin Stinnett in March. This involved creating a new parent entity, The Lane Report Inc., which then received a new taxpayer ID number.

The change in ownership was announced on Thursday, March 12, the day the coronavirus pandemic shutdown began to strike in earnest. The NBA cancelled its season that day and the Kentucky High School Girls Sweet Sixteen basketball tournament was cancelled in midday after two of four games planned for the day had been played.

Stinnett has been a professional financial adviser for more than 20 years. He owns Premier Financial Group and Lexington Insurance Agency, and was an elected member of the Lexington-Fayette Urban County Council for 14 years. Stinnett began pursuing a PPP loan for The Lane Report Inc. as soon as the program came into existence

and had the company’s application prepared several days ahead of the April 1 opening of the Small Business Administration (SBA) loan application portal.

Bank loan processors, however, noted that TLR Inc.’s taxpayer ID number looked to be a disqualifier.

“Kevin called early,” Barr said, to express concern about the taxpayer ID qualification issue. “It seemed like an inequity.”

Barr serves on the House Committee on Financial Services, and is the ranking member of the House Financial Services Subcommittee on Oversight and Investigation. He learned



U.S. Rep. Andy Barr has played an active role in helping resolve COVID-related issues for Kentucky business owners.

that U.S. Rep. William Timmons, a freshman member of his committee from Greenville, South Carolina, also had a constituent with a new taxpayer ID number for an established business.

“The bank wanted to help, but felt it couldn’t,” Barr said.

Barr had been in regular contact with U.S. Treasury Department officials as the CARES Act relief measures were being crafted and began making calls toward finding a remedy.

Initially there was “not much feedback” from the Treasury Department. He called Secretary Steve Mnuchin and Assistant Secretary Justin Muzinich, who is the key liaison to the committee, to argue for a modification. Barr then called Mark Meadows, a former leading member of the House who had become White House chief of staff on March 6– and

that brought the result that solved the taxpayer ID issue.

“Meadows said, ‘We are going to put out an FAQ that will fix your problem,’” Barr said.

On April 28, the Treasury Department and SBA issued new guidance on their Frequently Asked Questions (FAQ) pages on their websites. The bank then submitted the PPP loan application for The Lane Report Inc. in the SBA portal and approval came a number of days later.

As of June 18, more than 4.6 million PPP loans totaling \$513.8 billion had been approved. The 5,456 participating lenders had given loans that average \$110,845. In Kentucky, the figures as of June 12 from the Small Business Administration were 46,511 PPP loans totaling \$5.19 billion, with an average loan of \$111,733.

Barr was among several members of Congress who asked for a change in the TDR loan classification process. After several weeks of discussions, banking regulators issued a joint statement of guidance that through December 31 of this year, loans modified due to stress caused by the coronavirus exclusively should not be deemed as troubled debt restructuring.

Additionally, Barr said as a result of conversations again with Mnuchin, Muzinich and others, an interim final rule was issued May 19 that made rural electric cooperatives eligible for PPP participation. Treasury also issued an interim final rule on April 24 that lifts a restriction against making bridge loans to horse racetracks, including Keeneland and The Red Mile.

He said he continues to pursue a streamlining of the forgiveness application for PPP loans. The present 11-page application is causing some of the smallest businesses to have to hire an attorney or accountant to complete the three- to four-hour process of filling out the application to certify compliance with rules to have their PPP loans forgiven. ■

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

Twists and Turns in the State Budget



LRC Public Information photos

The economic impact of COVID-19 has made passing a state budget more difficult than ever

BY BOB BABBAGE AND JULIE BABBAGE

FIFTY years ago, Kentucky was widely praised by policy experts, political science professors and the press on the subject of money. The reason was simple, but original: The state had a two-year budget.

In that era, the legislature met only every two years, so thinking two years ahead was clearly required. Hailed as a novel tool for long-range planning joined to fiscal management, the Bluegrass budget process earned widespread kudos.

Then, up came COVID-19 and down went the budget model. The

seven-part budget, which includes spending for the courts, the legislature, roads, and every service from state police to parks and education, was set for one year only instead of the traditional two.

As the 2020 legislative session wrestled with the normal challenges of getting the budget finished in the even years, balancing public pension payments with schools, universities and myriad highway needs, the pandemic changed the picture. There was no way to know for certain how large the revenue shortfall would be.

Now we know. In a nutshell, the quarter ending in June is short by \$69 million. For the year, the state will be off 1.8%, which doesn't sound like a lot, but original projections were for growth, not loss. The road fund got crunched the most, since few were driving or filling up, ultimately not paying their pennies of the gas tax.

Rep. Joe Graviss, D-Versailles, has spent much of his first term wrestling with the state's pension-funding problems.

So where does all this leave the budget process? In simple terms, 2020 was a different budget year. Now 2021 will require a one-year budget plan as well. Then, the expectation is that 2022 will produce a budget for 2022-24.

Budgeting is a permanent piece of the job description for state officials, now more than ever. John Hicks, the state budget director, and his team of experts are always refiguring the numbers, nailing down the dollars. Hicks' prior experience as head of the National Association of State Budget Officers association gives him uncommon qualifications.

In January, the short session of the legislature will be the 11th since



Steven Rudy, R-Paducah, is chair of the House Appropriations and Revenue Committee.

four days. Will Gov. Andy Beshear address a joint session to present his budget along with Lt. Gov. Jacqueline Coleman in that first short week?

In a usual short session, the three weeks following the opening are used to “get ready” for action. Will this period in 2021 be budget hearings?

The two budget chairs have major responsibility year-round to measure and monitor income and spending. Sen. Christian McDaniel and Rep. Steven Rudy carry this heavy duty constantly, wielding strong authority. Their joint interim committee could assume a more intense look ahead over the course of the summer and fall.

Top leaders continuously weigh budget needs. House leaders, Speaker David Osborne and Rep. Joni Jenkins, along with Senate

leaders President Robert Stivers and Sen. Morgan McCarvey, must guide crucial considerations under a heavy deadline this time.

In asking key leaders for perspective on 2021, Majority Floor Leader Sen. Damon Thayer made it clear that the two-year budget is not dead. “The two-year budget provides stability for every agency and interest—corrections, education, postsecondary education—for better planning opportunities,” Thayer said. Thayer won national recognition for pension reform several years back.

Pensions are a permanent issue in the constant worry over money. Rep. Joe Graviss, in his first term, spent numerous days and nights on the mammoth pension-funding puzzle. “We have to wrestle through these difficult times, and make sure we continue funding our obligations,” Graviss said.

The consensus is that the two-year budget will make a comeback. In the meantime, budget anxiety, rewriting and redoing is day to day. ■

the amendment mandating annual sessions passed in 2000. The first short sessions spent as much time reviewing state issues as making law. Now short sessions have the feel and pace of long sessions. Virtually every topic comes up.

The authors of the constitutional provision, then-Senate President David Williams and then-House Speaker Jody Richards, were of different parties but of the same mind in selling the annual sessions. To answer the concern that short sessions would create more spending, they limited budget issues by requiring a super majority for approval.

This has worked as planned, severely shutting off fiscal matters from short session action. “Wait for the budget year,” is practically a rule.

The 2021 edition will be packed, based on the number of subjects already under review. With the pressure of another budget, the dynamics change even further.

Key questions loom. It is assumed the executive branch budget will be a starting point, just like always. The legislature convenes Jan. 5 for just



Bob Babbage and Julie Babbage are with Babbage Cofounder, a leading government relations firm.



Christian McDaniel, R-Taylor Mill, is chair of the Senate Appropriations and Revenue Committee.

The Fastest-Growing Cybercrime

Businesses fall victim to a ransomware attack every 14 seconds

BY GUI COZZI

A prominent threat since the mid-2000s, ransomware attacks continue to plague businesses large and small – and they’ve grown more sophisticated over time.

Ransomware is a kind of computer malware that encrypts and blocks access to computer files until a ransom is paid. It targets both human and technical weaknesses and is delivered in multiple ways.

In 2019, the FBI’s Internet Crime Complaint Center (IC3) received 2,047 ransomware complaints from American companies, a 37% increase over 2018. The actual number was probably much higher, because only a small percentage of attacks are reported. Across the globe, there were an estimated 204 million ransomware attacks in 2018.

Ransomware is the fastest growing type of cybercrime, according to Cybercrime Ventures. Every 14 seconds across the globe, a business falls victim to a ransomware attack.

As ransomware attacks have evolved, the business risks have drastically increased.

Risk No. 1—Financial

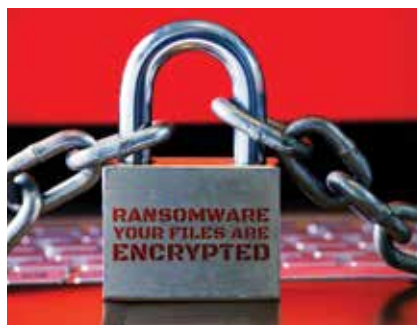
Most early ransomware attacks affected a single system, and payments to decrypt the files were typically under \$500. Today, entire networks are encrypted in a single attack, and the ransom demanded can easily go into millions of dollars.

In 2019, the 2,047 ransomware attacks reported to the FBI had adjusted losses of nearly \$9 million. Globally, ransomware attack losses were \$11.5 billion in 2019, according to Cybercrime Ventures. The company predicts that global ransomware damage will hit \$20 billion in 2021.

Ransomware attackers have created a tiered pricing structure to leverage more payment depending on the importance of services provided.

A workstation might be priced at \$2,000, while an email server might be hundreds of thousands to decrypt.

In recent years, some organizations have had to shut down because of the overwhelming financial burden of these types of attacks. Even without the ransom payment, the cost of restoring IT operations can be steep.



Risk No. 2 – Disruption to Operations

As cybercriminals have moved towards mass encryption of all systems in a network instead of a single system, the risk of major disruptions to business operations increases exponentially.

The question organizations need to be prepared to answer is this: “If we woke up tomorrow and all of our computers were unavailable, how could we continue to conduct business?” Even with backups, entire network-wide interruptions take days or even weeks to recover, which can cause major disruptions.

Risk No. 3—Reputation

When organizations choose not to pay a ransom to recover their IT systems, cybercriminals can include extortion demands to ensure payment is received. These criminals attempt to steal sensitive information in the days prior to organizations learning that their computers have been compromised.

Risk No. 4 – Compliance issues

When businesses and organizations maintain regulated data, such

as personally identifiable data, financial information or electronic patient health records, data breaches from ransomware attacks can cause compliance issues. Organizations need to consider the access level gained during the attack and whether their systems hosting regulated data were accessed. Organizations must conduct good-faith risk assessments to determine how likely it is that protected health information was accessed or extracted.

How to protect your organization

Most ransomware attacks happen in phases. The initial phase is to compromise one computer; next, the hackers gain elevated access on the network. The third phase is to spread, and then to identify and steal sensitive data. The final phase is executing the ransomware.

Each phase will leave artifacts that cybersecurity professionals and proper technology can identify and block. If organizations practice basic cybersecurity hygiene, most attacks can be stopped early in their tracks.

Basic cybersecurity hygiene includes:

Prevention

- Make sure antivirus software is deployed to all systems, is consistently updated and configured to block and alert administrators to malware.

- Regular security assessments can help organizations identify and correct weaknesses.

Detection

- All security alerts should be investigated and cleared.

- Ensure that firewall, endpoint and web filter logs are retained for at least 30 days.

Response

- Implement the 3-2-1 backup strategy: Have at least three copies of your data in two different media formats, with one of the copies held offsite. If cybercriminals compromise your backups during the attack, you will be unable to recover. ■



Gui Cozzi is cybersecurity practice leader at Dean Dorton, a Kentucky CPA accounting firm with an IT security/tech consulting division.

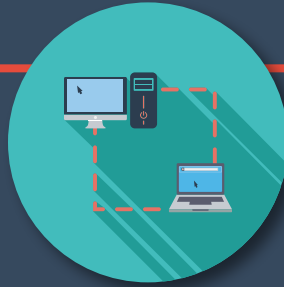
IS YOUR DATA SAFE?



Cybersecurity is a key business risk that is being discussed in every board room. Dean Dorton's cybersecurity team provides a variety of services designed to **identify your key information risks** and **how to mitigate them**.



Comprehensive Security Assessment



Information Security Program Implementation and Management



Cybersecurity Solutions for Small Businesses



Adversarial Threat Simulation



Continuous Security Assessment



Cloud Security Review



Web Application Security Assessment



Advanced Threats and Ransomware Protection



Incident Response

BIG BROTHERS BIG SISTERS OF THE BLUEGRASS

Mentoring program helps Central Kentucky children see and achieve their potential

Big Brothers Big Sisters of the Bluegrass

181 W. Lowry Lane,
Suite 150
Lexington
(859) 231-8181
bbbs-bluegrass.org

FOR more than 60 years, Big Brothers Big Sisters of the Bluegrass has been changing the lives of Central Kentucky children, one child at a time. The organization makes meaningful, monitored matches between

adult volunteers (Bigs) and children ages 6 through 13 (Littles). Its mission is to “create and support one-to-one mentoring relationships that ignite the power and promise of youth,” said Andrea Ooten, president and CEO of BBBS of the Bluegrass.

Ooten shared more about the organization for our monthly Nonprofit Spotlight.

How can people get involved?

The highest impact and largest investment into our program is through volunteer service as a Big Brother or a Big Sister. Volunteers are asked to commit to at least one year of seeing their Little Brother or Little Sister a few times each month for a couple of hours each visit. Each match is supported by our staff, in hopes of creating long-term, successful relationships. We also have opportunities for volunteers to assist with events, committees, our board of directors, and internships.

For those unable to commit to a volunteer opportunity, we are a nonprofit that depends heavily on private donations. Many assume that we receive funding from our national organization but all of our funding comes from local support: private contributions, corporate sponsors, fundraising events, grants and foundations, and through the City of Lexington’s Extended Social Resources (ESR) grant.

When you meet someone new, how do you describe your organization?

We are a mentoring organization that serves children in Central Kentucky by pairing them with an adult mentor. Our volunteers do fun things with our kids, like taking them to a ballgame or going to a movie—whatever

the volunteer and child both enjoy doing. By having a consistent, positive adult role model outside of their family, children in our program have someone to help boost their confidence, support their goals, and help define their potential. Kids in our program report having higher grades and are less likely to hit someone, try drugs or alcohol, and less likely to skip school.

What’s a recent achievement you’re proud of?

Most recently, our organization has had to pivot in response to COVID-19. Since the middle of April, our board and staff have delivered over 2,000 meals to families in our program (generously donated by Tazikis Mediterranean Grill) and 150 care packages of cleaning supplies to families (donated by Amazon LEX1). United Way of the Bluegrass and Blue Grass Community Foundation awarded our agency \$21,000 in coronavirus relief funds to help families with rent, utilities, food, household items and similar expenses. We have been awarded additional funding from the Kentucky Colonels to continue helping us provide groceries and cleaning supplies to families.



Our volunteers have remained committed to their Littles through these particularly challenging times. Bigs and Littles have not been able to go on their typical outings, but have been very creative about staying in touch virtually and in socially distanced capacities. Our volunteers’ commitment throughout the year is what makes our work so rewarding.

Is there anything else you would like to say about your organization?

As an agency that serves predominantly minority children and families, it is important for organizations like our to speak

out against racism. We are speaking out and we are taking steps to do the work that is needed. We stand ready to play our role in dismantling racism by working to unite our community through partnership and relationship-building, as that’s exactly what our program is designed to do.

About four years ago, our agency began a partnership with the Lexington Police Department called “Bigs in Blue,” an initiative to develop and strengthen the relationships between police officers and the neighborhoods they serve. We have witnessed Big Brothers and Big Sisters in this program become like family with their Littles and their families. Through this initiative, trust can be built. Relationships can be formed. And a community can be healed. ■





COVID-19 Workplace Safety Issues

How to navigate the new guidelines for business

NAVIGATING workplace issues, rules and regulations is never easy, but it has become especially difficult with all the changes brought about by a global pandemic. Here Lexington human resources expert Karen Hawkins, owner of Hawkins HR Consulting, answers some of the most common questions pertaining to workplace matters.



Karen Hawkins is the owner of Hawkins HR Consulting LLC.

Can an employer make you sign a waiver to come back to work if the employer does not want to be held liable for the employee contracting COVID-19?

I do not think it is reasonable or possibly even legal for an employer to require an employee to sign some type of waiver or agreement that the company would not be at fault should the employee contract COVID-19 in the course of working.

It would be very difficult to prove on both sides where a person may have become infected. Should it be determined by health officials that the employee and likely other employees were exposed to and subsequently tested positive for the virus at work, employers are actually required to record this illness on OSHA forms should an employee(s)

require further medical treatment, a prescription, have restricted duty or lost time.

What should an employee do if their company is not following the guidelines set forth by the CDC and the governor?

Employees should first address their concerns with their manager, human resource department or the company's dedicated COVID-19 officer. However, should the employee still feel the company is not being responsible and following state health/CDC guidelines, there is an outlet to report such violations through a reporting hotline, (833) 597-2337.

The Kentucky Labor Cabinet will review any reports of noncompliance and will also assist establishments in their efforts to conform to directives or to reestablish compliance.

On the flip side, what can employers do if they continue to find that employees are not following the guidelines?

Employers are able to enforce their guidelines as long as they meet the requirements of the state's health officials and CDC recommendations. These new rules would be considered company policy and a condition of employment. Companies should be open to compromise or new ideas that can still maintain the standards needed.

However, if an employee is noncompliant after education and consultation, discipline may be the next course to take. Any disciplinary action should be thoroughly vetted and be consistently delivered only when all other avenues have been explored.

When and if the guidelines expire, can employers make the employees continue to wear mask and continue with the guidelines?

Companies can continue to have more stringent policies than are recommended. However, should an employee refuse to comply, I suggest the employer have a bona fide business reason for requiring a higher level of protection in order to enforce the policy to the point of discipline.

Generally, I would recommend that certain industries follow the guidelines until these are lifted. Being united in policy approach would be best. Careful consideration should be given to continue to require employees to do things that may cause more angst when they may not be necessary.

Conversely, can employees continue to follow the guidelines for personal protection after they have expired without repercussions from the employer?

I would expect some employees to want to continue to follow current regimens after guidelines expire. Employers generally should allow their employees to wear PPE or follow extra cleaning procedures at least for some time to ease into the new way of life. Regarding repercussions from an employer, I believe a "kinder, gentler" approach is best. Again, a bona fide business reason would be worth explaining and trying to compromise if possible.

It can get tricky regarding the return of employees who were working remotely. Other than mask wearing, I have found this situation to cause the most pushback. Employers are able to press the issue and discipline if necessary, should the employee not have legitimate health or child-care reasons for not returning. ■



Buy-Sell Agreements Keep Your Business Afloat

BY KEVIN O. STINNETT *

ALEX and Brad, both in their mid-forties, had just celebrated the 10th anniversary of Consulting Inc., their market consulting business. The next morning, before going to work, Brad suffered a heart attack while jogging and died later that day. Alex suddenly lost his long-time business associate. What's more, after the estate was settled, he found himself with a new co-owner—Brad's wife.

The result was chaos. Brad's wife had little interest or experience in running the firm. She needed cash for living expenses and asked Alex to buy out her interest in the business. But because most of his assets were tied up in the business, Alex was short of cash. Unfortunately, Alex and Brad's wife were left with little choice but to sell the company on short notice for just a fraction of what they had hoped for.

How could this fictional disaster have been avoided? A buy-sell agreement and proper funding could have saved their business while providing needed income for Brad's family after his death. Buy-sell agreements lay out how ownership will change hands and how the transfer will be paid for in case of a co-owner's death, disability or retirement. Typically, the agreement provides for the purchase of the departing shareholder's stock by the surviving shareholders or the company itself.

A buy-sell agreement and its proper funding may achieve several goals: avoid liquidation of the business; facilitate an orderly continuation of the business; replace lost business income for a deceased owner's heirs; set a purchase price that can fix the estate tax value of the decedent's stock; and provide evidence to customers and creditors of the firm's stability.

Using Life Insurance

Drafting a buy-sell agreement is only the first step. It will have limited practical benefit unless the purchaser can afford to buy the deceased owner's shares. Life insurance is often used as the preferred source of cash. When a business owner dies, the policy proceeds are used to buy the shares from the deceased owner's estate at a price set forth in the agreement. There are two basic types of buy-sell arrangements: the "cross-purchase" agreement and the "stock redemption" agreement. Life insurance can be used to fund both.

Cross-Purchase Agreement

In Alex and Brad's situation, each of them buys—and is the owner and beneficiary of—a life insurance policy on the other. Upon Brad's death, Alex receives the policy's death benefit, which he uses to purchase Brad's shares from Brad's estate. In turn, that cash payment gives Brad's family needed income to offset the loss of Brad's earnings.

Cross-purchase plans have several advantages

For example, the surviving shareholder gets a "step up" in the income tax basis

for the stock bought from the deceased's estate. This could reduce income taxes if the surviving shareholder later sells the stock. Additionally, with cross-purchase agreements, the insurance proceeds are not subject to the claims of corporate creditors. But these plans can be hard to administer if there are many owners. Since the shareholders individually own policies on the lives of their fellow shareholders, absent other planning, 56 separate policies would be needed if, for instance, there were eight total shareholders.

Stock Redemption Agreement

In this case, Consulting Inc. buys and owns insurance policies on the lives of Alex and Brad. When Brad dies, the corporation buys his stock with the insurance proceeds. Stock redemption plans may make sense when there are multiple owners of the corporation, there are large differences in age and ownership levels among the owners, or the corporation is in a lower tax bracket than the owners. A potential drawback to these plans is that the surviving shareholders do not get the benefit of an increase in the income tax basis of their shares when the corporation redeems the stock.

Keeping Proper Balance

Often, in an effort to make things fair, business owners structure a life



insurance-funded buy-sell agreement so that each owner is treated alike. But that may seemingly result in a windfall if the owner holding a minority share of the company outlives the majority owner.

Suppose the \$1 million Consulting Inc. was owned 70% by Brad and 30% by Alex. Under their agreement, each was required to buy the other's stock under identical terms. And each bought life insurance on the other's life to fund this buyout. When Brad dies, Alex collects the \$700,000 of insurance proceeds and pays that sum to Brad's family for the controlling interest in the company. Alex is also likely to buy back his own insurance coverage of \$300,000 for full value. Result? The minority partner, Alex, now has a 100 percent interest in a \$1 million company and a \$300,000 policy. Brad's family loses control of the firm, but receives \$700,000 in cash

and the proceeds from the sale of the insurance on Alex's life.

Buy-sell agreements can help protect your business and your family. Seek the guidance of a professional financial adviser who can identify the various issues and considerations that will help determine what type of buy-sell agreement makes the most sense for you. ■

**The content of this material was provided to you by Lincoln Financial Securities Corporation for its representatives and their clients. This article may be picked up by other publications under planner's bylines.*

Kevin O. Stinnett, LUTCF is a registered representative of Lincoln Financial Securities Corp., member SIPC, 465 E. High St., Suite 101, Lexington, KY 40508, offering insurance through Lincoln affiliates and other fine companies. This information should not be construed as legal or tax advice. You may want to consult a tax advisor regarding this information as it relates to your personal circumstances. The content of this material was provided to you by Lincoln Financial Securities Corp. for its representatives and their clients. LFS-3126397-061520



WUKY is your ESSENTIAL source for trustworthy, local and national news coverage, as well as your daily source for musical discovery through its wide array of programs.

Let us take you on a journey!

>> COVID-19

Resources

Web: kycovid19.ky.gov

Info Hotline: (800) 722-5725

Price Gouging Hotline: (888) 432-9257

Twitter Hashtags: #TeamKentucky #TogetherKY

Listen to 91.3 and stream WUKY for local and NPR updates on the latest.



Marketing Out of a Crisis

Think long-term, recognize how people feel, don't do it all at once

BY GATHAN BORDEN

In these unprecedented times...

How many times have we heard this line over the past few months? How many times have brands distributed video messages about “staying safe” and “we’ll be here for you when this is over”? You could basically take any of these videos, swap out the images and realize that all of these brands are saying and doing the same thing, which is a faux pas in the marketing world. But aside from that issue, what it does show is that all brands are feeling the impact of COVID-19 and are trying to empathize with consumers.

COVID-19 has caused the destruction of a lot of the global economy and left behind large swaths of our population who are either furloughed or no longer have employment. Businesses have had to make tough decisions, adjust their operations or simply shut down altogether. Individual states have been shut down for weeks and most of us

have been confined to our houses, leaving only to get essential goods.

So yes, these really are unprecedented times.

As the country begins to reopen the economy, businesses are having discussions around the who, what, where, when, why and how of marketing their products and services again. How do you sell a product and/or service in the midst of a recession and a pandemic? Every business will have different standards to adhere to, but as we strive to get back to the new normal, there are four things you should take into account as you start to market your products and/or services again:

Humanize your brand

This pandemic has reinforced the concept of “6 degrees of separation” as no one is immune to the effects of COVID-19. Customers have always wanted to learn what makes a brand unique, but now they have shown more interest in a brand’s social initiatives and the people behind the

brand—the employees. The worst thing a brand can do is be tone deaf and pretend that we are not living through the greatest recession in American history.

Many people have lost jobs, homes and loved ones while others aren’t able to pay bills or even know where their next meal is coming from. This will lead to longer lead times and longer purchasing cycles, as customers will need to weigh several financial options before making decisions. Be sensitive to the current environment and the needs of your customer, because your role as a brand is probably not as important to the customer as it once was.

Activate previous customers

It’s a known fact that people trust people more than organizations. Past customers have always been the low-hanging fruit for repeat business, and they will be even more crucial to the success of our economy as we work towards recovery. In recent years, we saw the rise of micro-influencers across various social media platforms who produced and published their own high-quality content to shed light on the small businesses in their communities. Now, there is a new opportunity to peel back one more layer and find ways to activate your previous customers while taking into account all of the post COVID-19 operating procedures for your business.

You shouldn’t be the only one telling customers that your place of business is safe and clean. How can you get your previous customers back into your business or make another purchase? How can you arm your previous customers with the right messages to share with their friends and social networks? Content is still king, and distribution is still queen, but not all content has to be high-quality—rawness and humanity still sells.

Think short-term, mid-term and long-term

You are not going to be able to right the ship immediately. None of us have a crystal ball, so who knows

Remember that your customers can be the best way to market what your business has to offer.

what will happen next? If you start with the long-term in mind first and then work backwards, you can develop a sound plan for marketing your business's recovery.

For example, if the long-term plan is to get your business to a certain level in one year, then your mid-term plan would be six months and then your short-term plan would be three months. Don't try to do a year's worth of recovery in four weeks. Avoid making knee-jerk reactions, and allow data to help guide your decisions along the way.

Be prepared for the next crisis

We know that this will not be the last time our country will face a global crisis; as a matter of fact, this might not even be the last time we deal with COVID-19, so now is as good a time



as ever to prepare for the future. How can you make your operations more streamlined? How can you make your sales and marketing plans more nimble? How can you better structure staff to pivot when the next crisis hits? These and others are all critical questions you need to ask yourself.

We have all learned just how quick and devastating a global crisis is, and the long-lasting effects it leaves behind. As economies begin to open up, and we start this new normal, I challenge you to be more thoughtful of your customers, your employees

and your marketing plans, as we still have some tough times ahead.

Assess your current visuals and messaging to make sure they fit the current climate. Be honest. Be transparent. Be strategic. Be prepared. In the words of our governor, we are going to get through this, we are going to get through this together. ■



Gathan Borden is vice president of marketing for VisitLEX.

Carson's
FOOD & DRINK
CURBSIDE TAKEOUT
(859) 309 - 3039



carsonsfoodanddrink.com • 362 East Main Street Lexington, KY 40507

DETAIL LEX

Lexington business goes the extra mile to keep vehicles of all sizes looking their best



LEXINGTON detailing service Detail Lex offers interior and exterior cleaning for vehicles of all sizes. Owner Daryl Lyons has assembled a team with more than 75 years of experience and a passion for vehicles. Lyons, who holds degrees from the University of Kentucky and Ohio State University, is a member of the Corvette Club and a certified member of the International Detailers Association. Here, Lyons tells *The Lane Report* about his business and its daily operations.

Detail Lex

Daryl Lyons, CEO/Owner
Main Office:
195 S. Forbes Rd.
Lexington, KY 40511
Other location:
540 E. Second St.
Lexington, KY 40508
Detaillex.com
(859) 246-0006
contactus@detaillex.com

When did you open?

The business started in August of 2015. I bought it in June 2018.

What services do you provide?

We offer interior and exterior detailed cleaning, headlight restoration, wheel repair, dent repair, odor removal, mold/mildew removal and treatment, scratch removals, paint correction and a full line of ceramic coatings that can cover the paint, rims, windows and interior surfaces. We can provide all the services to vehicles, motorcycles, sport vehicles (i.e. side by sides), RVs, semis, heavy equipment, boats and airplanes.

How many employees do you have?

We have 17 employees. Detail Lex has become a family in so many ways. My crew is everything to me and Detail

Lex would not be what it is without them. I might own the business, but it is my family that makes it special.

How have things changed in your field since you first opened?

It seems we get new and better cleaning products and tools every year. The shine and gloss from a ceramic coating is like no other and the protection from fading, water spots and light scratches can save thousands in the long run.

When you meet someone new, how do you describe your job?

It's the best job in the world! No two days are the same. One day we could be working on a high-end sports car and the next be cleaning out 10,000 Cheerios from a family's minivan. To take a vehicle or boat and bring it back to its maximum potential is rewarding. We have had astonishment, joy and even tears of happiness. We love to be part of that.

What has been your biggest challenge as a company and how did you overcome it (prior to COVID-19)?

Fear of the unknown. Detailing is not a necessity; it's a luxury. Customer service is everything to me and I try my best to take care of everyone.

How is your company involved in the community?

We have supported many local schools' sports programs and the Toys for Tots program. We proudly support our Lexington Police Department, the Lexington Fire Department and the Fraternal Order of Firefighters. It is our honor to give back to our community every chance we get.

In what ways has COVID-19 affected your business?

On March 23, we were advised that our business was not listed as essential and should close; we complied. We reopened on May 11, offering all the same services as we did before but have expanded our existing safety procedures to include more personal protective equipment (PPE) for staff; health checks; modified customer check in, check out and lobby procedures; and increased our capacity for vehicle pickup and delivery services.



What do you think will be the long-term effects of changes made during COVID-19 on your business/industry?

Vehicles are often the second largest investment a person makes after the purchase of a home and keeping them looking good will increase the value of the investment. Routine maintenance of your vehicle should also include routine cleaning and disinfection. People are now more aware of keeping germs and viruses off the surfaces that they encounter during the day and your vehicle should be one of those surfaces too. ■

Car-toon Creatures, Kustom Kars and Corvettes

The National Corvette Museum celebrates the art and influence of Ed “Big Daddy” Roth

AFTER closing on March 18 due to the COVID-19 pandemic, the National Corvette Museum reopened on June 8 with some exciting new exhibits. The museum has teamed up with Tom Peters, retired director of exterior design for the eighth-generation Stingray Corvette, to put together a new exhibit entitled Car-toon Creatures, Kustom Kars and Corvettes: The Art and Influence of Ed “Big Daddy” Roth.

“Ed Roth was one of Tom’s biggest artistic influences growing up,” said Bob Bubnis, the museum’s historical media coordinator and lead curator of the exhibit. “Back in the 1950s and ’60s, kids who liked cars bought hot rod magazines along with T-shirts, models, stickers and toys from Roth Studios. They featured caricatures of cars with giant smoking slicks and fire coming out of the exhaust, with blown engines and cartoon monsters at the wheel. Tom would

begin copying those drawings, and in the process, he learned about how to draw cars with personalities and attitudes. The monsters were just cool. The most notable one was Rat Fink, who will serve as the mascot throughout this exhibit.”

The tour begins with a re-creation of Ed Roth’s garage. In addition to being a cartoonist and T-shirt designer, Roth was a car constructor and pinstriper, with many of his cars on loan for the exhibit. Guests will be able to see the Orbitron, Mysterion and Tweedy Pie, as well as Roth’s personal truck that he would use to do his pinstriping.

The exhibit takes visitors through a 1960s toy store, where they can see the vintage toys that sprang from Roth’s imagination, from sticker collections to model kits. Millions of

Ed Roth’s distinctive design can be seen on everything from toys and stickers to cars.

models were sold to kids like Tom Peters, fueling the passion for cars. Roth’s silkscreen shop with the actual equipment he used to make T-shirts is also on display.

The tour ends with a re-creation of Tom Peter’s studio at the GM Tech Center, along with one of the Corvettes he designed for the Transformers movies. To face off with that Corvette, the museum has brought in a special car on loan from Galpin Auto Sports—their new Galpin Ford GTR1 supercar. The cars, together, dramatically show how Ed Roth influenced the automotive world as a whole.

Visitors don’t have to be into the Kustom Kar scene, Rat Rods, Rat Fink or Transformers to enjoy the exhibit, Bubnis added. “We are making it a walk-through time, when John Kennedy was the president, The Ventures were on the radio, and gas was 20 cents a gallon. Maybe along the way we will inspire some young people to start thinking about where they will take the automotive story from here.”

The exhibit will run through December 2020. ■

Ed Roth’s personal truck is among the many vehicles on display at the exhibit.

National Corvette Museum photos





Restaurateurs Demonstrate Resiliency and Innovation

Restaurants and customers alike are anxious to return to the dining room

BY STACY ROOF

WHAT just happened? A few months ago we were all going about our business, conducting meetings at restaurants and hotels, gathering with friends for lunch and dinner, hosting celebrations and making all kinds of plans that involved restaurants. When restaurants were told to close on March 16, none of us knew what things would look like in the coming weeks. Rules and guidance changed every day, and sometimes multiple times a day.

In my 25 years with the Kentucky Restaurant Association, I have never experienced the uncertainty of the past few months. I believe KRA has never been more needed or vital than during this pandemic. The value of a trade association is that while the business owners are focused on reinventing and running their businesses, the association is working on their behalf. The KRA considers it our duty to support and help all restaurants in the state through this uncertain time.

All that behind-the-scenes work achieved a few positives, such as legislation allowing restaurants to sell alcohol by the package and by the drink for carryout and delivery; the ability to sell raw foods; and an allowance for employees whose hours were reduced to be eligible for unemployment to make up the difference in pay due to hours being cut.

We recognized that not all restaurants wanted to open at the same time, but pushed for a date so those who wanted to open could prepare and those who wanted to wait could choose their timing. We also helped cities draft local ordinances for expanded outdoor dining options.

One thing we know: Restaurant owners are resilient and innovative. In the early days of closure, many restaurants figured out how to jump-start a carryout business or build on that aspect of their business. Some even built drive-thrus! Others created meal kits and sold raw foods and groceries, and toilet paper was a creative addition for many. Some kept staff on to make deliveries. People responded to our

pleas to order carry out, curbside or delivery, and buy gift cards. Tipping has been generous.

So, what's the restaurant climate now? Most restaurateurs are still very worried about their business. The social distancing requirement means that even with dining room capacity going from 33% to 50% on June 22, some operators have not gained many—or any—seats. They are working to bring staff members back and a doing a lot of training around new protocols.

Some menus have been scaled back or modified, and some are only available digitally. It will be interesting to see what things look like in a year.

One thing is certain: Sadly, there will be more restaurant closures. It's estimated that in April alone, Kentucky restaurant revenue was down \$550 million. With 80% of our workforce furloughed or laid off in March, our industry has been said to be the most affected by COVID-19.

Given the high amount of unemployment related to COVID-19 and many employers and employees made eligible for unemployment who have never paid into the unemployment trust fund, restaurants' unemployment costs will dramatically increase as the state is required to borrow from the federal government to cover shortfalls.

You can be confident in our goal to keep customers and employees healthy and the level of care operators take to go above and beyond what their local health departments, Healthy at Work and the CDC have established on top of their usual and customary high standards.

Thank you for continuing to support local restaurants—they need us now more than ever and can't wait to serve you. In the meantime, the Kentucky Restaurant Association will continue its work advocating for restaurants, the cornerstone businesses of our communities and future sites of your celebrations. ■



Stacy Roof is president and chief executive officer of the Kentucky Restaurant Association.



Happy 4th of July
from

The Lane Report[®]

KENTUCKY'S BUSINESS NEWS SOURCE FOR 35 YEARS

lanereport.com





The Red River Gorge Zipline, located on the Cliffview Resort property, features five different lines.

What's Open In and Around Cliffview Resort as of June 1

- Cliffview Resort and Red River Gorge Zipline
- Gorge Underground Kayaking
- Natural Bridge State Resort Park – Hemlock Lodge and nature trails
- Daniel Boone National Forest – hiking trails
- Most area restaurants, with social distancing.

Get Away to the Gorge

After a full day of outdoor activities, settle in at The Cliffview Resort

BY KATHERINE TANDY BROWN

AFTER being sequestered due to a global pandemic, perhaps it's time to find a place to relax with your family and/or friends—or maybe even solo—that's surrounded by nature and lots of fresh air. A place where you can breathe deeply and gaze at a blanket of stars while serenaded by crickets and frogs, away from any interruptive city lights. A place with plenty to keep you busy all day, comfy chairs for unwinding on a long porch, a cottage kitchen to cook your own food or within an easy drive of some down-to-earth vittles to enjoy on outdoor tables.

Sound good? All you have to do is hop onto Eastern Kentucky's Mountain Parkway, and wend your way to Cliffview Resort.

Built in 1999, Cliffview has three, put-up-your-feet-and-chill overnight options, all recently updated in an upscale, beautifully crafted, rustic design with free Wi-Fi, a complimentary continental breakfast, and lush, woodsy views. The 7,000-s.f. lodge can sleep up to a 62 people in its 16 rooms, including two suites, and features a wide, welcoming wraparound porch. Two luxury "mega-cabins" are both 5,700 s.f., one with 11 bedrooms and the other with 12, and each with a full kitchen and an entertainment room. Each also has

its own fire pit. S'mores, anyone?

Once in-person meetings are back in style, up to 80 corporate meeting attendees can convene in the 1,595-square-foot conference center with a tech staff for setup. For larger groups, a 7,000-s.f. reception hall with a commercial kitchen can seat 250, with full-service catering available. Cliffview's professional planning staff can set up all-inclusive corporate retreats, including food, lodging, A/V setup and teambuilding, plus on-site and off-site activities.

As for immersing in nature, this resort is purely location, location, location. Tucked into the Red River Gorge Geological Area in the 700,000-plus acre Daniel Boone National Forest, Cliffview has easy access to its sandstone cliffs, rock shelters, waterfalls and natural bridges and 600-plus miles of hiking trails.

The Red River Gorge Zipline is one minute away, on Cliffview's property. With professionally guided two-to-

QX.net
Tomorrow's Technology Delivered Today


Dedicated Internet


Voice Services


Colocation/SDWAN

Serving Kentucky Businesses Since 1997

Call us today:
1.877.835.1928

three-hour tours, the zipline offers four canopy bridges and five different lines, including two side-by-side racing lines. Imagine speeding along 300 feet high, across the breathtaking vistas of the gorge and national forest. Nothing virtual here. This is the fun kind of zooming! Be sure to reserve your zip ahead of time.

“The Red,” as rock climbers fondly call the gorge, is one of the world’s top climbing destinations. Guided climbs are available for all levels of experience. And the area even offers “via ferrata”-style climbing, in which a climber is secured to a cable system while traversing a cliff face with the aid of iron hand and foot rungs. The style can feel more secure for less-experienced climbers.

You can establish big-time bragging rights on a guided boat tour, a kayak tour or standup paddleboard tour for four guests to 20, all underground in a 100-year-old flooded mine. Professional guides relate the cavern’s history, while recently stocked rainbow trout follow along (though these guys are not fishing material).

However, anglers will find plenty of water to drop in a hook. Cliffview



has its own lake stocked with bass, bluegill and catfish, where swimmers can cool off as well. Gear is furnished but fisher-types must bring their own bait. And there are fishing pools galore along the Red River.

Only 30 minutes away, Clay City sports two public golf courses, a dragway and Furnace Mountain Zen Buddhist Center. Something for all tastes.

Though Cliffview has no food or drink available except for catered groups, a number of restaurants in the area can fill your belly nicely with everything from barbecue to burgers to pizza pies. A favorite in the gorge since 1986 is Miguel’s Pizza, the hub of rock climbing culture here. Miguel’s rustles up made-to-order, fresh-baked pizzas with ultra-friendly service for hungry visitors. These days, you can order by either phone or online, and they’ll deliver to your car or to an on-site picnic table.

The eclectic Red River Rockhouse specializes in burritos and hamburgers, all with sustainably and locally raised, ASH-free (antibiotic-, steroid- and hormone-free) meats and

The Cliffview Resort offers easy access to hiking trails, zipline adventures and water sports.

cheeses. All this plus superb pastries, intricately decorated cakes and Nutella chocolate brownies. Yum!

Should you have any pandemic concerns, a word from Joyce Belcher, executive director of Cliffside Resorts, should ease your mind. “While we are trying to operate with as much normalcy as possible, there are still necessary precautions we are taking for the health and safety of our guests,” she says. “Please know, we are following COVID-19 safe-at-work guidelines to provide a safe and healthy environment while you spend time with us.”

To find out more about Cliffview Resort and Red River Gorge Zipline in Campton, call (888) 596-0525 or visit cliffviewresort.com. ■

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



LaneReport.com digital platform is **more vital than ever** in a rapidly changing marketplace.

First quarter 2020 pageviews grew 62% over 2019

Call 859-244-3500 or email sales@lanereport.com to see your business grow.

The Lane Report

Bullitt County **Wine & WHISKEY TRAIL**

Free Souvenir Glass with Completion of Trail!

Featuring Four Wineries and Two Bourbon Tours

- Forest Edge Winery
- MillaNova Winery
- Wight Meyer Winery
- Brooks Hill Winery
- Jim Beam American Stillhouse
- Four Roses Bourbon Experience

For More Information Contact:
Bullitt County Tourist Commission
502-543-8656 • info@travelbullitt.org

Shepherdsville Bullitt County
www.TravelBullitt.org

Private Industry, Not Government, Is the Key to Solving COVID-19

BY JORDAN HARRIS

THERE have been ample callbacks throughout the coronavirus pandemic to the Greatest Generation. Though working from home is hardly comparable to the horrors of Iwo Jima, the comparisons speak to an essential aspect of the American character. We have always been willing to supplant our own interests in the pursuit of a greater goal.

Entering World War II, the United States did not have the ground fighting expertise of the German Wehrmacht and faced a severe imbalance in the Pacific against the Japanese Navy. Technologically, it was well behind both.

What the U.S. lacked at the outset of the war was quickly accounted for through sheer industrial might. American private industry's ability to transition rapidly to war production was the country's incomparable advantage and led to a tidal wave that the Axis powers could not match. In 1941, before Pearl Harbor, Ford Motor Co. produced over 3 million cars—but produced only 139 for the remainder of the war. Ford—alongside General Motors, Chrysler and hundreds of other companies—fully transitioned to the war effort. The U.S. produced nearly twice as many Sherman tanks than the Germans produced Panzers. In 1944 alone, the U.S. produced more airplanes than Japan had in the entirety of the war. The United States produced nearly two-thirds of all Allied military equipment used during the war.

Private industry has always been the comparative advantage of the United States.

The response to COVID-19 is not a glowing government success story, despite the best attempts to



craft such a narrative by several U.S. politicians. It has been, and looks to continue to be, another in a long line of success stories about American private industry. At every turn during the pandemic, the more government has gotten out of the way, the more private industry has shined. American biopharmaceutical companies have stepped up, from testing to antiviral drugs to vaccine production, in places that government has faltered.

The CDC (Centers for Disease Control and Prevention) exacerbated America's early testing failure. The agency, committed to developing a single centralized testing apparatus itself, completely botched the effort. Test kits from the CDC began shipping out in the first week of February, just two weeks after the first known case in the state of Washington but more than a full month before states began to lock down. Many kits were faulty and in being forced to wait for the CDC, the U.S. fell behind. Keith Jerome, the head of virology at the University of Washington, perhaps summed it up best: "When we decided all coronavirus testing had to be done by a single entity, even one as outstanding as CDC, we basically gave away our greatest strength."

Thankfully, the private sector was able to come to the rescue. In the months since, the U.S. has built the largest testing apparatus in the world, with FDA-approved tests now available that give results in under an hour and antibody tests able to show

who has already been infected and recovered. Robust testing provides the data to understand how the virus moves, how fatal it is, and how to reopen the nation's economy.

Biopharmaceutical companies have already launched over 300 clinical trials. Companies are exploring new medicines through antibody treatments. Companies have even broken down manufacturing barriers to work together to produce treatments that might get approved, which will ensure rapidly scaled production.

Companies are taking years of painstaking research and applying it to COVID-19, in the same way previous generations converted Ford Roadster production into a Sherman tank. No other system in the world has the adaptability, ingenuity or even the incentives to do what the American system has done during this pandemic.

Some have attempted to frame the virus response as a success by quick-acting politicians, willing to make hard choices that save lives. The cheers do not belong to politicians or government officials; they belong to the American free-enterprise system. That is what will solve the problem of this virus and will rebuild our decimated economy to boot.



Jordan Harris is the founder and former executive director of the Pegasus Institute, a Louisville-based public policy think tank.

Humana's Shrank Recognized as One of Nation's Most Influential Clinical Executives

Dr. William Shrank, chief medical officer for Louisville-based Humana, has been named by *Modern Healthcare* as one of the 50 most influential clinical executives in the country. *Modern Healthcare* is a weekly business publication for executives in the health care industry.

The *Modern Healthcare* award honors individuals in health care who “are paving the way to better health through their executive responsibility, leadership qualities, innovation, community service and achievements inside and outside of their respective organizations.”

Shrank joined Humana in 2019 and plays an important leadership role in implementing the company’s integrated care delivery strategy.

Other honorees for 2020 include U.S. Surgeon General Dr. Jerome Adams, Coronavirus Response Coordinator Dr. Deborah Birx, and Director of the National Institute of Allergy and Infectious Diseases Dr. Anthony Fauci.



Dr. William Shrank

Pandemic Ends Longest Growth Cycle in U.S. History

WE knew it would eventually end. We just didn’t think it would end this way.

On June 8, 2020, the National Bureau of Economic Research (NBER), the semi-official chronicler of economic cycles in the United States, announced that

February 2020 marked a peak in economic activity, signaling the end of the expansion that began in June 2009 and the beginning of a recession.

Acknowledging the fact that “the usual definition of a recession involves a decline in economic

activity that lasts more than a few months,” the NBER concludes “that the unprecedented magnitude of the decline in employment and production, and its broad reach across the entire economy, warrants the designation of this episode as a recession, even if it turns out to be briefer than earlier contractions.”

LONGEST U.S. ECONOMIC EXPANSIONS SINCE WWII

TIME FRAME	NO. OF MONTHS
June 2009-Feb. 2020	128
March 1991-March 2001	120
Feb. 1961-Dec. 1969	106
Nov. 1982-July 1990	92
Nov. 2001-Dec. 2007	73
March 1975-Jan. 1980	58
Oct. 1949-July 1953	45
May 1954-Aug. 1957	39



Mapping the Spread of COVID-19

WHEN they’re feeling sick, many people turn to the internet.

They Google their symptoms—headache, chest pain, shortness of breath—hoping to learn more about what’s happening in their bodies.

According to University of Louisville researcher Dr. Thomas S. Higgins Jr., those searches could help epidemiologists and public health officials trying to track the spread of infectious diseases, like COVID-19.

In a new study published in the *Journal of Medical Internet Research*, Higgins and colleagues at Cedars Sinai Medical Center, Indiana University and Kentuckiana ENT found a correlation between searches for symptoms and new confirmed cases and deaths.



Dr. Thomas S. Higgins Jr.

“Internet searches have the potential to be a great tool for epidemiology and mapping future pandemics,” said Higgins, a clinical assistant professor at the UofL School of Medicine.

The researchers studied internet search terms between Jan. 9 and April 6, 2020, when the coronavirus was rapidly spreading and growing into a global pandemic. They collected data from Google Trends, which maps the frequency of search terms over time, and its Chinese equivalent, the Baidu Index (BI).

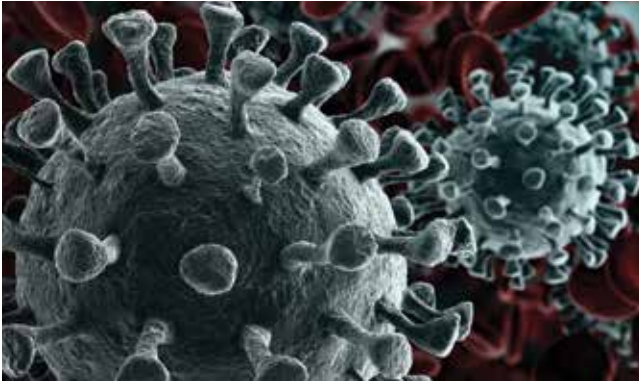
The data revealed a strong correlation between new COVID-19 cases and an uptick in searches for its symptoms in the hotspots of China, Italy, Spain and the U.S. states of New York and Washington. The strongest correlations were with the search terms: shortness of breath, anosmia (loss of smell), dysgeusia/ageusia (loss of taste), headache, chest pain and sneezing, with slight variation between countries.

The researchers were also able to tie the increased symptom searches to “super spreading” events, including the February Champions league soccer match in Italy that over 40,000 people attended. Because the virus takes a while to incubate and people might not be tested right away, the study showed a worldwide lag time of five days between the upticks in symptom searches and confirmed cases.

While Higgins said internet searches can be a valuable tool for tracking disease spread, there are some limitations. A person might search for symptoms because they heard a term and want to know what it means.

“If we can somehow isolate the noise from everything else, I think this can be extremely helpful,” he said. “It’s not the only tool, but it can be a warning shot for identifying potential and upcoming outbreaks.”

Coming in the August Issue of *The Lane Report*



The Invisible Impact of an Invisible Enemy

The outward, visible impact of COVID-19's economic shutdown is real: cancelled events and closed schools, businesses and restaurants. The impact of the invisible ripple effect may be even more significant: All the service businesses and workers who support these operations are no longer needed and are not being paid. They can't spend money. Sales taxes are down. Public and private budgets are affected. Kentucky businesses, bankers and government officials explain it all.



A Regenerative Agribusiness Economy

Laura Freeman, a member of a multigeneration farming family in Clark County, has shifted gears several times. After a stint as a newspaper reporter, she created Laura's Lean Beef to raise livestock without antibiotics and growth hormone for a healthier meat product. After developing that into a successful business, she sold the company, had an MIT fellowship and is now building a circular regenerative agribusiness system based at her family's Mount Folly Farm in Winchester. There, she is creating local jobs with farm-to-table food, hemp products, distilling and a mercantile store, and even implementing new farming practices that minimize the loss of carbon returned to the soil.



Telehealth's Day has Arrived

Health care providers have been experimenting with different technologies for seeing patients for more than a decade, conducting versions of examinations and diagnosis first by telephone, then video camera- equipped computers, specialty robots and interactive smartphone apps. When COVID-19 created a global pandemic, requiring everyone to practice social distancing, it became apparent that telehealth was a practical solution.



Cooped Up No More

Kentucky poultry producers are quickly pivoting to cage-free operations. The strategy comes in response to market demand by today's consumer, who is growing more interested in where food comes from and how it is produced.

**WOMEN WEREN'T
GIVEN THE VOTE.
THEY TOOK IT.**

AMERICAN EXPERIENCE

THE VOTE

In celebration of the 100th anniversary of the 19th Amendment

KET Monday, July 6 & Tuesday, July 7 • 9/8 pm

KET2 Thursday, July 9 • 9/8 pm & Monday, July 13 • 10/9 pm



KET | Passport



If you are already a KET Member, contact us if you need help setting up your Passport account.
Become a member for as low as \$5 a month. For more information, visit KET.org/passport.



Roku

Apple tv

iOS

chromecast

amazon firetv

androidtv



android



Energy To Reopen Our Economy

We are ready to help Kentucky’s businesses and industries endure and thrive, while supporting state recruiting efforts. Since 2015, our cooperatives have helped bring 11,500 jobs and \$5.4 billion in investment to the 87 counties we serve.

Kentucky's Touchstone Energy® Cooperatives

- Big Sandy RECC
- Blue Grass Energy
- Clark Energy
- Cumberland Valley Electric
- Farmers RECC
- Fleming-Mason Energy
- Grayson RECC
- Inter-County Energy
- Jackson Energy
- Licking Valley RECC
- Nolin RECC
- Owen Electric
- Salt River Electric
- Shelby Energy
- South Kentucky RECC
- Taylor County RECC