HIGH REAL ESTATE GROUP LLC

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RealEstateMatters

In This Issue

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High Companies Mobilize Extensive Resources to Deliver State-of-the-Art College Campus

Collaborative design-build is "a love affair;" meets aggressive schedule on budget

The Pennsylvania College of Health Science's new campus in Greenfield Corporate Center, Lancaster, Pa.

Few local developers command the diverse resources and vision to transform a commercial office and distribution facility into a state-of-the-art campus for training the healthcare leaders of tomorrow—and do it in less than 18 months.

Yet that's exactly what the High companies did for the Pennsylvania College of Health Sciences. Its new campus, located at 850 Greenfield Road in Greenfield Corporate Center, is a showplace of technology.

"The beauty of the project is that we had a large group of people who were all extremely committed to what I call a love affair for our College," said PA College president Mary Grace Simcox. "High believes in the purpose of the College and the benefit to Lancaster County and beyond."

The lease for the property was arranged by Bill Boben, Associate Broker for High Associates Ltd., which manages Greenfield Corporate Center. Working with the College to accomplish the vision were design consultant Stantec Inc. and the family-owned

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High Hotels Breaks Ground in Allentown

SpringHill Suites by Marriott will be a 135 all-suite hotel, 15th in High Hotels' portfolio

High Hotels Ltd. and local officials recently joined together with honored guests to break ground for a SpringHill Suites by Marriott hotel slated to open late summer of 2017 in the Lehigh Valley. Offering spacious

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Ceremony Speakers (left to right); Rick Stoudt, President, High Construction Company; Laurel Rolle, Regional Director Operations, High Hotels; Russ Urban, President, High Hotels; Dave Mendis, Development Marriott International; Stephanie Reese, VP Sales & Marketing, High Hotels; Mike Shirk, CEO, the High Companies; Charlie Dent, US Congressman (PA-15); Tony Iannelli, President & CEO Greater Lehigh Valley Chamber of Commerce; Michael Stershic, President Discover Lehigh Valley; Jason Space, Integrity Bank.

President's Message

High is on the move with significant new investments that are shaping our portfolio and bringing new levels of service to our customers and communities.

In this issue you'll meet Russ Urban, who recently joined as President of High Hotels Ltd., a High Real Estate Group LLC affiliate. An industry veteran who will only elevate the High brand, Russ brings a unique skill set and perspective and strong alignment with *The High Philosophy.*

And, we're celebrating with the Pennsylvania College of Health Sciences as they open their new, expanded campus in Greenfield Corporate Center. I talked about giving back to the community in our last *Real Estate Matters.* I want to emphasize what a powerful force the PA College is: lifting up families by providing the education needed for sustainable incomes; touching the lives of thousands of people who need or will need health care; and reinforcing the economy of Central Pennsylvania and beyond. I am delighted that they chose High as a partner to make their vision of growth and learner-centered education a reality.

Also, I wish to express my deep gratitude to the PA College and the design team, including High Associates Ltd., Greenfield Architects Ltd., and High Construction Company who collaborated in an unprecedented, compressed design-build project that made this happen.

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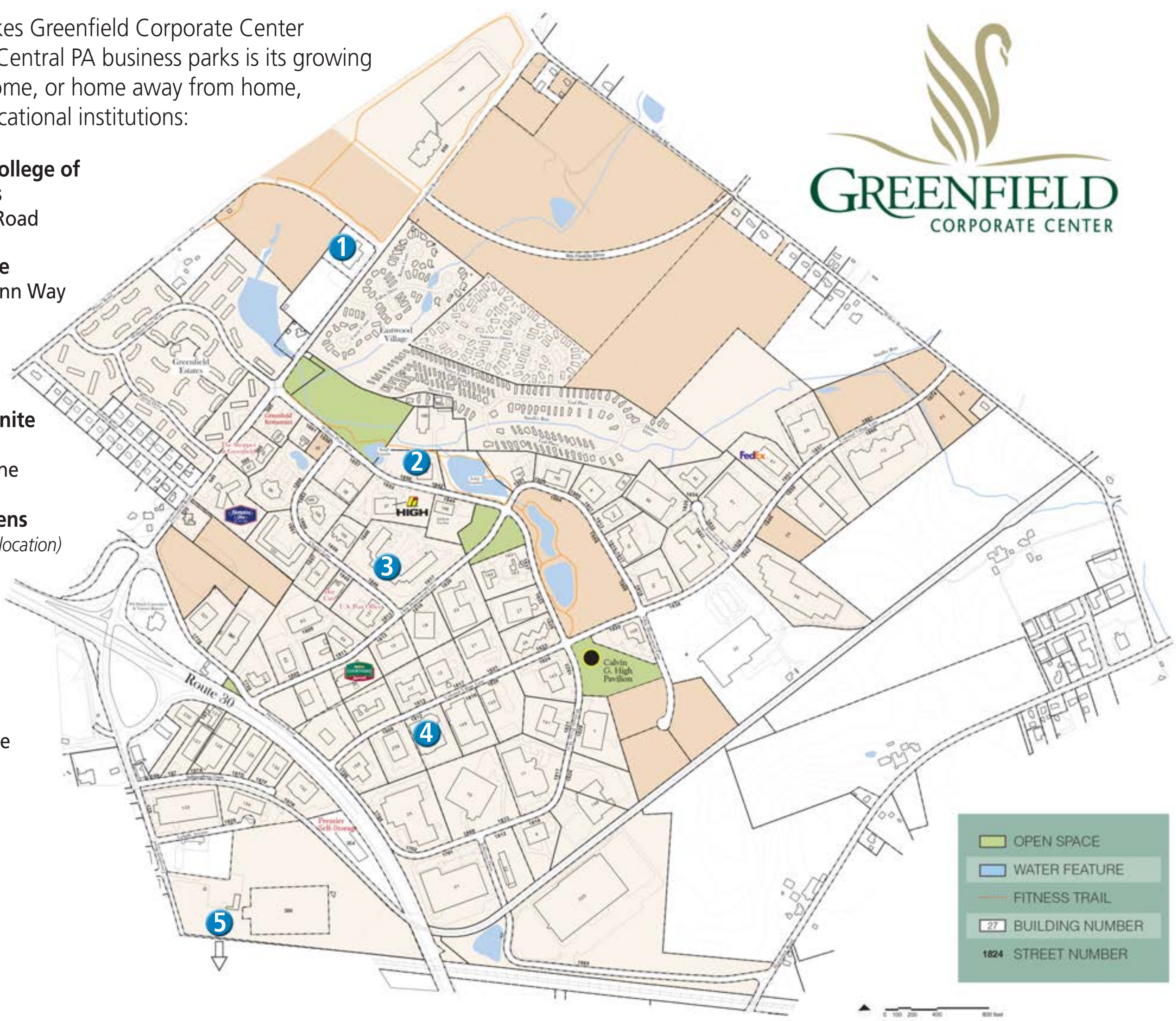
Education Station

Part of what makes Greenfield Corporate Center unique among Central PA business parks is its growing importance as a home, or home away from home, for Lancaster's educational institutions:

1. **Pennsylvania College of Health Sciences**
   850 Greenfield Road
2. **Albright College**
   1850 William Penn Way
3. **Eastern Mennonite University**
   1846 Charter Lane
4. **Thaddeus Stevens College** *(satellite location)*
   1812 Colonial Village Lane, Suite 101
5. **Central Penn College**
   1905 Old Philadelphia Pike



High Companies Mobilize Extensive Resources to Deliver State-of-the-Art College Campus

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High companies, with full-on efforts from Greenfield Architects Ltd. and High Construction Company.

An unusual, highly condensed design-build approach had all hands on deck throughout the project, with weekly supervisor and bi-weekly foreman meetings, and daily schedule checks to anticipate potential roadblocks.

"PA College is a Lancaster treasure," said Mike Shirk, CEO of the High companies. "We share the same values and commitment. This truly advances their mission, and it could not have happened without mutual trust and professionalism. Together we overcame the challenges with teamwork."

Constructing a Dream

The $47 million fit out includes state-of-the-art classrooms, laboratories, offices, dining, auditorium, and workout spaces in the 264,709-square-foot Academic Building, which features a new 117,943-square-foot second floor mezzanine. Ten new skylights bring natural light into the spaces. Visitors have 27 acres of parking with 788 spaces and a new rear entrance with canopy for easy access.

> **"The beauty of the project is that we had a large group of people who were all extremely committed to what I call a love affair for our College."**

At 67,966 square feet, the Administrative Building includes offices, kitchen, dining room, and meeting rooms enclosed in glass to keep spaces visually open, consistent with the school's focus on inspiring curiosity and exploration.

An adaptive reuse project, the new campus accomplishes the college's vision of a learner-centered environment for its more than 1,400 students and 300 staff, with plenty of room to grow.

A Schedule Built on Trust

"We were all in this together. If one of us fell here, the other picked up over there. That really developed the sense of trust. I can't say enough about the collaboration," said High Construction Company President Rick Stoudt.

Due to the compressed schedule, the design period was only 6 months versus a normal 18 months. In some cases, Stantec and the owner were still working out programming while design was going on, requiring mid-design modifications in some areas.

Though the project benefited from an existing building with the right "bones," the absence of site preparation made materials ordering critical. To be ready to open in August 2016, High Construction pre-ordered steel and rooftop HVAC units, saving 90 days. With work commencing June 1, 2015, with column reinforcement, High Construction began erecting steel after five weeks and completed the final concrete pour on the mezzanine deck after only three months. Strict control of costs allowed additional windows to be cut into the precast concrete facade within the budget and schedule, bringing the total of new windows to 62.

"The ability of the team of individuals to work in concert not only helped us move more quickly, it gave us confidence so that we dared to dream bigger," said Simcox. "This is a true partnership, a unique combination of people that becomes stronger together than apart."

"As a result, we have an exceptional college campus where our faculty, staff and students can achieve extraordinary things."

High Hotels Breaks Ground in Allentown

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studio suites, the hotel is scheduled to open in the Stabler Corporate Center in late-summer 2017.

The ceremony included remarks from United States Congressman Charlie Dent (PA-15), Russ Urban, President of High Hotels, Rick Stoudt, President of High Construction Company, Laurel Rolle, Regional Operations Director of High Hotels, Michael Stershic, President of Discover Lehigh Valley, Tony Iannelli, President of the Greater Lehigh Valley Chamber of Commerce, and Ken Capone, franchise operations, Marriott International.

The 135 all-suite hotel, for which High Hotels will serve as owner and operator, is the latest addition to Stabler Corporate Center located just off Route 309 and I-78 in Center Valley, PA. The architect for the project is Greenfield Architects Ltd. and the general contractor is High Construction Company. Both are affiliates of High Real Estate Group. The $20-million dollar project will provide approximately 40 full- and part-time jobs.

The SpringHill Suites will offer spacious studio suites featuring dedicated work spaces each with a full-sized desk, separate soft seating area with a comfortable trundle-style sleeper sofa, flat screen LCD TV, luxurious bedding, refrigerator, microwave, and coffee maker. Complimentary Wi-Fi throughout the hotel and business center will help keep guests connected throughout their stay.

Other features include a complimentary breakfast buffet, indoor pool, outdoor patio and fire pit, guest lounge offering evening lite fare and beverages, meeting facility, and 24-hour fitness center. A 24-hour convenience market will serve guests who want a quick on-the-go snack. SpringHill Suites participates in the award-winning Marriott Rewards® frequent travel program.

"It is with the universal core values of teamwork, community, and strength of business that we move forward with this—and

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CONSTRUCTING A DREAM
ACTIVITIES TIMELINE

BY THE NUMBERS

320,000 SQUARE FEET

62 NEW WINDOWS

CONSTRUCTION WORKERS **170** ON SITE (AVERAGE)

27 CLASSROOMS

48 CONFERENCE ROOMS

56,000 CEILING TILES

10 SKYLIGHTS ADDED

788 PARKING SPACES

14,600 DRYWALL PANELS

400 AUDITORIUM SEATS

1,000,000 LINEAR FEET OF DATA LINES

18 CLINICAL SIMULATION LABS

JUN. 2014: Pennsylvania College of Health Sciences (PA College) and High Associates Ltd. collaborate on the school's vision for a new campus at 850 Greenfield Road in Greenfield Corporate Center.

Former campus: older buildings, rented facilities in various locations.

JUL. 2014: Stantec retained to develop schematic design and programming.

AUG. 2014: High Construction and Greenfield Architects join the collaboration.

OCT. - NOV. 2014: High Construction presents initial budgetary estimate.

DEC. 2014: Greenfield Architects starts design.

JAN. 2015: Contract finalized and schematic drawings complete.

Design development completed for the Administrative Building.

MAR. 2015: Design development completed for the Academic Building.

MAR. 27, 2015: Structural steel contract awarded, allowing installation to start in the Academic Building on July 1, **saving 90 days.**

APR. 17, 2015: Administrative Building rooftop HVAC units awarded, **saving 90 days.**

MAY 27, 2015: Construction documents completed for Academic Building; **design phase completed in six months** versus 18 months in a standard schedule.

JUN. 2015: Work commences; sawcutting concrete slab to enlarge column footers.

AUG. 2015: 118,000-square-foot mezzanine deck completed in Academic Building, less than three months after work commenced.

DEC. 7, 2015: Furniture installation begins in Administrative Building during fit out, **saving five weeks**.

DEC. 27: Certificate of Occupancy completed on schedule for the 67,000-square-foot Administrative Building.

JAN. 2016: Administrative Building move-in completed, **less than three weeks after substantial completion.**

MAY 2016: Certificate of Occupancy issued for the 253,000-square-foot Academic Building.

AUG. 2016: Pennsylvania College of Health Sciences Campus Dedication and Celebration.

Greenfield Corporate Center campus: consolidated, state-of-the-art facilities with room to grow!

COLLABORATION EXTRAS INSIDE A CONDENSED DESIGN-BUILD APPROACH

- **Design period was six months; typical design-build projects of this scale would be 18 months.**
- **Psychological commitment: daily schedule analysis; weekly project management and foreman meetings.**
- **Job sequencing to gain time advantages with overlapping activities.**
- **Increased speed reduced the cost of supervising and trades.**
- **Cost savings allowed addition of 10 extra windows with no budget or schedule impact.**

PENNSYLVANIA COLLEGE of HEALTH SCIENCES

HIGH ASSOCIATES LTD. An Affiliate of High Real Estate Group LLC

HIGH CONSTRUCTION COMPANY

GREENFIELD ARCHITECTS LTD. An Affiliate of High Real Estate Group LLC

HIGH

Commercial Real Estate - Financing 101

Know the Differences Between Commercial and Residential Lending

By Gregory C. Cassel, CCIM, Commercial Asset Manager, High Associates Ltd.

How does financing your corporate office building compare to getting a mortgage on your home?

To answer that question, you need to know the key differences between commercial real estate and residential properties. Commercial real estate consists of income-producing properties used solely for business purposes, such as warehouses, office buildings, retail centers, hotels and apartments. Financing for this type of asset is typically accomplished through commercial real estate loans, which are secured by liens on the property and the income it produces.

Just as with residential loans, banks and independent lenders are actively involved in making loans on commercial real estate. However, insurance companies, pension funds, private investors and other capital sources are also major sources of financing for commercial real estate.

Commercial Loan Characteristics

While residential mortgages are typically made to individual borrowers, commercial real estate loans are often made to business entities (e.g., corporations, developers, partnerships, funds, and trusts). These entities are often formed for the specific purpose of owning commercial real estate and limit the liability to the borrower. An entity may not have a financial track record or credit history, in which case the lender may require the principals or owners of the entity to guarantee the loan. A guarantee provides the lender with additional security beyond the real estate to recover any loss in the event of a default.

When a guarantee is not required, and the property is the only means of recovery in the event of default, the loan is called non-recourse. Non-recourse financing is highly desirable from the borrower's perspective because it limits liability to the real estate and alleviates recourse to the owners. This is not something you find with residential loans, and is one of the unique aspects of commercial financing.

> **"Just as with residential loans, banks and independent lenders are actively involved in making loans on commercial real estate."**

Another difference is that interest rates on commercial loans are generally a bit higher than on residential loans, which is associated to the added risk of commercial real estate. Along with the higher rates, commercial loans usually involve fees that add to the overall cost of the loan, including appraisal, legal review, loan application, and/or survey costs. These additional costs may be required

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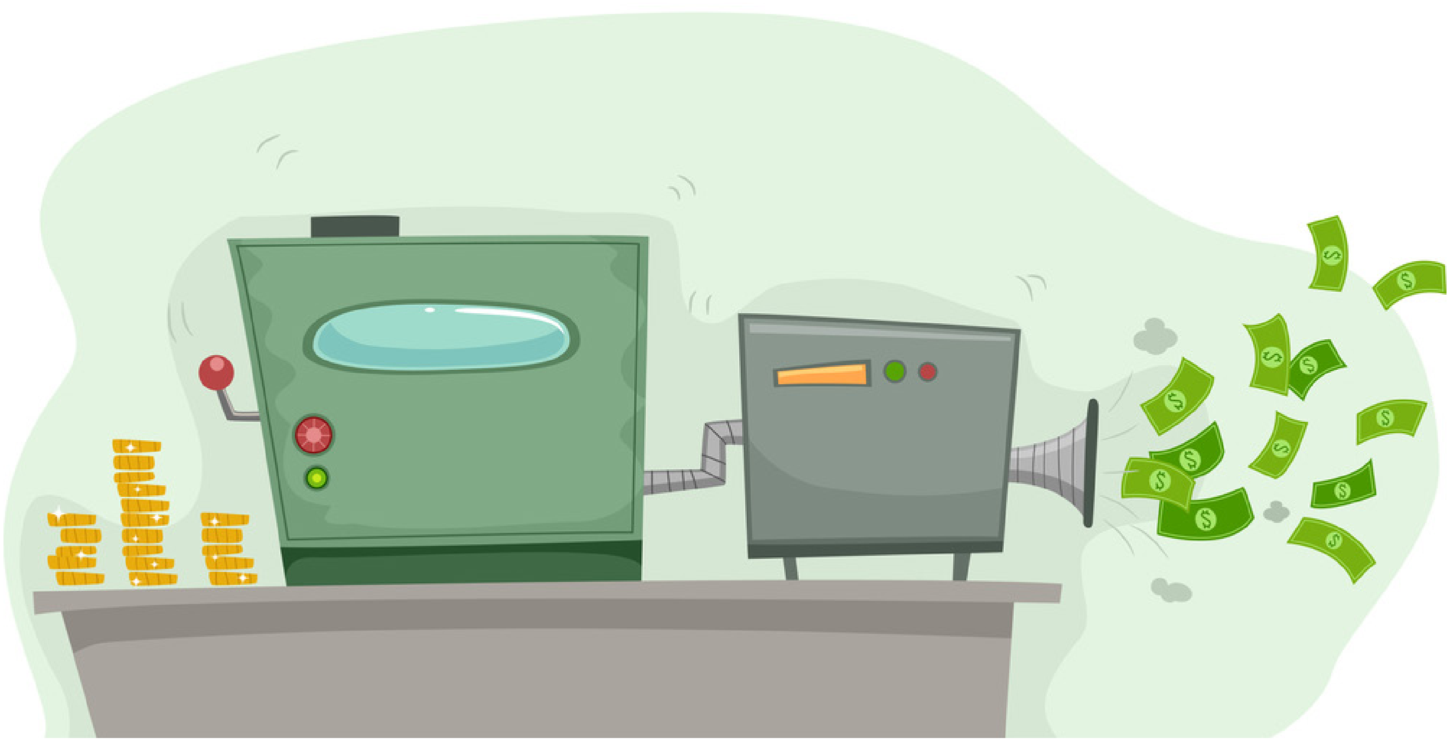

Commercial Real Estate - Financing 101 continued from page 5

to be paid up front before the loan is even approved (or rejected), so there is a financial risk to applying for a commercial real estate loan that you do not typically see in the residential market.

Important Ratios

The loan-to-value (LTV) ratio, which is determined by dividing the loan amount by the property value, is the key factor in determining the appropriate loan amount in both residential and commercial financing. However, the thresholds a lender may use vary considerably between loan types. For both commercial and residential loans, borrowers with lower LTVs will generally qualify for more favorable financing rates than those with higher LTVs, because they have more equity invested in the property which equals less risk in the eyes of the lender. High LTVs are allowed for certain residential mortgages; sometimes even up to 100 percent. Commercial loan LTVs, on the other hand, generally fall into the 65 to 80 percent range.

Commercial lenders also look at the debt-service coverage ratio (DSCR), which compares a property's annual net operating income (NOI) to its annual mortgage debt service obligation, measuring the property's ability to cover debt. The ratio is quite simply the income a property generates, after deducting operating expenses, divided by the total debt service payments (including interest and principal). The idea is that the property should generate income in excess of the debt obligation, so the higher the number the better. A DSCR of less than 1.0 indicates a cash flow shortage and is a sign that a property is not producing income levels sufficient to cover the mortgage payment. In general, commercial lenders look for DSCRs of at least 1.25 to ensure adequate cash flow.

Terms and Restrictions

Home buyers usually finance their properties over very long periods of time, with 30-year mortgages being the most common. Residential buyers have other options available of course; however,

> **"Home buyers usually finance their properties over very long periods of time, with 30-year mortgages being the most common."**

longer amortization periods create smaller monthly payments which are highly desirable to residential borrowers. In addition, residential loans are usually amortized over the life of the loan so that the loan is fully repaid at the end of the loan term. Unlike residential loans, the terms of commercial loans typically range from five years (or less) to 20 years, and the amortization period is often longer than the term of the loan.

For example, a lender might make a loan for a term of seven years with an amortization period of 30 years. In this situation, the investor would make payments for seven years of an amount based on the loan being paid off over 30 years, followed by one final "balloon" payment of the entire remaining balance on the loan. The additional flexibility in commercial lending is tied to the individuality of borrowers and the varying cash flows of the underlying properties. Commercial lenders can customize the loan repayment schedule to each borrower's specific requirements.

In contrast to the flexibility with the term, a commercial real estate loan may have restrictions on prepayment, designed to preserve the lender's anticipated yield on a loan. If the borrower settles a debt before the loan's maturity date, they will likely have to pay prepayment penalties which can be significant. Prepayment terms are identified in the loan documents and can be negotiated along with other loan terms in commercial real estate loans. Residential loans do not typically have prepayment penalties and can be paid off at anytime during the term.

Credit Strength vs. Income Generation

The bottom line is that with residential loans the lender is primarily looking at the borrower and their ability to repay the loan. With commercial lending it is quite the opposite. The lender will look at the value of the property based on the income it produces as the main determination of creditworthiness. In commercial real estate, it is usually an investor (often a business entity) that purchases the property, leases out space, and collects rent from the businesses that operate within the property. The investment is intended to be an income-producing property, and it's the income that will repay the debt.

When evaluating commercial real estate loans, lenders do consider the credit strength of the entity (or principals/owners); however, the primary determinates are the operating statements for the property, income tax returns, and financial ratios, such as the loan-to-value ratio and the debt-service coverage ratio.

This article is intended to be an overview of commercial and residential financing. It does not purport to give either legal or financial advice. Before taking any action, you should consult with with your attorney or real estate adviser.

Gregory C. Cassel provides portfolio analysis and valuation for High Real Estate Group's commercial real estate investments. Mr. Cassel holds a B.S. in economics from George Mason University and a certificate of expertise in commercial real estate finance from the Mortgage Bankers Association of America.

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Developments

New Luxury Apartment Community, Lancaster, Pa.

High Associates Ltd. will introduce a new concept in apartment living in a residential development on Pitney Road in East Lampeter Township. Designed to meet growing demand for luxury lifestyle apartments in Lancaster, the project will include a single four-story building containing 82 residential units. The fully-elevatored building will have access to garage units and storage areas in a mix of one-, two-, and three-bedroom upscale apartments.

SpringHill Suites by Marriott, Saucon Valley, Pa.

High Hotels Ltd. will build its 15th hotel in the Stabler Center at Route 309 and Center Valley Parkway in Upper Saucon Township, Lehigh County, Pa. The 135-room, all-suite hotel will feature SpringHill's latest progressive design, with sleek, contemporary décor and comforts like luxurious bedding and enhanced food and fitness choices—options that today's discerning travelers require to make travel more enjoyable. Slated to open in summer 2017, the hotel will provide approximately 40 full- and part-time jobs in the community.

The S. Dale High Leadership Center, Lancaster, Pa.

The High Family is extensively renovating and expanding 1861 William Penn Way in Greenfield Corporate Center to create The S. Dale High Leadership Center as a tribute to its namesake and his 53 years of outstanding leadership and entrepreneurship. Pending approvals, the nearly 10,000-square-foot building will house The S. Dale High Family Office and The S. Dale High Family Foundation, a state-of-the-art 132-seat theater-style auditorium, and a pictorial history of the High companies. The building will be completed in 2017.

Greenfield Corporate Center Expansion, Lancaster, Pa.

High Associates Ltd. is building a new roadway in the north section of Greenfield Corporate Center. Connecting Greenfield Road with Willow Road, the new roadway will serve traffic in a future development of the approximately 100-acre tract. The roadway includes a new precast concrete bridge spanning an unnamed tributary of Stauffer Run. A riparian buffer will protect the waterway and surrounding wetlands. Construction will be completed in 2016.

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all—of our projects," said Mike Shirk, CEO of the High Companies. "With his management philosophy in alignment with *The High Philosophy* and High® culture, Russ will work with our team to deliver on our commitment of providing the highest level of service and satisfaction to our guests and co-workers."

"We are thrilled to be developing a new Marriott hotel in the thriving Lehigh Valley region," stated Russ Urban, President High Hotels Ltd. "Particularly in Stabler where we are neighbors to numerous corporations, the Promenade Shops and restaurants and of course the Lehigh University campus, a new SpringHill Suites will be ideal for the business and leisure travelers to the area."

The SpringHill Suites by Marriott provides guests convenient access to I-78, Routes 309, 22, 378 as well as the Northeast extension of the PA Turnpike (I-476), as well as quick access to the Stylish Promenade Shops including an upscale array of dining options. Also located nearby are Lehigh University, Dorney Park, and Lehigh Valley Hospital.

This project marks High Hotels' sixth Marriott brand hotel development, including a SpringHill Suites under construction in Mt. Laurel, N.J. The company also developed and operates the highly rated SpringHill Suites in Ewing, N.J., a TownePlace Suites in Mechanicsburg, Pa., as well as two award-winning Courtyard by Marriott hotels in Lancaster, Pa., and Middletown, N.Y., and the company plans to announce the development of several new projects in the upcoming year. For more information or reservations, contact High Hotels directly at 717-293-4446 or visit **www.HighHotels.com.**

Sing a Song of Growth

An Interview With Russ Urban, President, High Hotels Ltd.

REM: What's the biggest obstacle that you have overcome in your career?

Russ Urban: I think it's just by imposing my inner drive on others. I'm a hard driver, I'm demanding and I demand a lot of myself. I've had to dial it back. I realize that not everybody likes to be at work at 6:30 in the morning. Work-life balance is important and unique to the individual. I try to manage my inner drive so that I can inspire everyone and me to be more effective leaders.

REM: Your last position was in Colorado. What was your role?

Russ Urban: I was Executive Vice President of Acquisitions at Destination Hotels and Resorts. My job was to grow the company through adding additional properties. We grew from 32 to 48 hotels during my tenure of three years. Most of our growth was through management contracts, so we didn't have any real estate risk for most of the deals.

It was an excellent, private company, with strong people and culture, much like High, but also very different in two ways: One, it was a national company, with several offices all over the US; and, two, we did almost 100 percent independent, unbranded group- and leisure-focused hotels. Resorts were kind of the hallmark of Destination

REM: What attracted you to High?

Russ Urban: I've been in the hotel business for 35 years, in all aspects of the business. I've been an owner, and an operator, a builder, a financier—all things hospitality. The opportunity at High had several appeals. One, High has built an extraordinary culture, both corporately and particularly within the hotels business. The High team is truly dedicated to going above and beyond for our guests. There is a passion here that is obvious, and it's thriving. As a leader, it impressed me deeply that our core values are fully understood, embraced, and shared. It's expressed in everything we do.

And two, I've spent most of my career on an airplane. It would not be unusual for me to have meetings in Seattle, Miami, and New York in the same week. Being on the road limited my time with my family, and there was no time for any extra-curricular activities, like singing. And as a fitness advocate, it was very challenging for me to stay fit. Simplifying that part of my life had a lot of appeal.

Finally, to take all of my experience and bring it all together into a company with enough girth and critical mass to make it interesting, and to bring my operating and growth experience together in this platform with captive capital, is exciting.

REM: Why is select-service the format of choice for High Hotels?

Russ Urban: Select-service hotels generate better returns because they don't have food and beverage to add complexity and cost and erode margins. Food and beverage adds to the consternation of running hotels. We like the simplicity of select service hotels. And our guests love it.

Select-service hotels were developed primarily through the advent of Hampton Inn and Courtyard by Marriott back in the 1980s. I was actually part of the team at Marriott to roll out the initial 50 Courtyards. Extremely powerful, the format basically took over and put the old full-service Holiday Inns and Ramada Inns out of business in suburban markets.

REM: How do you decide which flags to fly at which locations?

Russ Urban: High has, I think wisely, grown within two brand families, Marriott and Hilton. Each family offers a litany of brands, some more powerful than others by virtue of their production and their reputation in the business and with the consumer. We've got to stir all that up.

If I said I really like a market, one of the

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“If there’s a power brand, Hilton Garden Inn, or a Courtyard by Marriott that’s not in a market you like, you should snap up one of those brands immediately.”

first things I look at is, How are those brands performing?, and, are there any brands within those brand families that are under-represented? If there’s a power brand, Hilton Garden Inn, or a Courtyard by Marriott that’s not in a market you like, you should snap up one of those brands immediately.

It’s got to do with price point and psychographics of the customer. What is the customer base? Millennial? Middle-aged road warriors? Leisure? Is it technology, or pharmaceutical, or biotech, or manufacturing? Look at all the factors to decide which to build, and where to build it.

Some markets are saturated with Hilton and Marriott brands, so we’re starting to look outside. In markets that, in our opinion, can handle some growth we are considering Hyatt select-service products.

REM: Your mission is to grow High Hotels. Please tell us about it.

Russ Urban: We’re going to grow in two primary areas. The first is acquisitions, where we buy a hotel and reposition it, and the second is development, where we go find land and build. Historically, the company has done the development side. I think there’s a good chance that 60 to 70 percent of our growth will continue to be with new development.

But we will also look at acquisitions. I want to find the opportunities that differentiate us from other buyers, other than price. I like to be able to buy something for less, because it’s a hairier deal that just requires a lot more work, and creativity that High is uniquely qualified to tackle.

Adaptive reuse is another area we’re considering. That’s the kind of thing I’d like to be able to do more of, and take our vertical integration within the High companies, particularly our architecture and construction businesses. We’ll grow by a net two hotels a year, maybe selling one or two on occasion.

REM: What are some tried and true strategies that you might apply?

Russ Urban: I never want to ignore opportunities as they come in, but I prefer to guide our growth programmatically. When I look at growth opportunities, I have a strategy that says I like the following markets for whatever reasons, and I’m going to focus my energies on finding opportunities in those markets. As opposed to saying the world is my oyster and waiting for brokers to send us deals.

Also, I’ve learned to trust my instincts. I know what deals to spend time on, then prove those instincts up with wise analytics. Instincts and experience are important benefits of years in the business. No one who’s been working for 30 or 40 years has had success in 100 percent of what they’ve done. I tell people that if you fail at enough things, it’s going to make you better. Because you learn a lot through that process. Learn from your mistakes. Trust your instincts.

Last, I always think about creating differentiation in everything that I do and that we do within the company. I challenge our general managers: You may be one of five Hampton Inns in our portfolio, you may be one of three Hilton products in your market, but you’ve got to figure out what differentiates you from everybody else. We have to be better than the other Hampton Inns.

One of the differentiators that High has done frankly an outstanding job in is customer service and guest satisfaction. We need to continue to make that a hallmark of what differentiates us from other operators that are out there.

REM: You recently became a member of Lancaster Chamber Singers. What does a chamber singer sing?

Russ Urban: A chamber group is a small, boutique-y kind of group that will do an eclectic variety of music. Typically though it will mean more classical. Usually it’s traditional four-part singing: soprano; alto; tenor; bass; though it that can be broken out into more parts, too.

The Lancaster Chamber Singers has got around 25 members to it. We do most of our work a capella, which is without use of other instruments. We sing fairly complex music. Almost half our group is made up of music professionals, either teachers or performers. It’s a technically advanced group, and a challenge, which I love.

The expectation is very high level. Our conductor is a very discriminating, finicky guy, and that always makes for a great choral conductor. When I auditioned, it was a one-hour process, pretty rigorous. I was very humbled by being asked to join.

REM: What part do you sing?

Russ Urban: Usually I sing bass. I’ve been singing since seventh grade. I actually wanted to go into opera, to be a performer. I applied to nine music schools, and got into eight of them. At the eleventh hour my music teacher convinced me that it’s a tough lifestyle, and I’d have to be ready to commit to it. At 18 years old, I decided I didn’t want to commit to the music business as a career and chose to make it a hobby, one that I aggressively pursued in college and post-college.

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“I tell people that if you fail at enough things, it’s going to make you better. Because you learn a lot through that process.”

Sing a Song of Growth continued from page 10

REM: How does your art influence your professional life?

Russ Urban: Singing helps to round out who I am. It helps balance the left-brain, right-brain. I'm an analytical person, and music is both expressive but also very, very analytical. People don't think about it in this regard, but people that tend to gravitate to music also tend to be very mathematical. When I'm not singing on a regular basis, I feel a void in my life balance. Singing allows me to be expressive in ways I don't get to be in professional life, and it also builds self-confidence that allows for a higher performance in my professional life.

REM: What do you see as your biggest challenge?

Russ Urban: Our biggest challenge will be recruitment and talent management to support our growth. We are pursuing an aggressive plan for developing talent so that we can build the future leaders of our company. It's a huge initiative for our CEO Mike Shirk, and the rest of the company.

> **"We're going to roll out a growth strategy that will be smart, highly programmatic and organized."**

> **"I'm trying to take a little bit more of a holistic approach and challenge our leadership to think outside the box."**

We live in a very high employment market environment, which is both good and bad. We have a strong vibrant economy. That's great, people are working. The bad news is that it's very, very difficult to recruit people into entry level positions, in particular. And even some of our managerial positions. We benchmark ourselves against our competitors, which makes sense.

I'm trying to take a little bit more of a holistic approach and challenge our leadership to think outside the box. We've got the High brand, everything the High companies has stood for, everything the High Family has wanted to maintain through the 85 years of our existence, and we need to tell that story better than we're telling it. Greg High and I have discussed taking his High Way Express program to each of our properties so we can really start to get the word out. We can use that as a recruiting tool, because, again, recruiting is one of our biggest challenges. It's not something I thought much about before I came here, but I'm realizing now in a lot of our markets human capital is our single biggest challenge right now.

REM: What's next on your agenda?

Russ Urban: There are four things: we're going to continue to tweak operations, to find areas where we can easily improve to become best-in-class; Number two, we're going to roll out a growth strategy that will be smart, highly programmatic, and organized; Third, and the one I'm most intrigued by, and the one that I think I'm going to have to do a lot of self-actualization in, is the whole talent development and recruiting side of the business. It's a gigantic priority. If we don't have that down we're not going to be able to be a best-in-class operator, and we're not going to be able to grow the way we want to grow. And last, and very important, is building the brand. We need to take the High story and get that message out so that we can use it as a recruiting tool, and use it as a motivational tool within whatever audience we're trying to reach.

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