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[PHOTO BY BETH HALL]

Room for All

There's plenty of space in northwest Arkansas for the thousands of newcomers who arrive each year. Unfortunately, there's not enough affordable housing. [P8]

Exec Q&A With Todd Herman

The Arkansas Arts Center director describes the museum's renovation and reveals how art changed the course of his life. [P18]

Whispers [P3]

Glass wins license reinstatement

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CEO Adam Head, like all but one senior manager at CARTI of Little Rock, has been on the job for less than a year. [PHOTO BY KAREN E. SEGRAVE]

CARTI Sets New Course, New Vision

Operating loss, other problems force restructuring, culture shift

By Mark Friedman
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Before Adam Head started as CARTI's president and CEO seven months ago, he knew the cancer treatment organization needed a transfusion.

"We needed to change," Head told *Arkansas Business*. "It was not on a sustainable trajectory."

On Sept. 5, Head stepped into a nonprofit that had an operating loss of $12.8 million for the fiscal year that had ended on June 30, although that was a significant improvement from the loss of $13.8 million the previous year.

CARTI also had failed in 2016 to maintain its required coverage ratio on the $49 million bond issue it used to build its four-story cancer center, which opened in November 2015.

As a result of missing its bond covenant, CARTI was forced to hire a management con-

CARTI CONTINUED ON PAGE 7

FIFTH MONDAY

What Drove Dixie Down? Competition

By Jan Cottingham
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(Editor's Note: This is the latest in a series of business history feature stories. Suggestions for future Fifth Monday articles are welcome. Please contact Gwen Moritz at GMoritz@ABPG.com.)

In its more than 30 years, Dixie Cafe and its home-style, Southern food had worked its way into the rhythms and routines of many Arkansans' lives. It became the kind of place:

◗ Where the son of an Arkansas governor waited tables to earn money for college (John Mark Huckabee, mid-1990s).

◗ Where a state senator considering a race for governor of Arkansas would dine and literally slap the backs of friendly diners he greeted there (Mike Beebe, 1997).

◗ That earned a mention in an obituary about a decorated Air Force flier who loved eating there (Scott Foltz Sr. of Cabot, who "always ordered the Cajun grilled chicken and fried corn," *Arkansas Democrat-Gazette*, April 17, 1999).

◗ Where a couple would celebrate their 60th wedding anniversary with their family (Mr. and Mrs. William K. Swaim of Little Rock, July 20, 2009).

◗ Where Leroy Donald, a business reporter for the *Arkansas Gazette*, would meet Randy Tardy, a business reporter for the *Gazette*'s fierce rival, the *Arkansas Democrat*, for

DIXIE CAFE CONTINUED ON PAGE 6

Arkansas Business Whispers

For daily news, register at ArkansasBusiness.com/Enews

Insurance Agent Win

Give this victory to West Memphis insurance agent **Matthew Glass**.

Glass had his insurance license reinstated last week by Pulaski County Circuit Judge **Wendell Griffen**, who also barred the **Arkansas Insurance Department** from taking any more action that would interfere with Glass' insurance practice pending a final disposition in his dispute with the AID.

You remember the story: The AID recently suspended Glass' license after he refused to give the department's investigators access to files involving some Arkansas Works clients without having his attorney present.

Glass' attorney, **Nate Steel** of Little Rock, told *Whispers* last week that he and Glass had been working with the AID for a year before AID investigators showed up unannounced at **Southeast Insurance Group's** office in West Memphis, where Glass is president and CEO. They wanted to see the files. Glass wouldn't let them without Steel being there because of the sensitive nature of the files, Steel said.

That led to an emergency suspension order by the AID.

"That's probably the one that bothers me the most," Steel said. "Mr. Glass' reputation has been ruined; his business has been ruined. He's been completely railroaded, and there's no way to put that back together, even with a preliminary injunction."

AID spokesman **Ryan James** said in an email that Glass "continues to be under investigation" by the AID, so he couldn't comment on the case.

From PSC to Entergy Unit

The talk last week was that the **Arkansas Public Service Commission**'s top utility rate expert was leaving his regulatory job to join **Entergy**.

It turns out that speculation was only a little bit off.

Instead of joining **Entergy Arkansas**, an electric utility he helped regulate as the PSC's director of rate and demand resources, **Matthew Klucher** has gone to work for one of its parent company's subsidiaries, **Entergy Services Corp.** of New Orleans.

Klucher's departure from the commission staff, along with the retirement of Executive Director **John Bethel** in favor of a yet-unnamed career opportunity, caused a stir in the renewable energy industry. That sector is heavily invested in a two-year case to determine how much Arkansas utilities will compensate net-metering customers who generate excess energy at their homes or businesses.

Klucher's new job as director of utility rates and pricing will be in New Orleans, where Entergy Services operates as a subsidiary of **Entergy Corp.**, providing administrative, accounting, legal, engineering and other services to operations in Arkansas, Texas, Mississippi and Louisiana.

"It's not Entergy Arkansas, but Entergy Services, so there's a distinction basically between the two," Klucher told *Whispers* last week. The job, which Klucher confirmed comes with a pay raise from the $90,600 he was paid at the PSC, was "an opportunity that doesn't come along very often."

He'll start working this week out of Entergy space in Little Rock, where he'll be for a couple of months as he prepares to move with his wife and two children to the New Orleans area.

[PHOTO BY VINCE PALERMO]

Correction

This is the $1.75 million home purchased by the Kristy D. Spann Revocable Trust. An incorrect photo appeared in last week's feature on the most expensive home sales in Pulaski County in 2017. ■

Seven-Digit Deals

A recreational vehicle dealership in Sherwood, an 11,196-SF manor in west Little Rock, a 3,060-SF retail project in Jacksonville and a 30-acre residential spread in west Little

WHISPERS CONTINUED ON PAGE 4

WHISPERS CONTINUED FROM PAGE 3

Rock form this week's quartet of million-dollar real estate transactions.

◗ Two limited liability companies led by **Paul Minton** sold **River City Recreation World** at 6721 Warden Road for $6.3 million to **FRHP Lincolnshire LLC**, an affiliate of **Freedom Roads/Camping World** of Lincolnshire, Illinois.

Sellers: **PR Properties LLC** and **I-40 RV Exchange LLC**.

◗ **HBH Revocable Trust**, led by Dr. **William Cobb**, bought the house in the gated Hickory Hills neighborhood for more than $1.5 million.

Sellers: **Kanti** and **Nila Sharolia**.

◗ **Madison Jacksonville LLC**, an affiliate of **Madison Development Group** of Issaquah, Washington, sold the **T-Mobile** store at 1807 T.P. White Drive for nearly $1.5 million.

Buyer? **Vegamelt II LLC** of Spring, Texas.

◗ **City Timberlands LLC**, led by **Michael Nauman**, purchased wooded acreage with a 2,160-SF house and a 1,408-SF house on a small lake for $1 million.

Who sold the property, bordering the southern edge of Chenal Valley? **Stalnaker Investments LLC**, led by **Clifford Stalnaker** and **Opal Stalnaker**.

Evelyn Hills Shopping Center Sold

A Texas investment group bought the **Evelyn Hills Shopping Center** on North College Avenue in Fayetteville for $7.2 million in a deal that closed earlier this month.

Evelyn Hills Fayetteville AR LLC of Dallas, a subsidiary of **Provident Realty Advisors** of Dallas, bought the 131,000-SF retail center. Provident is led by co-owner **JC Burciaga**.The sellers were a group of owners including **John Selig** and **John Flake**, both of Little Rock; **Ron Robbins** of Fort Smith; **David Prewett** of Russellville and **Matthew Dearnley** of Fayetteville.

Dearnley, the CEO of **Flake & Kelley Commercial Northwest**, said Flake & Kelley will continue to manage the property, which is fully leased.

John Flake, Dearnley's father-in-law, is the CEO of **Flake & Kelley Commercial** in Little Rock.

Selig, the head of **The Lewin Group** and former director of the **Arkansas Department of Human Services**, led **Rolin Park LLC** and **Giles Properties LP**.

Rolin Park and Giles Properties owned nearly 52 percent of Evelyn Hills. Flake's **Central Properties Inc.** held nearly 26 percent.

Dearnley represented **Evelyn Hills Partners LLLP**, which owned about 13 percent.

Robbins is a vice president at **Hanna Oil & Gas Co.**, which owned 6 percent, and Prewett, of **3W Companies**, led **Crossroad Plaza Partnership**, which held a 4 percent stake.

Evelyn Hills, built in 1960, is anchored by high-profile tenants such as **Ozark Natural Foods** and **Tacos 4 Life**.

"It's a great property," Dearnley said. "If I had a bigger interest, I would have bought out my partners. When you're a 5 percent owner, it's hard to swallow the other 95 percent."

Dearnley said he and his partners have been trying to sell Evelyn Hills for a while after buying the property for $10 million in 2006.

"The tenants who are there are doing well," he said. "Some have been there for 20-plus years." ■

PRINT READERS GET THIS FIRST
THIS STORY WON'T APPEAR ONLINE FOR 7 DAYS

Seven-Digit Construction

Office-Warehouse $1,400,000
Malmstrom White Co.
11617 Kanis Road, Little Rock
Cline Construction Group, North Little Rock

Kum & Go $1,350,000
15617 Chenal Parkway, Little Rock
The Riverside Group Inc., Bixby, Oklahoma

Remodeling $1,098,750
Central Church of Christ
823 W. Sixth St., Little Rock
Pro Service Builders LLC, Little Rock

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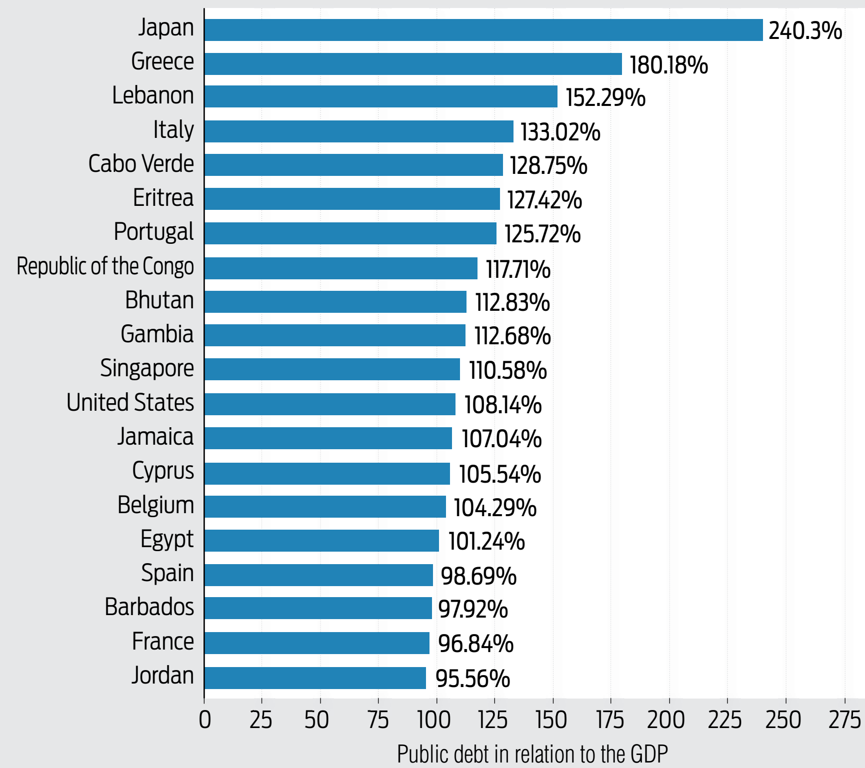
Public Debt by Country 2017

As Percentage of GDP

The chart illustrates the 20 countries with the highest public debt in relation to gross domestic product in 2017.

Japan ranked first, with an estimated debt of around 240 percent of GDP. The United States ranked at No. 12, with a debt of 108 percent of GDP.

* Denotes estimates.



Source: Statista

Banking

Paragould's First National To Buy One Bank & Trust

After months of would-be suitors checking out Little Rock's **One Bank & Trust**, a buyer has emerged.

First National Bank of Paragould reached an agreement to purchase the faltering $274 million-asset lender.

The $1.3 billion-asset First National expects the transaction to close before year's end.

Details of the deal remain under wraps for now but will be released in the coming weeks, according to a release from First National. The **U.S. Treasury Department**, which acquired a controlling interest in One Bank's holding company last May, will be part of the equation.

Total equity capital at One Bank fell to $6.9 million at year's end, with capital ratios at critical levels: tier one leverage ratio, 2.67 percent; tier one capital ratio, 3.85 percent; and total capital ratio, 5.1 percent. The bank reported 22 consecutive quarters of operational losses as of Dec. 31.

The acquisition would expand First National's footprint into the heart of central Arkansas.

One Bank operates six full-service offices in Pulaski County, with a staff of 59. The bank recorded a $4.8 million loss during 2017 in a line of losses that date back to 2012.

First National operates 13 full-service offices with a staff of 206 in six counties, including Greene, Craighead and Clay in northeast Arkansas, Benton and Washington counties in northwest Arkansas and Cleburne County. The bank recorded a profit of $12.3 million during 2017.

Like First National Bank, One Bank & Trust has a national charter and its primary regulator is the **Office of the Comptroller of the Currency**. The acquisition will reduce the number of OCC-regulated institutions in the state to 17. **Arvest Bank**'s acquisition of **Bear State Bank**, which closed on April 20, reduced the total number of banks chartered in the state to 95.

— George Waldon

Nonprofit

Money Problems To Shutter The Rep

The **Arkansas Repertory Theatre**'s board of directors said Tuesday that it will suspend operations effective immediately and not complete the final production of its current season.

In a news release, the nonprofit cited "inability to reach its projected goals for charitable giving and ticket sales."

"The Rep's ticket sales have been on a downhill slope for several years," **Brian Bush**, the board chairman, said in the release. "Our community is on the verge of losing an amazing arts organization and tremendous asset to our city. Closing The Rep will have a devastating impact on the redevelopment of Main Street and the Creative Corridor."

Bush told *Arkansas Business* late Tuesday that The Rep has a little more than $2 million in debt, including mortgage debt. To reverse its decision to close, Bush said, The Rep would need a donation of $750,000 to $1 million.

Bush said the reopening of the **Robinson Center**, its Broadway show series and the proliferation of community theaters have "cannibalized" The Rep's ticket sales.

Contributions are also down. For the fiscal year ending June 30, The Rep reported contributions and grants of $944,121, down from $2.3 million the previous year, according to its most recent tax filings.

It also reported a loss of nearly $1.2 million on annual revenue of $3.5 million, which was down 25 percent from $4.7 million in the previous fiscal year.

The Rep's director, **John Miller-Stephany**, has been with the theater since October 2016. He is stepping down on May 8 "along with most other staff members." The Rep said that only "a critical few" staffers will remain through the summer to conduct the theater's summer education program.

— Lance Turner and Sarah Campbell-Miller

Insurance

Two Banks Put Fraud by Agent At $2.4 Million

The **Bank of Prescott** and **Citizens Bank** of Batesville filed civil suits last week alleging frauds totaling $2.4 million by former insurance agent **Berry Bishop** and his agency, **Alliance Insurance Group of Arkadelphia Inc.**

Bishop and Alliance were stripped of their insurance licenses in an emergency action two weeks ago by state Insurance Commissioner **Allen Kerr**. In that order, he said Bishop had diverted to personal use some $1.7 million in premium received from clients and defrauded Bank of Prescott with more than $1 million in phony premium finance loans.

In a related development, the **Arkansas Insurance Department** said Tuesday that it had granted an agency license to a new agency established by Bishop's son-in-law and former employee, **Nathan Price**. The new agency is called **Price & Co.**

Alliance Insurance Group

The lawsuit filed April 23 in **Clark County Circuit Court** by Pine Bluff attorney **Paul T. Bennett** reveals that Bank of Prescott's premium finance business with Bishop was worth much more than the order had revealed. Twenty-one different loans detailed in the 25-page complaint total $2.14 million.

Citizens Bank alleges a different kind of fraud. It loaned Bishop $50,000 in February 2015 and another $200,000 in January 2016. Both loans were secured by the stock in a company that owned Bishop's insurance offices in Arkadelphia and Prescott.

Although Bishop claimed there were no liabilities against **M&B**, its only assets were already mortgaged to **Bank of the Ozarks**, which is named as a defendant in Citizens Bank's lawsuit only so the judge can determine the priority of claims on the real estate.

Alliance Insurance also operated an office in Hot Springs. One of its employees, **Bart Newman**, was granted a license 10 days ago for a new agency there, **Newman Insurance Agency**. It employs two other agents who worked in the Hot Springs office, **Ryan Browning** and **Ronnie Ralph**.

— Gwen Moritz

Dixie Cafe: New options, competition bested chain

Continued From Page One

weekly lunches, joined by other media types and businessmen (late 1980s until the week before Donald died in 2009. The lunches outlasted the storied newspaper war.).

And on Dec. 4, after Allan Roberts, the CEO of Dixie Restaurants Inc., announced that all 17 locations of the chain based in Little Rock would be closing in two days, the talk centered on memories of Dixie's squash casserole, soft wheat rolls, chicken-fried steak and, of course, the fried corn-on-the-cob beloved of Foltz.

The food, at least for a long time, was good, it was comforting and it was familiar. That very familiarity may have played a part in Dixie Cafe's death.

"The new consumer is looking for something different," said Neil Culbertson, the founder of Growth Partners of Denver, a consulting firm focused on the restaurant industry. "The millennials are looking for healthier food, more technology, all of those kinds of things."

In his statement announcing the closure, Roberts cited declining sales and increasing costs. Roberts, through his Dixie Restaurants co-owner Gordon Gondek, declined to speak to *Arkansas Business* about the restaurant chain and its history, as did Gondek.

But a number of restaurant industry experts, although they were unfamiliar with Dixie Cafe, pointed to the difficulties faced by the "casual dining" sector, those restaurants whose customers are waited on at table and that serve a moderately priced menu in a casual atmosphere.

"That segment has been under attack for quite some time," Culbertson said. "Casual dining has been flat to negative in growth for eight years in a row or 10 years in a row. You're going to see some fallout from that."

And that, he said, is largely because of the rise of "fast-casual" restaurants, which offer counter instead of table service and food that is of higher quality and at a higher price point than fast food. Arkansas' own Slim Chickens is a good example of a fast-casual chain, a midpoint between table service and fast food, along with bigger chains like Potbelly, Chipotle and Panera Bread.

All Dixie Cafe locations, like this one at 1301 Rebsamen Park Road in Little Rock, closed in early December. [PHOTO BY KAREN E. SEGRAVE]

The fast-casual sector has seen huge growth in the last 20 years compared with other restaurant sectors. In 2017, sales for fast-casual chains among the top 500 chain restaurants in the U.S. grew 8.9 percent, leading all other restaurant sectors, according to restaurant consulting firm Technomic.

And though last year saw fast-casual growth slowing somewhat, it's still predicted to be robust at 7.5 percent in 2018.

But among casual-dining chains in the top 500 — stores like Applebee's, Olive Garden and Cracker Barrel — sales rose by only 0.1 percent in 2017. Total sales among the 500 largest chains rose 3.2 percent last year.

"If you dig through the numbers, it certainly was full-service dragging this down," Joe Pawlak, managing principal with Technomic, told *Restaurant Business Magazine*. "And if you look even closer, it was casual dining that was dragging it down."

Dixie Cafe traced its origins to the Black-eyed Pea chain of restaurants, founded in Dallas in 1975 and known for home-style cooking. Little Rock investment banker Dan Lasater brought the restaurants to Arkansas. Lasater's holdings also included Andy's and Ponderosa Steakhouse restaurants.

Roberts, a Blytheville native raised in Little Rock, and Gondek, originally from Ohio, both spent time working at Andy's, according to a 1994 article in the *Arkansas Democrat-Gazette*, eventually landing at Lasater's Dixie Management.

Black-eyed Pea founder Gene Street sold the chain in 1986, and Roberts and Gondek used the occasion to buy three of the restaurants, one in Memphis and two in Little Rock. That included the original Little Rock Black-eyed Pea, which opened in 1980 at 1220 Rebsamen Park Road.

The partners formed Dixie Restaurants and changed the name of their eateries to Dixie Cafe. They kept the Southern cooking but converted the restaurants' bars to soda fountains.

The restaurants flourished as Dixie Cafes. By 1996, Dixie Restaurants had opened its 12th location in Arkansas, in Searcy, and its 19th in the chain, which could also be found in Tennessee and in Oklahoma, where they went by the name Delta Cafe.

By 1999, Dixie Cafe was up to 23 locations, and in 2003, the restaurants were employing about 1,100 workers. *Arkansas Business* estimated the company's annual revenue in 2002 at $30 million to $35 million.

Meanwhile, in 1988, Roberts and Gondek had opened Diego's Hogsbreath Cantina, a Mexican restaurant and sports bar, in a building on Rebsamen Park Road that had once housed one of the first Shakey's Pizza Parlors, a restaurant many in Little Rock will remember. But the pair demolished the building in 1996 to make way for what they called a "state-of-the-art" Dixie Cafe, at 1301 Rebsamen Park.

In 2003, Frank Battisto, then the president and chief operating officer of Dixie Restaurants, told *Arkansas Business* that the company wanted to keep growing, with plans to expand into Missouri, Texas and Mississippi. "Battisto said he hopes to improve upon the chain's position as a home-style food storehouse, which he doesn't see as a major challenge because competition within this sector is limited."

By that time, however, Cracker Barrel, which likes to position itself along highly traveled highways and also touts its home-style cooking, had entered Arkansas and fast-casual restaurants were starting to hit their stride. In a few years the Great Recession would snap shut diners' pocketbooks.

Potentially adding to Dixie Restaurants' financial challenges was the failure of its Fire Fall Grill & Bar, which opened in 2005 in North Little Rock. It was a new dining concept for Dixie, "upscale casual." It closed in December 2008, described as a victim of the recession.

In 2008, the *Journal of Business Case Studies* published an article on the "Down Home Cafe," but notes in the article make it clear the study concerned Dixie Cafe. The study addressed the owners' efforts to boost the chain's flat revenue.

"While not really broken, there were signs that Down Home Cafe had underlying problems, and he [the owner] knew that, in this intensely competitive industry, complacency was dangerous."

The study came to a stark conclusion: "The reality for Down Home Cafe is that, given their average ticket price, they must rely more on high volume than on large margins."

That, apparently, didn't happen.

Maeve Webster is president of Menu Matters in Arlington, Vermont, a food service consultancy. Midscale and family-style restaurants, she said, "are probably one of the most challenged segments in the industry right now.

"Their customer base tends to be aging out is a kind way of saying what's going on, a declining population for that type of food," Webster said. Such restaurants "typically have not adopted bolder or more unique or more interesting flavors until so far into the game that people have already moved on. Those types of restaurants are less and less relevant to a lot of the younger consumers."

Todd Gold, dean of the Culinary Arts & Hospitality Management Institute at the University of Arkansas-Pulaski Technical College, said he visited Dixie Cafe eight or 10 times a year — "I always got the pot roast" — and took his daughter there when she first got braces on her teeth, so she could enjoy the restaurant's tasty, soft rolls. "It's got a lot of history with me."

Good home-style, Southern cooking is in no danger of fading away, Gold said. But competition is fierce, and "if you're not on your A game every day that you put the key in the front door, the chains will gobble you up."

"It's a shame," Webster said. "Those restaurants like the Dixie Cafe — they're part of the culinary heritage of that area, given how long they've been around. And it's a certain history that ends up getting lost."

But not necessarily.

On YouTube in December 2016, Battisto posted videos showing how to make several of the restaurant's signature dishes.

So Dixie Cafe will live on in its squash casserole and chicken-fried steak, in its wheat rolls and its fried corn on the cob. Alone among all other human creations, including restaurants, the internet is, apparently, forever. ■

Dixie Cafe Food Sales

		2010	2011	2012	2013	2014	2015*
Dixie Cafe #101	1301 Rebsamen Park Road, Little Rock	$931,438	$903,241	$899,186	$854,305	$819,087	$315,817
Dixie Cafe #104	10700 N. Rodney Parham Road, Little Rock	$1,436,910	$1,476,527	$1,437,559	$1,364,126	$1,340,274	$505,729
Dixie Cafe #105	10011 Interstate 30, Little Rock	$876,654	$927,587	$936,712	$905,943	$842,014	$305,605
Dixie Cafe #116	2724 Lakewood Village, North Little Rock	$1,415,800	$1,507,667	$1,518,433	$1,454,267	$1,407,200	NA
Dixie Cafe #117	3623 Central Ave., Hot Springs	$1,056,833	$1,149,167	$1,248,967	$1,184,867	$1,141,433	NA

*Through May, the last full month for which A&P tax collections were public under the state Freedom of Information Act

Sources: Advertising & Promotion Commissions for Little Rock, North Little Rock and Hot Springs

CARTI: Turnaround was crucial, CEO says

Continued From Page One

sulting company, which finished its job several months ago.

"This is not about trying to get back on course, because back on course was going to have the same result," Head said. "This is about getting on a new course with a new vision."

The turnaround plan involved a massive restructuring and culture change. Earlier this month, CARTI announced it had eliminated 22 positions, with 17 of the positions occupied. The move is expected to save CARTI $1.4 million annually.

Six of the employees who lost their job had worked directly with Dr. Brad Baltz, who was fired last month and who was CARTI's highest-paid employee. CARTI now has about 400 full-time-equivalent employees.

The turnaround appears to be working. Head said he expects CARTI to meet its bond covenant for the fiscal year than ends June 30.

In addition, CARTI has had positive cash flow in five of the last six months, Head said. While the numbers still indicate red ink, Head said, the financial performance for the first three quarters of the current fiscal year is about $2 million ahead of the same period last fiscal year, when CARTI reported an operating loss before depreciation of $3.3 million.

CARTI is seeing more patients. Total patient visits through the first three quarters of its fiscal year were up by more than 5 percent compared with the same period a year ago. (Baltz was on staff until March 14, less than three weeks before the end of the fiscal quarter. It is not clear what his departure will mean for patient visits. He has announced plans to open a solo practice, initially in the Doctors Building at 500 S. University Ave. in Little Rock, but an opening date was not firm as of last week.)

"Adam is absolutely the right person at the right time to lead CARTI forward," Harry Hamlin, CARTI's board chairman, said in an email to *Arkansas Business*. "Since stepping into the CEO

Adam Head, the CEO of CARTI, discussing overall patient care with Dr. Diane D. Wilder, a medical oncologist. Head has confronted serious financial strains at the cancer center since taking over in September. [PHOTO BY KAREN E. SEGRAVE]

position last September, he has met and exceeded all of the Board's expectations."

Kevin Holloran, senior director at Fitch Ratings Inc. of Chicago, said he's had no new information on CARTI since Head became CEO. Fitch cut CARTI's rating in September to BB+ from BBB-. A BB+ rating put the bonds at an "elevated vulnerability to default risk … however, business or financial flexibility exists that supports the servicing of financial commitments," according to Fitch's website.

Holloran said last week that he was pleased to hear CARTI's financial summary from *Arkansas Business*. "We had downgraded them and hoped for a turnaround, and it sounds like that turnaround is sticking," he said.

Along with Head, CARTI's senior management team also has changed, leaving only one member who has been at CARTI more than a year. "It's a new team, a new day," Head said.

Dinner Plans

Part of Head's turnaround plan was to get all of CARTI's divisions working together. CARTI opened in 1976 to provide radiation therapy treatments; it has since expanded to include other cancer treatments. Little Rock Hematology/Oncology became part of CARTI in 2011, and Hematology Oncology Services of Arkansas joined CARTI in 2013.

The groups, though, didn't come together. The management consultant hired as a result of CARTI missing its bond covenant described CARTI as like being a multi-unit apartment complex, said Dr. Scott Stern, an oncologist who joined CARTI in 2011. "Everybody is sort of a renter in the building, but it's not like we're all on the same team," he said.

He said that Head and his management team have "brought to the table … the concept that we are one team and we have so many advantages going forward."

Head initiated a monthly dinner meeting at the cancer center for the management team and physicians, which will number 25 when interventionist radiologist Dr. Edgar St. Amour joins the medical staff in July.

"We talk about what the plans are for the next month and for years down the road," said Dr. Balagopalan Nair, an oncologist. "This is something we've really not done but was very needed."

Head, who had been the chief operating officer of the Arkansas Heart Hospital in Little Rock, said that when he arrived he wanted to build a "strong cultural foundation" and hear the doctors' opinions.

Nair said the reaction from doctors was, "surprised, shocked … disbelief."

Stern said that forum was a change from the way CARTI operated in the past.

"That doesn't mean that everybody's going to like every decision," he said. "But if your voice is heard and there's a forum for that, that really drives a culture that's different."

Stern said those discussions had allowed the doctors to weigh in on things like new therapies and new technology.

"I'll just speak for myself," Stern said of CARTI's culture before Head arrived. "It seemed like when we would talk to the leadership, … it just sort of fell on deaf ears. Now there really is a collaborative relationship. We're talking to them. They're talking to us."

Dr. Rhonda Gentry, an oncologist who joined CARTI in 2008, has seen other changes with the staff. Before Head arrived, CARTI seemed to operate as individual units, but now employees are collaborating, with improved efficiency.

"So if my volume is down today in the clinic and Dr. Nair's is up, my nurses are trained now to cross-cover," she said. "They can go right over and can work in his clinic."

Before Head arrived, she said, "I had my own nurses that did it my way, and you had his that did it his way."

Destination Care

Head said he wants CARTI to provide destination cancer care.

"Our vision is that someone who gets cancer, … they don't need to drive outside the borders of our state," he said.

The destination plan involves "many components," and specific details will be released later, he said. "We are setting up CARTI to be able to do things that have never been done before for cancer care in Arkansas," he said.

This week, CARTI will start a $1 million renovation project in Conway to combine its medical oncology and radiation oncology services in one building. The services are now offered in separate buildings about a mile and a half apart.

CARTI Foundation Inc. will pay to renovate the 13,000-SF space. The contractor is Nabholz Construction Corp. of Conway, and the project is expected to be completed in mid-September.

"We're looking at that in other locations as well," Head said. "We want to be able to provide this kind of experience as much as possible in a patient's hometown." CARTI has clinics in 10 cities outside Little Rock.

Head's plans also include improving the screening for cancer, one of the most undiagnosed diseases in the United States. "There are a lot of people that are walking around with cancer that don't have a clue," Head said.

About 16,000 Arkansans are diagnosed with cancer annually, with about 7,000 Arkansans dying each year from cancer. "We believe the opportunity is huge to be able to make a significant impact on that," Head said.

CARTI also has a new marketing slogan: "Cancer Hates Coming Here." It was created by CARTI's new ad firm, Eric Rob & Isaac of Little Rock, Head said.

The root of CARTI's financial problems can be traced to the opening in late 2015 of its $88 million, 175,000-SF cancer center in west Little Rock.

Jan Burford, who was CARTI president and CEO at the time of the opening, said the center was necessary to locate several of its services under one roof.

Head declined to say if CARTI built too much building. "I'll answer it this way … it's an unbelievable place to be able to take care of patients," he said. "So we intend to use it for what it was designed for."

And it's sitting on 37.5 acres, giving CARTI room to grow, he said.

Head said he plans to make announcements in the coming months. "There are greater things to come for cancer care in Arkansas," he said. ■

Residential Lots Scarce As NWA Draws a Crowd

Booming population puts pressure on affordability and climbing land prices

By Marty Cook
MCook@ABPG.com

Space is not the problem for northwest Arkansas as thousands of new arrivals show up each year. The struggle is with affordability.

The region has seen strong growth since 1990, when its population stood at almost 240,000. By 2017, that number had grown to more than 525,000 and is projected to top 580,000 by 2022.

Those surging numbers have not only helped the three-county area become a vibrant economic engine, but they have also put a strain on the region's infrastructure. Not the least of the problems is finding places, affordable places, for all these people to live.

Officials said there is plenty of room for everyone, but not enough living space is being prepared for the kind of residential stock that's in demand.

The people moving in are not all high-income Walmart Inc. vendors. Most are coming from less robust regions of Arkansas and are already struggling with the sticker shock of housing prices, for sale or rent, in their new home.

"Nearly 70 percent of the population growth is migration, so of the 12,000 people we're adding in a year, 70 percent have to find housing," said Mervin Jebaraj, the director of the Center for Business & Economic Research at the University of Arkansas' Sam M. Walton College of Business in Fayetteville.

"That's why you're seeing a lot of activity in the multifamily piece because that tends to be built where people want to live, near the amenities. What we are dealing with as a region is as home prices have gone up, we have to keep up with people who are moving to this region."

Jebaraj is the lead researcher for Arvest Bank's Skyline Report, which focused on the residential sector of Washington and Benton counties in a February study. The report's analysis concluded that the number of available residential lots was at the lowest level since 2004 in the two counties, which make up what is most generally considered northwest Arkansas. (Madison County, with 16,000 residents, is also included in the metropolitan statistical area.)

Tara Limbird, the principal broker at Limbird Real Estate Group in Bentonville, moved to northwest Arkansas in 2000 and got involved in real estate a couple of years later.

Tara Limbird, a real estate broker, recalls "ghost town subdivisions" in northwest Arkansas after the recession a decade ago. Now lots are in big demand, and getting expensive. [PHOTO BY BETH HALL]

Limbird said she remembers vividly the sights of undeveloped subdivisions during the recession a decade ago.

Ghost Towns No More

"For such a long time there were all these ghost town subdivisions back from the recession and they sat there," Limbird said. "Those are long gone now."

The postrecession building boom swept up those fallow subdivision lots and continues to drive a demand for new lots. The Skyline Report put the numbers of available lots in the second half of 2017 at 26,437 in 371 subdivisions, which works out to a 27-month supply.

Those lots are becoming more expensive, an expense compounded by rising construction, labor and material costs. The average price of a home in Washington County rose more than 5 percent to $216,279 in the past year, while Benton County saw a nearly 2 percent jump to $232,735.

The Benton County numbers would be higher if not for the anomaly of Bentonville, where the average home sale dropped more than 7 percent from $285,000 to $265,000. That was because Bentonville saw an uptick in smaller home construction, but the price per SF of those smaller homes remained generally the same.

"The hard part is making the numbers work because the land costs are higher and the infrastructure costs have gone up," Limbird said. "By the time the lot has been established … the only thing the builder can afford to build and make any money is some of your higher-end stuff. "Right now, we're fortunate because interest rates are so low. Every time they tick up, purchasing power for that buyer begins to decline. It's amazing in a 12-month time period in Washington and Benton county, prices have increased. It's just crazy, which is great for sellers."

Jebaraj said the lot crunch is also a byproduct of where many new arrivals are looking to live. Downtown development has surged in the four major cities of the area — Bentonville, Rogers, Springdale and Fayetteville — and the places to live close to the amenities they offer are either expensive or zoned for nonresidential uses.

Zone Offensive

Jebaraj said Fayetteville has shown a willingness to rezone — or "upzone" — nonresidential lots to a residential or mixed-use designation. Uptown Fayetteville has seen several developments recently that mix residential apartments with retail and restaurants at the same location, although that mix has proved harder to develop in other areas of Fayetteville and other cities in the region.

Jebaraj said not much can be done about the simple economics of rising land and related costs, but the municipalities in the region need to work together to one thing that can be done: create more developable lots.

"The piece we can address is the availability of lots. We needed to start yesterday, but now would be good enough," Jebaraj said. "Rezoning and upzoning, especially around commercial thoroughfares — where we have a loss of retail — there's definitely an opportunity to change what those commercial thoroughfares look like. The land around where people want to live is really limited. The only way to have more people living there is to upzone all of them."

Jebaraj said CBER is working with the Walton Family Foundation and the Northwest Arkansas Regional Planning Commission on a study on how the leaders of northwest Arkansas can work together to get ahead of a potential housing crunch. The report won't be out for at least a year, Jebaraj said, and any plan presented would still have to be initiated by the region's elected leadership, preferably in concert with all the cities and smaller towns in the area.

"If you don't address it, it will choke off the growth," Jebaraj said. "One of the selling points for northwest Arkansas is affordability. If we're going to not maintain our affordability, it's going to affect our growth. Most of the people moving [in] are not coming from Los Angeles or Seattle. They're coming from other counties in Arkansas, and, for them, northwest Arkansas is already more expensive and we don't want to lose the advantage we had.

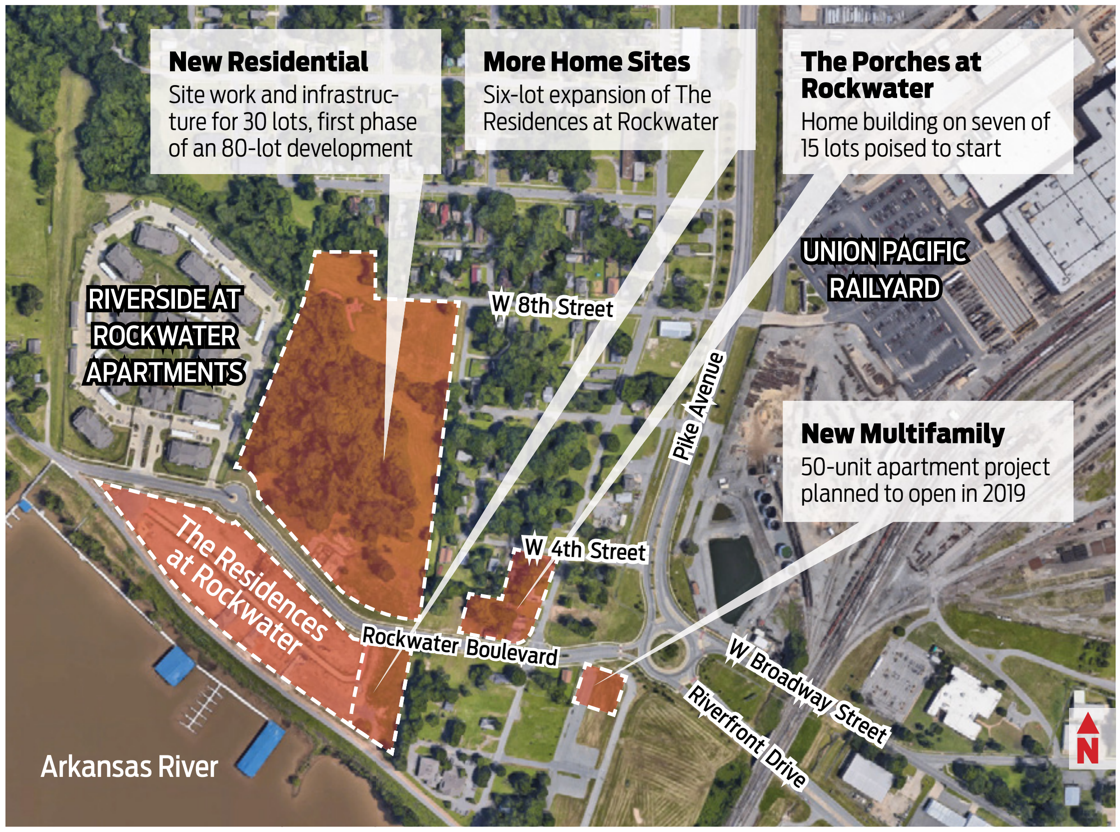
"Cities across northwest Arkansas need to deal with this now. As a region we need to sit down and tackle this now. I don't think we have done this yet."■

> "The hard part is making the numbers work because the land costs are higher and the infrastructure costs have gone up. By the time the lot has been established … the only thing the builder can afford to build and make any money is some of your higher-end stuff."
>
> [TARA LIMBIRD, PRINCIPAL BROKER, LIMBIRD REAL ESTATE GROUP]

More Front Porches Coming to Rockwater

Apartments and commercial space will join home sites

By George Waldon
George@ABPG.com





Five lots remain unsold out of the original 33 in North Little Rock's The Residences at Rockwater. Lisa Ferrell and her husband Jim Jackson, Rockwater developers, are staying busy with several new projects. [PHOTOS BY KAREN E. SEGRAVE]

The near build-out of The Residences at Rockwater is putting new development activity in play for North Little Rock's Lower Baring Cross neighborhood.

More residential lots and new home construction in Rockwater Village are in the 2018 pipeline as well as development of apartments and commercial space.

Plans for a three-story building at the southwest corner of Rockwater Boulevard and Pike Avenue are taking shape.

The half-acre development, which will have a small amount of commercial space on the ground floor, is envisioned to house a mix of one- and two-bedroom apartments, about 50 units in all.

"We're working with the architects now to do design," said Lisa Ferrell, CEO and president of North Bluffs Development Corp. "We expect construction to start during the next nine months."

The site is part of 2 undeveloped acres North Bluffs purchased in March from the city of North Little Rock in a $379,805 transaction.

The commercially zoned land is along the west side of Pike Avenue between Rockwater Boulevard and the Arkansas River Trail. "The goal is to have a signature entryway," Ferrell said. "Maybe we'll call it The Gateway at Rockwater."

Less than a block to the west, seven new homes will begin springing up at the northwest corner of Parker Street and Rockwater Boulevard in a 15-lot residential project called The Porches at Rockwater.

Six lots are sold to future homeowners, and North Little Rock's Jon Callahan Construction Inc. is building two spec homes.

Underground utilities and the street work are completed, and only the alleyway remains on the infrastructure checklist.

"In about two to three weeks, we will be digging footings on our first seven houses, five of which are presold," said Jon Callahan. "Within six months, we should have the first homeowners moving in."

After the flurry of early sales, Callahan anticipates another spike in activity once the first round of new homes begins taking shape.

He pegged the average price of the two-story, 1,700- to 1,800-SF houses at $275,000.

The price point in Rockwater's new neighborhood drew interest from buyers who balked at the $450,000-plus, 2,500-SF-plus homes in The Residences at Rockwater.

The first building contract for The Porches was signed in May 2017.

"I was surprised it was as popular as it was as early as it was," Callahan said. "I was thinking I was going to build all specs to start out."

Less than a block west of The Porches at Rockwater, plans are in motion for a new phase rollout of 30 residential lots.

"We hope to begin construction on infrastructure by midsummer," Ferrell said. "We're going to have a tremendous amount of green space."

As it stands now, the 16-acre development will eventually be home to 80 residential lots. A naming contest for the project via Facebook is in the works.

Six more lots in The Residences at Rockwater Village are planned to extend the project east on a 1.46-acre parcel acquired for $363,000 in 2016. The future home sites will be divided between three riverfront lots and three boulevard lots.

Summerwood Inc. of North Little Rock has built two houses in The Residences with two more under construction.

"We're very pleased with the development that happened in there," said Ron Harris, vice president of Summerwood and a North Little Rock councilman.

"It's just very, very nice. The standard of construction there is above normal, and we hope to continue that into the next phases."

Southern Living Nod

The 2016 inclusion of Rockwater Village in *Southern Living* magazine's "Southern Living Inspired Communities" gave the project national exposure. Rockwater's front-porch aesthetics combined with its LEED building guidelines drew raves along with its neighboring amenities for boating, biking and walking: a 64-slip marina and the Arkansas River Trail.

"If there ever was an example of a public-private partnership, Rockwater would be one," said North Little Rock Mayor Joe Smith.

Reconfiguring and upgrading the road network and approving the establishment of a Tax Increment Finance District helped Rockwater along the way.

Smith believes the Rockwater momentum will translate into good things pushing farther into the Baring Cross neighborhood.

"I'm hoping it will continue north at the pace that we've been on," he said. "I'd love to see it get to 13th Street in the next four years.

"I see Baring Cross looking more like Argenta, blend in the new with the old. Save what can be saved, and tear down what can't."

North Little Rock's latest contribution to helping transform the area is remaking Pike Avenue into a tree-lined thoroughfare from Rockwater Boulevard to Pershing Boulevard.

Engineering work to beautify the corridor and make it more pedestrian friendly is about to begin. Smith expects the project will be accomplished in phases through a mix of grants and city funds.

"It's a 2019 construction project at best," Smith said of the start for planned Pike Avenue improvements.

Adding to the area activity buzz is the future redevelopment of the vacant 242,923-SF Timex warehouse complex at 1302 Pike Ave.

The Arkansas Department of Community Correction intends to consolidate more than 200 staffers in Little Rock, North Little Rock and Pine Bluff at the property.

The renovation project is estimated to cost $12 million and perhaps open in 2019 ■

At 30, ComGroup Looks Back To Its Roots, Rebrands Itself

By Kyle Massey
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[PHOTO BY KERRY PRICHARD]

When Dan Cowling founded The Communications Group in 1987, he got a lot of calls from people wanting phone lines installed.

"I'm not kidding," the marketing agency CEO said last month. "We were the first firm in Little Rock to have 'communications' in the name. They thought we installed technology."

The firm differentiated itself from its start, on Friday the 13th in November 1987, flying in the face of tradition and superstition. Cowling even challenged the idea of advertising itself, intentionally avoiding the word in the firm's name, and focusing on "marketing" in the letterhead. "I'm also fairly certain that we were the first Arkansas agency not to have somebody's name on the door."

This month, ComGroup celebrated the things that set it apart, marking its 30th anniversary with a rebranding, a new website and logo, and a renewed focus on three core business areas: agriculture, industrial business-to-business work and what the industry calls G2C, or government messaging to citizens.

Those specialties go back nearly to the beginning of ComGroup, which Cowling started with his brother, Dane, and partners Tom Frase and Neal Moore. "Our start, with 90 days' worth of capital, four partners and two employees, that was one of the braver things I've ever done."

'Giant Leap of Faith'

Beyond opening on Friday the 13th. ComGroup also sought out the 13th floor of the Region's Center in Little Rock. As Cowling put it, the launch was "a giant leap of faith and a good dose of going against the grain."

So why did he start his own agency?

"I was running out of places to work," Cowling joked. "I'd worked for a lot of agencies and always had a lot of ideas about how they could be run better. So periodically my bosses would give me the opportunity to go somewhere else with my ideas."

So nearly 15 years into a career with top Arkansas ad firms including S.M. Brooks, Cranford Johnson Hunt and Mangan Rains Ginnaven Holcomb, Cowling had what he recalls as an "aha" moment. "Clients would talk about delivery issues, about price-point resistance, all these things, and then I'd say, 'Great, now I've got some ads to sell you.'"

It dawned on him, Cowling said, that the process was backward. "Businesses need strategic advice. The ads should come after the train has already passed through. Clients have strategic issues, some external and some internal, but they're predominantly communications issues, a communications loop. An ad may or may not be a part of that loop."

When he broke into advertising, at the end of the "Mad Men" era, "creative was everything," Cowling said, "Now process is the thing, for the lack of a better word, and the words and the images become a fulfillment of that process. Marketing is identifying what the customer wants, figuring out how to give it to him and having the guts and the tools to do it."

Not that ComGroup hasn't had great success with ads. It was the first agency in Arkansas to handle a financial institution with more than a billion dollars in assets (Leader Federal Bank for Savings in Memphis), and was national agency of record for Church's Chicken, Cowling said. The firm, which now has 15 employees — known as Groupers — does not publicly reveal revenue or capitalized billings.

Agriculture is the heart of Arkansas' economy, and ComGroup's client list has long included commodity check-off groups like the Arkansas Soybean Promotion Board. And as a lifelong Arkansan with two degrees from the University of Arkansas, Cowling says the state doesn't fully appreciate its industrial base. "If you're from Arkansas, you either have soil in your blood or you're ignoring reality," he said. "And frankly I don't see a lot of ad agencies focusing on agriculture and manufacturing."

ComGroup's first client was Innovation Industries Inc. of Russellville, a manufacturer of elevator fixtures that's still a client. "To exist long-term in our business, you must specialize. We've built our marketing niche over three decades, and it's time to bring that experience to the forefront of our brand."

Other top industrial clients include ABB of Zurich, a global leader in industrial technology that acquired Baldor Electric of Fort Smith in 2011; Speakman Co., a Delaware maker of shower and plumbing products; Motion Industries, the Birmingham, Alabama, industrial equipment supplier; and Toyota Forklifts, based in Columbus, Indiana.

The other emphasis, government outreach, has been some of the firm's most rewarding work, Cowling said, noting state campaigns like ARKids First, Better Beginnings and the Happy Birthday Baby Book for the state's healthy baby campaign. "It's one thing to convince a person to go to Taco Bell for a taco," he said. "It's something else to convince a pregnant woman to get prenatal care."

Moore, the founding partner and creative director, said Cowling pioneered "cause-related marketing which pushed traditional public service clients to spend money on their message" instead of relying on free TV and radio announcements in the wee hours. "Now, it's a standard practice, especially with health-related initiatives," Moore said.

'Brutal and Sudden'

Beyond the obvious technological revolution over three decades, including an explosion of new communication outlets, Cowling said the nature of drumming up business has changed.

"Back then everybody was going after everything; today's agencies have started doing more than selling ads, which is a great thing."

Today's mission is to produce value, working with clients to find their goals, then confirming success by the numbers, Cowling said. "Data-driven information, sales-driven information, that's what it's about, because the numbers create value, and if you don't produce verifiable results in the world today, you don't stay in business very long."

Looking back, he called ComGroup's origins "brutal and sudden. Things become very immediate" when you have no clients and little capital, Cowling said. "Your senses are heightened; you're alive, but you're actually scared to death because there's no stability. If you want to borrow from a bank, what are your assets? They all get on an elevator and go home at the end of the day."

No names graced ComGroup's door, but if they had been there they would have been Cowling, Cowling, Moore and Frase. Dane Cowling is still with the firm as a partner, along with Lisa Van Hook.

Moore retired from ComGroup and does freelance work out of Maumelle. Frase went to seminary and became a Methodist minister. "We always say we hope we didn't drive him to it, but we gave him a lifetime of pulpit stories to use in his ministry," Dan Cowling said.

Moore said that when ComGroup began, the firm didn't even have decent furniture. "We had no accounts, a few folding chairs and some boxes. A friend of ours loaned us some office space and we began the tedious process of building the business, one client at a time."

Cowling offered the benefit of his experience, and some of his lessons still resonate, Moore said. "To this day, I use several things Dan taught me such as: 'If you don't have a written plan, you don't have a plan.' He always emphasized planning, which became a niche of the agency. We were the first agency in town to call our account executives account planners. Account executives are more tied to sales, and we wanted it to be tied to marketing and strategy."

Observers used to call the agency "schizophrenic," Cowling said, meaning that it didn't behave the way most advertising firms do. "We don't do typical ad agency stuff, and we hardly ever hire anyone who's been in the agency world. And in a business that can be hard for people to stay in, we don't have a revolving door." Many of the firm's employees have stayed around more than 10 years. "This gives us a chance to develop deep insight, and that leads to deep planning."

At 69, Cowling may not be planning the next 30 years, but retirement is not on the horizon, and his philosophy is set.

"In the end, I don't care if we do an ad or not," Cowling said. "I honestly don't care. Get me in, tell me about your business, and we'll see what needs to be done." ■

Larry and Joy Pennington sold this project at 417 Main St. in North Little Rock. [GOOGLE MAPS]

Rock Town Distillery Buys $2 Million Home

A 25,250-SF office-warehouse in downtown Little Rock tipped the scales at $2 million.

Rock Town Distillery Inc., led by **Phil Brandon**, bought the onetime home of **Jungkind Photographic** at 1201 Main St.

The seller is **GSJ Properties**, led by **Glenn Petkovsek**. The deal is financed with a five-year loan of $1.6 million from **First State Bank** of Lonoke.

The 0.96-acre development previously was linked with a March 2009 mortgage of $590,000 and March 2017 mortgage of $750,000 held by **Regions Bank** of Birmingham, Alabama.

GSJ Properties purchased the project in January 2001 as part of a $900,000 deal with **Heartland Imaging Companies Inc.** of Kansas City, Kansas.

Downtown Argenta

An 8,489-SF building in downtown North Little Rock changed hands in a $940,000 deal.

Argenta Acquisitions LLC, led by Dr. **John Pemberton**, acquired the **Pennington Studios** project at 417-19 Main St.

The sellers are **Larry** and **Joy Pennington**.

The deal is backed with a five-year loan of $752,000 from **First Security Bank** of Searcy.

The Penningtons bought the 0.15-acre development for $285,000 in March 2005 from **Kip** and **Carolyn Moore**.

Convenient Transaction

A Sherwood convenience store rang up a $450,000 sale.

Singh Dehal Corp., led by **Manohar Dehal**, purchased the 1,620-SF **Landers Fuel Stop** at 8212 Landers Road.

The sellers are **Kyung** and **Dongsuk Hyon**.

The deal is funded with a five-year loan of $345,000 from **Arvest Bank** of Fayetteville.

Real Deals
George Waldon

George@ABPG.com

The project was acquired for $550,000 in September 2004 from **Charles** and **Janet Garland**.

Longfellow Manor

A 6,835-SF home in the Heights area of Little Rock weighed in at $3.99 million.

7 Longfellow Circle Trust, led by **David Snowden Jr.** and his wife, **Terri**, bought the house from **ELORAC Properties LLC**, led by **Marley Meyer Jones**.

The pre-teardown property was purchased for $1.1 million in May 2007 from **WRS Holdings LLC**, led by **Willis Smith**.

Heights House

A 2,045-SF home in the Heights area of Little Rock sold for $865,000.

Wooster Properties LLC, led by **Joe Ford**, acquired the house from **James M. McHaney Testamentary Trust No. 1**.

The McHaney family bought the residence for $33,000 in February 1957 from the **estate of Lawrence Burrow**. ■

Springdale Ridge Property Bought for $11.25 Million

A California real estate investment firm paid more than $11 million for the **Springdale Ridge Apartments**.

Canyon View Capital Inc. of Santa Cruz owns and manages more than $250 million in multifamily property in the United States, including, according to its website, at least nine properties in Arkansas. The Ridge Apartments, at 750 S. 40th St., has 186 units and nearly 200,000 SF.

Canyon, led by President **Gary Rauscher**, bought the complex through four subsidiaries as tenants in common: **Doctor Springdale SPE LLC**, with a 30 percent stake; **Burry Springdale SPE LLC**, with a 27 percent stake; **Brown Springdale SPE LLC**, with a 25 percent stake; and **Springdale Ridge Property Investors LLC**, with an 18 percent stake. Rauscher signed as manager for all subsidiaries.

The seller was **Springdale Ridge Acquisitions LLC**, a subsidiary of **Maxus Properties** of Kansas City, Missouri, led by Chairman **David Johnson**. Maxus got the complex in 2014 for $5.45 million.

Grandview Real Estate Capital LLC of Charlotte, North Carolina, provided a loan of more than $8.4 million.

Joyce Distribution

A **Procter & Gamble** distribution center in Fayetteville sold for $12.2 million.

Cole PG Fayetteville AR LLC, a subsidiary of **Vereit Inc.**, a real estate investment group in Phoenix, bought the 63,700-SF, two-story building at **1303 Joyce Blvd. TRT 1303 Joyce Blvd LLC**, a subsidiary of the **Black Creek Group** of Denver, was the seller.

Vereit said it owns and operates approximately 95 properties in Arkansas, a mix of retail and restaurants including **Dollar General** and **Wendy's**.

First State Bank

First State Bank of Lonoke bought its Fayetteville branch for $2.27 million. The bank, at 2125 E. Joyce Blvd., is 5,428 SF. The seller was **700 Jones Road LLC** of Fayetteville, led by **David Estes** and **John Dukes III**. Estes is the CEO of First State Bank of Lonoke and acquired ownership of the branch for $1.6 million in 2009.

Fayetteville Retail Strip

A 10,000-SF retail center with a convenience store sold for nearly $1 million.

Robert and **Cheryl Hopmann** of Fayetteville paid $990,000 for the 1.74-acre property at 2333 N. College Ave. The seller was **McIlroy Investments Ltd.**, led by **Hayden McIlroy** of Dallas.

McIlroy is the former CEO of **McIlroy Bank**; the family-owned bank was sold to **Arvest Bank** in 1986. McIlroy, now a real estate investor, bought the property for $315,000 in 1993.

NW Real Deals
Marty Cook

MCook@ABPG.com

Robert Hopmann is a senior vice president at **Lindsey & Associates** in Fayetteville. **The Bank of Fayetteville** provided a loan of $155,000.

Fayetteville Office Complex

A 27-unit office complex in downtown Fayetteville sold for $1.85 million.

26 W. Center LLC, led by **James Mitchell Massey**, **Aaron DeWayne Crawley** and **David Starling**, bought the 26,365-SF property. The seller was **Old Square LLC**, led by **Lee Ward**, **C.W. Dill III**, **John Huskins** and **William Weston Rogers**.

Generations Bank in Fayetteville lent $1.5 million for the project.

Springdale Self-Storage

A Fayetteville investor acquired a Springdale self-storage complex for $1.4 million. **Tyler Royal**, through his **Royal Real Estate Holdings LLC**, bought the 24-unit, 28,000-SF complex at 1711 Ford Ave. The property covers nearly 2 acres.

Robert L. Hensley of Bentonville was the seller. He bought the property for $1.3 million in 2008. **First National Bank of Fort Smith** provided a $1.05 million loan. Royal also took a $290,000 mortgage with Hensley.

Downtown Springdale Trio

A Fayetteville couple paid $775,000 for three retail, office and warehouse properties on West Emma Avenue in downtown Springdale.

Jennifer Hansen and her husband, **Marc McFann**, bought 101, 109 and 111 W. Emma. The seller was **Downtown Blend LLC**, led by **Rob Kimbel**, who purchased the properties as part of a larger $1 million deal in 2015.

First Security Bank provided three loans: $160,000 on the 101 address; $220,000 on 109; and $240,000 on 111. ■

Many KATV Arrivals, And One Departure

Outtakes
Kyle Massey

KMassey@ABPG.com

Maternity leave, meet maternity wave.

Three newsroom pros at **KATV** are pregnant, and another just gave birth, leaving News Director **Nick Genty** to shuffle his lineup and wonder if something's in the water.

Weekend anchor **Janelle Lilley** brought **Luke Ender Cline** into the world on April 21 (8 pounds, 4 ounces). Proud papa is the versatile **Jason Cline**, the yoga-teaching former communications staffer who goes to law school while somehow keeping up with officerhood in the **Army National Guard**. Latest title? First-time dad.

Beth Hunt, the popular evening anchor and **Bison** from **Carlisle High School**, is due to deliver her third child in June. Dad is **Brian Cress**, a North Little Rock **Shelter Insurance** agent.

Hunt says she's basically another working mother. "People view my job as very glamorous," she told *Little Rock Family* a few years ago. "But I do my own hair and makeup. I pack lunch for my child and work out of a cubicle. When it comes down to it, I'm a wife and a mom who just happens to be on TV."

Overnight producer **Kristen Belue** and husband, **David**, are expecting their first child, also in June. **Elicia Dover**, the Bryant native who co-hosts "Good Afternoon Arkansas," is last in line, due for her firstborn in September.

In her previous job as an **ABC News** producer, Dover was always a plane ride from the next breaking story, from Hurricane Sandy to Sandy Hook. But she longed for home, and Genty welcomed her with open arms in 2013.

Just about nine months ago, Dover told *Arkansas Business* that her recently settled life in Sherwood, with husband, **Jeremy Flynn**, and her parents down the street, had been "like a Mayberry existence." Papa Flynn is a former marketing manager for the Little Rock production firm **Waymack & Crew** who joined **Verizon Arena** as sales manager in 2016.

Genty said he doesn't expect all the maternity leave to disrupt his team severely. "I'm blessed to have a strong bench of reporters that can all anchor shows," Genty said. "I wouldn't be afraid to let any one of them handle the anchoring duties if need be." He said viewers should expect to see a mix of faces over the next few months.

Luke Ender Cline was the first in a wave of babies arriving at KATV, the ABC affiliate where four newsroom pros are in line for maternity leave. [TWITTER]

Rusley Heads to Beaumont

One face you won't be seeing on Channel 7 is **Kimberly Rusley**'s. A KATV reporter since September 2016, the Louisiana native and former **Miss Bossier City** will be a news anchor at **KFDM** in Beaumont, Texas.

The **CBS** affiliate is a sister station to KATV, owned by **Sinclair Broadcast Group Inc.** She'll fill the main anchor position, Genty said.

"IT'S OFFICIAL: My last day at @KATVNews is done," Rusley posted April 20 on **Twitter**. "Thanks for the love and the stories!"

Rusley, who's from Bossier City, got her start in Shreveport at **KSLA**, then worked across town as a multimedia journalist and reporter at **KTAL**. She also participated in pageants for several years and was **Miss Black Louisiana** 2008.

Cranford Co. Adds Addys

The Little Rock agency **Cranford Co.** took home an even dozen regional **Addys** in the **10th District** competition of the **American Advertising Awards** this month in Fort Worth, the third-best haul among dozens of agencies competing from Arkansas, Texas, Louisiana and Oklahoma. Cranford's winners included work for the **Hot Springs Documentary Film Festival**, **Heifer International**, **CARE for Animals** and the **Susan G. Komen Race for the Cure**.

Posters for the film festival and Cranford's "Purse" and "High Heels" campaigns for CARE took silver awards. Cranford's other prizes were bronze.

"We are proud to see the quality of our work recognized outside our home state," said **Jay Cranford**, the firm's chief creative officer. "We were up against the best agencies — with hundreds of employees — in Dallas, Houston, Austin, Oklahoma City and Tulsa." ■

Most Read Stories of the Week

ArkansasBusiness.com's most popular stories for the week ending April 25:

1. The Rep, Citing Low Ticket Sales, Giving, Will Suspend Operations
The Rep reports contributions and grants of $944,121, down from $2.3 million the previous fiscal year.

2. Nabholz Names Joint COOs, Remakes Company Structure
Brad Hegeman and Greg Fogle will will take on the COO role.

3. Cogswell Motors Owner, Wife Found Dead
Police said a house cleaner found the couple dead from gunshot wounds inside the home.

4. Two Banks Allege $2.4M in Fraud by Arkadelphia Insurance Agent Berry Bishop
Bishop and Alliance Insurance Group stripped of insurance licenses in emergency action by state.

5. Pulaski County's Most Expensive Home Sales of 2017
Last year, 33 homes sold for $1 million or more; 90-year-old home in the Heights tops list.

"Our community is on the verge of losing an amazing arts organization and tremendous asset to our city. Closing The Rep will have a devastating impact on the redevelopment of Main Street and the creative corridor."

— BRIAN BUSH, board chairman of the Arkansas Repertory Theatre

ACH Expands Its Alliance Of Nurseries

Health
Mark Friedman

MFriedman@ABPG.com

Since March, **Arkansas Children's Hospital** has added a second and third hospital to its nursery alliance and plans to add more medical centers to help keep newborns who need care closer to their homes.

Conway Regional Medical Center was the first hospital to join the alliance, in November 2016. Since then, about 25 percent of the newborns who would have gone to ACH for treatment have been able to remain at Conway Regional, said Dr. **Alan Lucas**, medical director of the nursery alliance at Conway Regional.

"The pediatricians in Conway feel more comfortable keeping some of those babies because they know that we have the backup … with the nursery alliance," Lucas said.

He said the pediatricians in Conway can consult with ACH's experts when they have questions about newborn care. The consultations usually take place over the phone and can occur several times a week, Lucas said.

As a result of the alliance, Conway Regional has almost doubled the length of stay for the babies born between 32 and 35 weeks' gestation, he said.

"It's been a great thing for Conway as well as for the pediatricians here," Lucas said.

In March, **Jefferson Regional Medical Center** in Pine Bluff became the second hospital to join the alliance, followed by **CHI St. Vincent-Hot Springs** this month.

Dr. **Rob Steele**, ACH's senior vice president and chief strategy officer, said he expects to have two more hospitals in the alliance by July, but would not name them.

Declining to give a range, he said the cost to the hospital of being part of the alliance is based on a number of factors.

Steele said the alliance is part of ACH's massive five-year strategic plan, which was announced in 2015 and whose goals include having a statewide network of care to improve children's health.

Steele said that coordinating the care through the alliance could have an impact on Arkansas' infant mortality rate, which is one of the highest in the country at 8 deaths per 1,000 babies born.

The national rate is 5.9 deaths per 1,000 births.

"If we can get an alliance with enough hospitals, we can all learn together on the best way to coordinate that care with those babies and make a meaningful impact on infant mortality," he said.

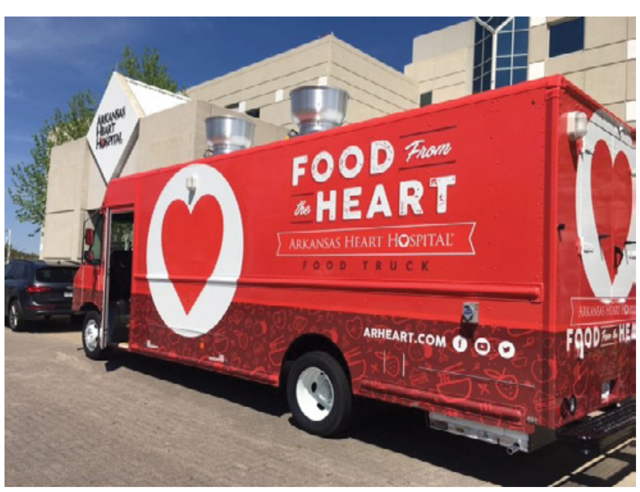
Heart Hospital Food Truck

The **Arkansas Heart Hospital** is unveiling its food truck this week, making it the first hospital in Arkansas, and possibly the country, to own and operate a food truck.

The food truck will highlight Executive Chef **Coby Smith**'s Japanese ramen, which was featured in February on a "**CBS This Morning**" segment, "How an Arkansas hospital became a ramen destination."

The truck also will sell heart-healthy options, including salads, and will use as many local ingredients as possible.

The truck will appear at corporate events, too, where Smith will perform cooking demonstrations and encourage the audience to have screenings at the Heart Hospital.



The Arkansas Heart Hospital may be the first in the U.S. to own a food truck. Ramen will be one specialty. [PHOTO SUBMITTED]

It is scheduled to make its first public appearance from 11 a.m. to 1 p.m. Wednesday at 801 S. Chester St. in Little Rock.

Smith said the truck will travel to the Heart Hospital's clinics around the state and could travel to disaster sites to offer food to survivors and aid workers.

Smith said he's wanted to have a food truck ever since he joined the Heart Hospital about five years ago. "I thought it would be a great avenue for marketing," he said. "We like to do things a little bit differently around here." ■

No Guarantees

EDITORIAL

This week's Page 1 exploration of the business factors that forced the closing of venerable Dixie Cafe and last week's news that the Arkansas Repertory Theatre was shutting down even before the end of its season carry the same lesson: There are no guarantees in life, and there are especially no guarantees in the life of a business.

Habits change, tastes change, demographics and housing patterns change. And that's before considering competition. Operators who develop a winning business model will find themselves facing competitors who can do it well enough. Sometimes, perish the thought, a competitor will come along who can do it even better

Nostalgia is not a business plan. "Their customer base tends to be aging out is a kind way of saying what's going on," food service consultant Maeve Webster said of casual dining establishments like Dixie. Her kindness is appreciated, but her point is clear, and one not lost on those of us in the ink-on-dead-tree industry.

Loyalty, even to something as demonstrably good for a community as an artistic organization like The Rep, cannot replace enthusiasm for a product. In a particularly cruel reality, philanthropists are less likely to support an organization that is struggling than one that is financially healthy. (This was a factor for Ecclesia College in Springdale, where a desperate search for revenue led the former president to an illegal kickback scheme. But we digress.)

Fortunately for our state, we still have a highly competitive restaurant industry with newer operators and fresh concepts that are being replicated and exported. And while we still harbor hope that The Rep can be revived, central Arkansas has a vibrant live theater community that can fill the void that they may have helped create.

Cautionary tales are valuable if they make the rest of us ask what our businesses are doing to stay relevant. Sometimes the hardest part of management is acknowledging what isn't working. ■

Arkansas Business Views

Arkansas Business' Opinion Page

Gavel-to-Gavel Obsession

Editor's Note
Gwen Moritz

GMoritz@ABPG.com

I had intended to write more this week about the findings of the Association of Certified Fraud Examiners' biennial study on occupational fraud and abuse. It's always a great reminder of just how common and costly embezzlement and other forms of workplace fraud are.

But that will have to wait another week, because right now I am utterly obsessed with another kind of fraud and abuse — the public corruption being described in fascinating, horrifying detail in a federal courtroom in Fayetteville.

As all Arkansans should be, I am indebted to Doug Thompson of the *Northwest Arkansas Democrat-Gazette* for providing exclusive gavel-to-gavel coverage of the trial of former state Sen. Jon Woods and Randell Shelton, the alleged middleman in a scheme to kick back a portion of state General Improvement Fund grants directed to private Ecclesia College.

Oren Paris III, president of the tiny Bible college in Springdale, was indicted with Woods and Shelton, but he pleaded guilty before the trial began on April 9. Former state Rep. Micah Neal pleaded guilty to his participation more than a year ago, but has not yet been sentenced.

From legislative working papers that were made public April 19 only because they were presented as evidence in the trial, we learned that in 2015 Woods used staff time at the Bureau of Legislative Research to draft several bills for the benefit of Ecclesia. For government to spend so much energy on a private college is disturbing enough, but here's the weirdest part: Woods had the BLR draft a proposed constitutional amendment to legalize medical marijuana. And to tax it. And, of course, to route some of the tax revenue to Ecclesia.

Last Monday, we got more context (my favorite word) when IRS Special Agent John Munns read text messages between Woods and Paris into evidence. Woods was having his marijuana amendment drafted at the same time Gov. Asa Hutchinson and Jonathan Dismang, president pro tempore of the Senate, were making it known that the GIF gravy train was about to end. Ecclesia — which had paid Paris and members of his immediate family and their spouses more than $1 million between 2012 and 2016 — needed a new source of revenue, and private money didn't seem to be an option.

According to Thompson's account of the texts, in print and on Twitter, Gov. Hutchinson laughed when Woods told him about his idea for a tax on medical marijuana that would benefit Ecclesia. The governor, according to Woods' text, didn't think Paris would like that idea and was surprised when Woods assured him otherwise.

In a reply to one of Woods' texts, Paris crafted one of the most jaw-dropping rationalizations I have ever seen: "I think it is great to take money from Satan and [the] Kingdom of darkness and put it to [a] Kingdom of God use," Paris wrote.

Let that sink in. Medical marijuana is satanic, according to Paris, so their great idea was to encourage more people to use it by *making it legal*.

As I have noted in this space previously, using Jesus to rationalize corruption is depressingly common. But enabling a satanic enterprise in order to launder the money for Jesus — well, that's a heavy lift. No surprise that it was a two-man job.

***

Meanwhile, then-Sen. Woods was also allegedly taking kickbacks from a lobbyist/health care executive named Rusty Cranford. The mental health care provider he worked for — I have to resist the temptation to make jokes about that — has changed ownership, but it has done business in Arkansas under the name Dayspring.

Testimony last week revealed that Cranford instructed Dayspring to hire Woods' fiancee shortly after Woods arranged $400,000 in GIF grants to a related nonprofit that Cranford created (on the very day the checks were cut). It would be easier to believe that she just happened to be the best candidate for the job, which paid her an annualized salary of $70,000, if this little nugget hadn't also come out in court: Christina Mitchell left Dayspring after four months, a week after she married Woods in June 2014, and her successor was paid half as much.

Before you tell me that's just the free market in action, let us acknowledge that none of these people was interested in letting the free market decide whether Ecclesia College or Cranford's nonprofit would live or die. They were counting on public money and conspiring to get it.

***

Woods' marijuana amendment never went anywhere. Instead, an amendment initiated by voter petition was adopted in 2016.

Gwen Moritz is editor of Arkansas Business. *Email her at* GMoritz@ABPG.com.

The Cobbler's Kid

On Leadership
Barry Goldberg

BarryG@IBGoldberg.com

Last month, after more than two years of delays, I changed my own company brand. After a decade and a half of a business that focused on large company leadership development programs and global work, I am now focused on work that I deliver personally. Most of that is through my CEO and key executive private peer advisory groups here in Little Rock. You will see a new and much simpler web presence at my new home on the web, IBGoldberg.com.

So why would something so simple and straightforward require two years?

For more than a decade during the dot-com run-up, when CRM systems were coming of age, I had a global practice working with leaders and teams engaged in major organizational and process change. We worked with executive sponsors of major change initiatives, using a methodology that took an enterprise view of both delivery and risk management. Ironically, when I took on my own brand change project, even as a sole practitioner, I ran into the same issues as leaders of change in far more complex global enterprises.

While all project teams run into challenges getting an outcome delivered, the research — and my own recent experience — makes the failure of 75 percent of change projects all too clear. The reasons that change projects take too long, cost too much, do not deliver promised results or never get over the line point to failures in leadership far more often than failures in execution. So before you point a finger at the project team, have a look in the mirror for these leadership challenges:

Clearer on the problem than the desired outcome. I found myself doing exactly what many of my clients did back in my change leadership consulting days. What should have been a straightforward process became way too complicated because I was more focused on what did not work than on clarifying what I actually wanted. Each attempt to create a new, simplified brand met with the challenges of not first clarifying what the new brand should be, instead of what the old Entelechy Partners wasn't. Often, the biggest issue in a change initiative is a focus on the problem rather than on the outcome.

Bandwidth. Delegation only works if the people you are delegating to have the time, the budgetary authority and the organizational leverage to deliver. While I had all the authority and organizational leverage I needed in my small company, I did not make time for either serious planning or execution. Not until I did a "data dump" with a trusted team and got off the critical path did any real work get done.

Overreach of scope. Most approval meetings I was ever in with clients were predictable. Those meetings may be the roots of what is now an old saw: "Cheap, Good, Fast. Pick two!" Like any other leader of change, I had to settle on what was most important, and what could wait. There will be a phase two to bring over my blog and other content, so the site is not robust, but I am now operating in the new domain. Is it perfect today? No, not at all. It is sufficient to represent what my small company is today. More to the point, it is in production and a foundation for the additional content that can be added without activities that interrupt day-to-day client delivery.

Right talent on — and off — the team. A successful project team of any size needs both people who can dive into and manage detail as well as those who can stay focused on the long-term vision and the external environment in which the project operates. Until I was willing to involve people who balance my natural systemic view, each attempt to deliver the project ran into a wall.

Courage to address what is in the way of success. In years of change leadership consulting, I learned that many of the challenges that were baked into the process had to do with executive sponsors. Too many changes, inability to let the team take charge, an ever-changing charter, budgetary changes and a flavor-of-the-month approach are all toxic to any change project and the team responsible to deliver it. ■

I. Barry Goldberg of Little Rock is a Vistage Peer Advisory Group Chair, executive coach, facilitator and leadership development consultant. Email him at BarryG@IBGoldberg.com.

Born on Third Base?

Commentary
Ray Boshara

No doubt you've heard the quote, often attributed to former University of Oklahoma and NFL coach Barry Switzer, about people who were "born on third base and go through life thinking they hit a triple."

Well, new data show that many financially successful Americans do, in fact, have a head start that may be hard for them to recognize — especially since that head start is associated with things completely out of their control.

Inherited Versus Acquired Traits

For these lucky Americans, much of their financial advantage is gained at birth: "inherited" rather than "acquired." For purposes of this research:

- Inherited characteristics include someone's year of birth, race or ethnicity and whether their parents went to college.
- Acquired characteristics mean the income and wealth associated with someone's own college education.

In a recently released "Demographics of Wealth" report, the first in a series of three, my Center for Household Financial Stability colleagues William Emmons, Lowell Ricketts and Ana Kent state that "Inherited demographic characteristics are key aspects of one's identity over which one exerts no control. The view we take is that any adult outcomes that are systematically related to these inherited characteristics likewise are inherited or granted, rather than earned in any meaningful sense."

In this first report, focused on the relationship between education and wealth, my colleagues find three overall distinct effects: the head-start, upward-mobility and downward-mobility effects.

Head-Start Effect

The head-start effect looks at how just these inherited characteristics predicted income and wealth. The results are striking.

For example, the typical middle-aged families with the most "favorable" inherited traits — white and college-educated parents — had three times as much income and six times as much wealth compared with the median family in the entire population.

Think of the head-start effect not as replacing hard work and effort (which always matter), but instead as a tailwind: an advantage that amplifies your own efforts.

Upward-Mobility Effect

Now, we'll add in the effect of going to college.

Somewhat more optimistically, my colleagues found a significant upward-mobility effect among middle-aged, first-generation college grads. That's when someone with "less favorable" inherited characteristics — parents who did not finish college — received a far larger boost in wealth (up 20 rungs of the ladder) and income (up 23 rungs of the ladder) from going to college than someone whose parents earned a degree (up 11 rungs of both the wealth and income ladders). By "ladder," we mean one's income or wealth ranking expressed in terms of a percentile. The lowest ranking is 0, while the highest ranking is 100.

Not everyone has the interest in, aptitude or need for a four-year college degree. But for those who do, this research suggests that there is a definite financial advantage for getting first-generation kids to and through college.

Downward-Mobility Effect

Again factoring in the effect of college, Emmons, Ricketts and Kent found what they call the downward-mobility effect. That's when someone does not finish college, even though his or her parents did, and ends up paying a pretty steep price for it.

Compared with outcomes we would expect just based on their inherited traits, these non-grads dropped 16 ranks down the income scale and 18 ranks down the wealth scale by not getting a college degree — compared with dropping less than 10 ranks in income and wealth if neither the respondent nor his or her parents had college degrees.

Conclusion

What does this research mean? Stated simply, both your starting point in life and education matter. The head-start effect, which one gets at birth, provides significant financial advantage. But this advantage can be partially lost by not finishing college.

However, even those without that head start have the opportunity for considerable upward mobility by finishing college. ■

Ray Boshara is a senior adviser and director of the Center for Household Financial Stability at the Federal Reserve Bank of St. Louis. This commentary first appeared on the Fed's "On the Economy" blog on April 17.

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Arkansas Business

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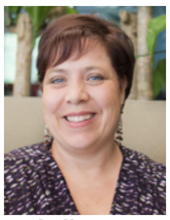

Michelle Page

Michelle Page has been promoted to associate of **HFA** in Bentonville. Page serves as the director of people and culture.

Construction


Matt Rickford

Matt Rickford has been promoted to business development officer for **Nabholz Construction Co.** in Conway. Rickford joined Nabholz as a laborer in 1995 and was previously a manager.

Economic Development

Kim Lane of Conway has been selected as a delegate and mentor to international startup community organizers at the **Global Entrepreneurship Congress** in Istanbul. Lane is chief executive officer of the Conductor in Conway and is one of six United States experts who will train organizers of Startup Huddle, a program to help entrepreneurs strengthen local support networks.

Education

Elizabeth Hood, the Lipscomb Distinguished Professor of Agriculture at **Arkansas State University** in Jonesboro, has been issued two patents in the fields of plant biotechnology and agriculture. Hood's patents concern the regulatory sequence of genes in the cupin family of proteins and methods of expressing and detecting activity of the protein expansion in plant cells.


Stephen Kapp

Stephen Kapp has been hired as director of the School of Social Work at the **University of Arkansas at Little Rock**. Kapp was previously the school's interim dean and will oversee 16 faculty members and two academic programs within the school.

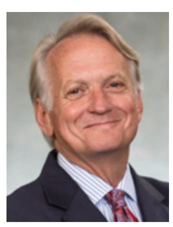
Engineering


Chad Hastings

Chad Hastings has been promoted to partner of **Crist Engineers Inc.** in Little Rock. Hastings joined the firm in 2007 and has more than 21 years of experience in municipal water and wastewater service.

Financial Services

Darren Barry has been hired as a senior examiner in the information systems division for the **Arkansas State Bank Department** in Little Rock, and **Derek Harvey** has been hired as a bank examiner trainee. Barry graduated from Webster University and previously worked as an IT examination analyst for the Federal Deposit Insurance Corp. Harvey graduated from Arkansas State University and previously served with First Security Bank.


Gary Griffin

Gary Griffin has been named executive vice president of **Stone Bank**'s SBA Division in Little Rock. Griffin has almost 40 years of U.S. Small Business Administration lending experience and is a past board member of the National Association of Government Guaranteed Lenders.

Government


Kevin McIver

Kevin McIver has been hired as a public affairs specialist for the **U.S. Small Business Administration** in Little Rock. McIver has more than 20 years of program management experience in marketing communications with nonprofit organizations, the federal government and the military.

Health Care


Karen Konarski-Hart

Karen Konarski-Hart of Little Rock has been elected to the **American Chiropractic Association** board of governors. Konarski-Hart has experience as an EMT/first responder and was previously the ACA vice president.

Sheffield Kent and **Daniel Judkins** have founded the **Baptist Health Comprehensive Spine & Pain Management Center** in Conway. Kent and Judkins graduated from the University of Arkansas for Medical Sciences and have a combined experience of more than 12 years.

Super Mover

A closer look behind a prominent promotion

This Week: Cullen Barbato, Vice President of Marketing, Real Estate and IT for E.C. Barton & Co., Jonesboro

New Job: Cullen Barbato has been hired as vice president of marketing, real estate and IT for E.C. Barton & Co. of Jonesboro, a retailer of building materials at more than 100 stores in 17 states. Barbato will work to improve efficiency and accelerate growth by aligning his title's activities. In this new position, he brings experience leading store teams.

Background: Barbato graduated from the U.S. Military Academy at West Point, New York, and served in the Army as a field artillery officer. He has worked as division vice president for Dollar General, leading a team of 18,000 employees across 2,000 stores. During his time at Dollar General, nearly 65 percent of the managers for his 2,000 stores were internally promoted. Barbato also spent seven years at Home Depot and most recently served as COO for Crown & Caliber. ■


Barbato will work to improve efficiency and accelerate growth at E.C. Barton. [PHOTO PROVIDED]


Niki Carter

Niki Carter of Little Rock has been named regent for District 12 by the **International College of Dentists USA Section Board of Regents**. Carter is associate professor at the University of Arkansas for Medical Sciences' Center for Dental Education and has served as chair of the Arkansas chapter of the American College of Dentists.

Legal

Cynthia Nance of Fayetteville has been chosen to receive the **American Bar Association**'s **2018 Margaret Brent Women Lawyers of Achievement Award**. Nance is dean emeritus of the School of Law at the University of Arkansas, as well as the faculty adviser for the university's local Kappa Iota chapter. She received more than 20 letters of support and will accept the award on Aug. 5 at the American Bar Association annual meeting.


Kelly Newberg

Kelly Newberg has been hired as director of human resources for **Friday Eldredge & Clark LLP** in Little Rock. Newberg was previously the director of human resources for Arkansas Specialty Orthopaedics and is a board member of the Midtown Redevelopment District No. 1 Advisory Board.

Real Estate


Gary Green

Gary Green has been hired as a property manager for **Colliers International Arkansas** in Little Rock and **Kay Kay Garner** has been hired as a property accounting clerk. Green serves at the USAble building in west Little Rock and has years of property management experience in Texas and Arkansas. Garner started her new position on March 21. **Suzanne Ford** of Conway has been promoted to senior accountant/manager of accounts receivable and payable for the firm. Ford joined the firm in 2001 and was previously a senior accountant. **Greg Joslin** of Little Rock has been appointed to the **Real Estate Industry Council of the Federal Reserve Bank of St. Louis**. Joslin serves as a senior broker for Colliers International Arkansas.

Margaret Hughes has been hired as a sales associate for **The Property Group Real Estate** in Little Rock. Hughes has more than 10 years of experience and previously served at Moses Tucker Real Estate.

Utilities

Crystal Kemp has been promoted to chief marketing officer for **Conway Corp.** Kemp joined Conway Corp. in 2000 and will oversee areas that engage customers and lead and coordinate efforts to bring new products to market. ■

Arkansas Business Exec Q&A

To submit questions or interview suggestions, email GMoritz@ABPG.com

This Week: Todd Herman

Executive Director of the Arkansas Arts Center

Todd Herman *was named Nonprofit Executive of the Year at the Arkansas Business of the Year Awards in February.*

Why did you enter this field? Art changed the direction of my life. A microbiology major in college, I didn't visit an art museum until I was in college — and when I did, it was a revelation. I was fascinated by how much I could learn about history, civilization, humanity, culture and creativity by studying art. Art revealed multiple layers for understanding the world and its cultures that I have treasured. I wanted to share that experience with others. Today, museums are much more than places to view art. They are places that help fill gaps in education, encourage creative thinking and art making, expose visitors to other cultures and viewpoints, offer safe spaces for the thoughtful consideration of difficult social issues and often incorporate music, dance, poetry and other programs that improve quality of life for the community. At their most inclusive, museums and arts centers are cultural centers and community centers.

What is the mission of the Arkansas Arts Center? The mission of the Arkansas Arts Center is to be "an active partner in the educational, economic, and cultural life of a diverse community; inviting discovery, creativity, and learning through engagement with the visual and performing arts." We engage members of the community through a variety of programs, from art exhibitions, theater and art making, to children's reading programs, music and dance, theater classes, art therapy and fashion. Our mission is to be a community resource and the catalyst for ongoing cultural enrichment. The collection and exhibitions are free. We try to break down as many barriers as we can.

What are you hoping to accomplish with the Arts Center's renovation? There are many goals for this project. Some are less visible, such as updated mechanical, lighting and fire protection systems, while others will revolutionize the visitor experience and be instantly seen and felt. There are expanded public and educational spaces that allow us to grow our programs and upgrades throughout the building. As I mentioned above, museums are transforming themselves across the country to meet the broadening needs of their communities. They are often sources of civic pride and significant drivers for economic development and retention. The renovation and expansion of the Arts Center is intended to create a destination that combines nature, art and creativity in a welcoming and significant architectural space. The AAC has a world-renowned collection of art, an award-winning Children's Theater and a thriving art school. Our goal is for the architecture and landscape to be an equal partner in the high-quality experiences we offer.

What was your biggest career mistake and what did you learn from it? I don't really consider any career moves to be mistakes. Career decisions are made for a reason or reason(s) that make sense at the time. If it doesn't work out as you hoped, you take your lessons learned and apply them to future decisions. Success is a cumulative process.

[PHOTO BY JASON BURT]

Bio: Todd Herman

Background: Herman joined the Arts Center in 2011, after a six-year tenure as chief curator at the Columbia Museum of Art in Columbia, South Carolina. Since coming to the Arts Center, he has overseen expanded programming and a growing collection. He is also overseeing a major renovation of the facility. Herman organized the exhibition "Mark Rothko: The Decisive Decade 1940-1950" at the Columbia Museum of Art and has written for a number of national and international exhibitions.

Education: Herman earned his master's in art history from the University of South Carolina and his doctorate from Case Western Reserve University in Cleveland. ■

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Jessie Bennett, *Eisai US*
James Best, *Skinny J's/Eleanor's Pizzeria/JKB Construction*
Ngozi Brown, *NOB Architecture + Design/Woods Group Architects*
Tony Carozza, *Radiology Associates, PA*
Shann Carpenter, *First National Bank of Crossett*
Scott Copeland, *Integrity First Bank*
Merritt Dake, *Rock Dental Brands/AXPM*
Eddie Davis, *CHI St. Vincent*
Ryan D. Davis, *University of Arkansas Little Rock Children International*
Amber Davis, *Quattlebaum, Grooms & Tull PLLC*
Nikolai DiPippa, *University of Arkansas Clinton School of Public Service*
Syard Evans, *Arkansas Support Network*
Sara Fenter, *Fenter Physical Therapy*
Sarah Catherine Gutierrez, *Aptus Financial*
Burt Hicks, *Simmons First Investment Group*
Lenka Horakova, *LH Global Solutions*
Jeremy Jeffery, *Jefferson Regional Medical Center*
Adam Jones, *AWJ Electric Company, LLC*
Jane Kim, *Wright Lindsey Jennings*
Lance Lamberth, *Atlas Asphalt, Inc.*
Kim Lane, *Conductor*
Kathleen Lawson, *Economics Arkansas*
Craig Manatt, *Peoples Bank of Sheridan*
Jeff Marcussen, *Baldwin and Shell Construction Company*
RJ Martino, *iProv/Scale Technology*
Esperanza Massana-Crane, *Arkansas Economic Development Commission*
Caleb McMahon, *Economic Development Alliance for Jefferson County*
Yvette Parker, *Ben E. Keith Foods*
Umang Patel, *Conway Management*
Libby Primm, *Primm Risk Solutions*
Blake Rickman, *University of Arkansas at Fayetteville*
Jennifer Ruhlman, *Bank of the Ozarks*
Cory Scott, *DataScout, LLC*
Taylor Speegle, *Walton Arts Center/Walmart AMP*
Lee Welfel, *Eagle Bank & Trust*
Adam Wells, *Lumber One Home Center, Inc.*