



Case Study of Ruggles Sign Company

Keys to Success



Project Description



Economic Value



Challenges & Advice



Benefits



Stewardship Meaning



Founded in 1946, Ruggles Sign Company is a family-owned and operated business located in Versailles. The company produces top-quality signage for healthcare, retail and financial clientele in local, regional, national and international markets. Its services included design, manufacture, installation and maintenance of a variety of sign types, including illuminated free-standing, metal, LED, neon and custom signs.

Due to the growth of Ruggles Sign Company, which employs about 70 people, co-owners Tim and Anna Cambron found their business needed more space and bought land to construct a building. With the high cost of building a larger facility, the Cambrons began to consider purchasing the 27-acre site of the former Kuhlman Electric business. The 253,000 square-foot structure on that property would provide all the storage space the Cambrons needed for Ruggles Sign to be more efficient and possibly add 10-20 new jobs.

On April 11, 2012, Kentucky House Bill 465 became law. The new provisions encourage property redevelopment by providing a mechanism for the state to work with prospective property owners to remove environmental liability obstacles and increase certainty regarding future liability. The new law is found in Kentucky Revised Statute 224.01-415. The administrative regulations became effective on Feb. 3, 2014, and are found in 401 KAR Chapter 102. The application form is also incorporated into regulation by reference.

“We’re utilizing something that was already there rather than building from scratch,” says Cambron. “My experience was very positive.”

“The provisions of HB 465 rely upon a Property

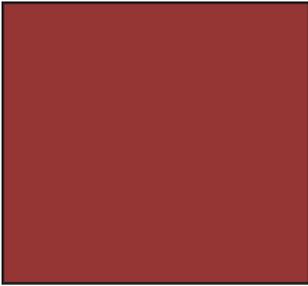
Management Plan, which serves as an agreement between the buyer and the division of what constitutes appropriate care, providing assurance that, if the plan is followed, the buyer will not have liability for cleanup of releases that occurred prior to purchase,” explains Shawn Cecil, with the Department for Environmental Protection’s Commissioner’s Office. “Through the Property Management Plan, the

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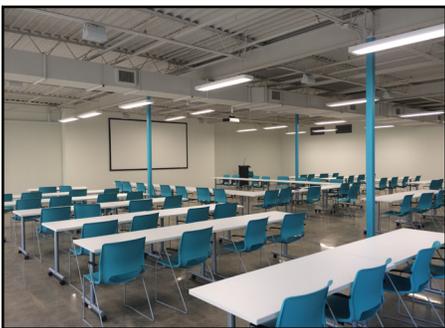


Commonwealth is asking that redevelopers take steps to manage any additional exposure caused by their activities.”

When the Cambrons purchased the Kuhlman property in 2013, it was the first transaction in the Commonwealth affected by this new law.

\$ Buying and renovating the Kuhlman property made sense to the Cambrons because it cost only a fraction of what it would have been to build a new facility on vacant land. The portion of the building not used by Ruggles is leased to another business and provides rental income.

? During the process of purchasing the property, the Cambrons and their consultant worked with the Kentucky Division of Waste Management



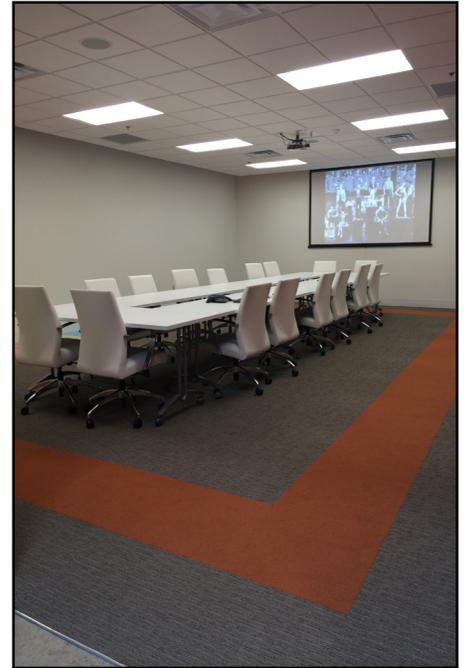
A meeting room in the renovated Ruggles Sign Company facility

to complete the purchase under the new law’s provisions and with the Division of Compliance Assistance’s Environmental Compliance Assistance Program to obtain the proper air permit.

“My experience was very positive,” says Tim Cambron. “My advice is to hire a good environmental consultant because not all brownfields are alike. Work with your consultant and state officials to understand the process better.”

+ Under the new law’s provisions, existing cleanup standards and corrective action requirements are unchanged for those responsible for the damage. Anyone can purchase properties with environmental concerns and use or redevelop them with the understanding and documentation from the Commonwealth that the parties who caused any environmental problems will remain responsible for those issues. This improves the value of the property, puts them back onto tax rolls, has the potential to add jobs and adds another layer of protection (an attentive property owner) to the use of the property.

“I thought it was a shame to see this building idle, but the biggest



A conference room at Ruggles Sign

benefit of using this site was the cost, and the location is better than the land we originally bought,” says Cambron. “We’re utilizing something that was already there rather than building from scratch.”

🌿 “We want to look for ways to encourage property reuse,” says Cecil. “It’s a bit of a departure from the perception that environmental regulation means always curtailing private industry and economic opportunity. In this case, we are looking for ways to help bring industry and jobs to the Commonwealth.”

HELPFUL HINT: Kentucky House Bill 465 encourages property redevelopment and removes environmental liability obstacles for property buyers.