



Press Release

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Northern Kentucky Tri-ED Celebrates New and Expanding Industry through Recognition Event *2009 Economic Impact Study Released*

(COVINGTON, KY) March 31, 2010 – Northern Kentucky Tri-County Economic Development Corporation (Tri-ED) recognized new and expanding businesses in the region and the economic impact they created in 2009 at the organization’s annual Northern Kentucky Thoroughbreds luncheon and recognition event, held at the METS Center for Corporate Learning.

“Northern Kentucky Tri-ED and the community continues to celebrate its success with the recognition of new and expanding businesses in 2009” said Chairman, Northern Kentucky Tri-ED, and Boone County Judge-Executive Gary Moore. “Given the nationwide economic downturn, we are especially grateful to the companies who have placed confidence and substantial investment in Northern Kentucky in 2009. We will continue to work aggressively to maintain a successful business environment for these Thoroughbred companies and the local business community.”

Tri-ED assisted ten new or expanding companies, creating a total of 1,286 primary jobs in Northern Kentucky, in 2009. Businesses recognized at the Thoroughbreds event include ACS, a Xerox Company; Andrews Electronics; ASTAR Air Cargo; Convergys; DEFENDER Direct; DHL Express; Emerson Industrial Automation; PHD Diagnostics; and Steinert US.

“These new and expanding companies in Northern Kentucky accounted for 2,760 new jobs within the Cincinnati MSA,” said Dan Tobergte, President & CEO, Northern Kentucky Tri-ED. “We are pleased to recognize these companies in this tough business environment and realize the need to continue our aggressive marketing and retention efforts as we position Northern Kentucky for the upturn.”

Northern Kentucky University’s Center for Economic Analysis and Development (CEAD), led by Janet Harrah, prepared an Economic Impact Analysis based on the projections of these companies. CEAD noted that in addition to the projected job creation numbers, “new and expanding businesses in Northern Kentucky are projected to invest more than \$63.9 million in land, buildings and equipment in 2009.”

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Over the last 22 years as a result of Northern Kentucky Tri-ED's efforts, 490 companies have located or expanded in the area and 48,277 new primary jobs were created with an investment of \$4.7 Billion in capital investment. On average, Northern Kentucky Tri-ED has attracted ten new companies and assisted 12 companies with expansions every year.

About Northern Kentucky Tri-ED Founded in 1987, the Northern Kentucky Tri-County Economic Development Corporation (Northern Kentucky Tri-ED) serves as the primary economic development marketing agency for Boone, Kenton, and Campbell counties in Northern Kentucky. Since 1987, 490 companies have located or expanded in Northern Kentucky accounting for 48,277 new primary jobs and \$4.7 Billion in capital investment. Northern Kentucky Tri-ED is a key partner in Vision 2015, a 10-year strategic plan for growth in the region. For more information, visit www.NorthernKentuckyUSA.com.

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2009 Northern Kentucky New and Expanding Companies



A **xerox**  Company

ACS, A Xerox Company is the sixth largest private employer in Kentucky with nearly 4,000 employees. The company has operations in nine Kentucky cities and more than 750 locations around the world. ACS headquarters is in Dallas and Xerox is headquartered in Norwalk, CT with large operations in Rochester, NY. Through ACS, which Xerox acquired in February 2010, Xerox also offers extensive business process outsourcing and information technology outsourcing services, including data processing, HR_benefits management, finance support, and customer relationship management services for commercial and government organizations worldwide. ACS opened its 36,000 square foot electronic document sorting and consolidation facility at 1670 Dolwick Drive, Boone County in 2009.



Andrews Electronics, a division of MTI-Andrews headquartered in Hillsboro, Oregon, established its consumer electronics parts and accessories processing center in 73,500 square feet in Skyport V, 2265 Progress Drive, Hebron, Kentucky. Andrews Electronics is one of North America's largest consumer electronic parts distribution and reverse logistics companies, providing a variety of essential services to manage the lifecycle of their customers' supply chains. This Northern Kentucky operation allows Andrews Electronics to economically ship products to any location in the country in two days or less.



ASTAR Air Cargo, Inc. is a licensed U.S. air carrier operating a fleet of cargo aircraft from its operational hub at the Cincinnati/Northern Kentucky International Airport. The airline provides cargo scheduled and charter services on a contract basis for the DHL Express network and charter services for other customers, including the U.S. military and the United States Postal Service. ASTAR is a participant in the United States Civil Reserve Air Fleet program supporting our national defense. More than eighty percent of ASTAR's employees are based in Northern Kentucky. The operational headquarters, including flight dispatch, engineering, employee relations and operations management are housed at Turfway Road in Florence. Pilots and mechanics are based at the CVG operations hub, and flight training is conducted in Hebron, Kentucky.

CONVERGYS
Outthinking. Outdoing.

Convergys Corporation (NYSE: CVG) is a global leader in relationship management, providing solutions that drive more value from the relationships clients have with their customers and employees. Convergys turns these everyday interactions into a source of profit and strategic advantage for its clients. For more than 30 years, Convergys' unique combination of domain expertise, operational excellence, and innovative technologies has delivered process improvement and actionable business insight to clients that now span more than 70 countries and 35 languages. Convergys, a Fortune Most Admired Company for nine consecutive years, has approximately 70,000 employees in 82 customer contact centers and other facilities in the United States, Canada, Latin America, Europe, the Middle East, and Asia, and our global headquarters in Cincinnati, Ohio. In 2009, the company added 200 jobs to its 1101 Pacific Avenue location in the Circleport Business Park, Erlanger, Kentucky.



DEFENDER Direct, Inc., an Indianapolis-based authorized dealer for ADT Security Services and Dish Network, opened a 14,000 square foot call center in the Newport Shopping Center at 1787 Monmouth Street, Newport, Kentucky. The company plans to employ 100 people as part of this operation. The company is also committed to the communities it serves through civic and philanthropic involvement with organizations such as Junior Achievement, the United Way and the Make a Wish Foundation of Greater Ohio, Kentucky and Indiana. Founded in 1998 in the spare bedroom of Chairman and CEO, David Lindsey's home, DEFENDER is now recognized as the #1 ADT dealer in the country and ranks among Dish Network's Top 5 dealers in the country.



DHL is the global market leader in the logistics industry and "The Logistics company for the world". DHL commits its expertise in international express, air and ocean freight, road and rail transportation, contract logistics and international mail services to its customers. A global network composed of more than 220 countries and territories and about 300,000 employees worldwide offers customers superior service quality and local knowledge to satisfy their supply chain requirements. In 2009, DHL Express U.S. reconfigured its entire network to reflect its international focus – including an enhanced, fully-automated international hub at the Cincinnati/Northern Kentucky International Airport that features a Quality Control Center to monitor world events and spot situations that might delay shipments. The company is located in Unincorporated Boone County, Northern Kentucky.



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Power Transmission Solutions, a business of Emerson Industrial Automation, is a family of respected global product brands (Browning, Jaure, Kop-Flex, McGill, Morse, Rollway, Sealmaster and System Plast) that supply a variety of power transmission components designed to increase both operational uptime and productivity for multiple industries. Each of Emerson's brands brings time-tested reliability and proven performance solutions to challenging application needs. System Plast, its most recent acquisition, provides state of the art design, materials and construction of conveying chains, components and modular plastic belts for today's high volume food and beverage production requirements. The company is located in the Northern Kentucky Industrial Park, Kenton County.



PHD Diagnostics is a personalized medicine genetic testing service company that provides genetic information to assist doctors in making personalized care decisions for their patients. The genetic information doctors receive enables them to prevent the onset of disease and improve therapeutic effectiveness of medications delivered to patients. In 2009, PHD Diagnostics introduced Respiragene™ a genetic profile that provides smokers and ex-smokers their personal risk score of developing Lung Cancer. Molecular genetic tests for clotting disorders, Coumadin dosing and cancer drug toxicity are also offered by PHD. The company is located at 632 Russell Street, Covington, Kentucky.



Steinert US (SUS) announced the relocation of its North American headquarters to Northern Kentucky from Clearwater, Florida in November 2009. The company occupies 7,500 square feet of space at 1830 Airport Exchange Blvd, in Unincorporated Boone County. Steinert US moved its entire parts warehouse and administrative activities to the new location. Incorporated in 2003, Steinert US was the 50/50 joint venture of Steinert Metalloxd, Inc (SMI), and Southern Recycling of St. Petersburg, Florida. As a result of its modern and economical magnetic and sensor sorting equipment, SUS is now the leader in separation equipment for the North American Scrap Metal Market.

Projected Annual Economic Impact of Business Growth 2009 Calendar Year

(Analysis prepared March 2010)

SUMMARY				
	Jobs	Business Sales or Output	Labor Income	Value Added
Direct Effects	1,286	\$255,320,764	\$111,030,115	\$147,153,864
NKY Indirect/Induced Effects	1,152	\$138,170,394	\$47,400,480	\$77,819,315
Total Impact on NKY*	2,438	\$393,491,158	\$158,430,595	\$224,973,179
Other Metro Indirect/Induced Effects	322	\$59,538,517	\$22,558,418	\$35,487,126
Total Impact on Cincinnati MSA*	2,760	\$453,029,675	\$180,989,013	\$260,460,305

FROM NEW BUSINESS				
	Jobs	Business Sales or Output	Labor Income	Value Added
Direct Effects	424	\$83,664,056	\$36,433,131	\$49,184,468
NKY Indirect/Induced Effects	382	\$45,494,928	\$15,642,320	\$25,661,143
Total Impact on NKY	806	\$129,158,984	\$52,075,451	\$74,845,611
Other Metro Indirect/Induced Effects	106	\$19,259,063	\$7,107,195	\$11,368,365
Total Impact on Cincinnati MSA	912	\$148,418,047	\$59,182,646	\$86,213,976

FROM EXPANDING BUSINESS				
	Jobs	Business Sales or Output	Labor Income	Value Added
Direct Effects	862	\$171,656,700	\$74,596,985	\$97,969,395
NKY Indirect/Induced Effects	770	\$92,675,486	\$31,758,164	\$52,158,177
Total Impact on NKY	1,632	\$264,332,186	\$106,355,149	\$150,127,572
Other Metro Indirect/Induced Effects	216	\$40,279,456	\$15,451,210	\$24,118,748
Total Impact on Cincinnati MSA	1,848	\$304,611,642	\$121,806,359	\$174,246,320

* NKY includes Boone, Bracken, Campbell, Gallatin, Grant, Kenton and Pendleton Counties. In addition to the 7 counties listed for NKY, the Cincinnati MSA includes Franklin, Dearborn and Ohio Counties in Indiana and Butler, Warren, Hamilton, Clermont and Brown Counties in Ohio.

In addition, the new and expanding businesses in Northern Kentucky are projected to invest more than \$63.9 million in land, buildings and equipment in 2009.

DEFINITIONS

Business Sales or Output: Output represents the value of industry production. For manufacturers this would be sales plus/minus change in inventory. For service sectors production = sales. For retail and wholesale trade, output = gross margin and not gross sales.

Labor Income: All forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Multiplier Impacts: Multipliers break the effects of a change (or stimuli) on economic activity down into three components.

1. **Direct effects** are the changes in the industries to which a final demand change was made. For example a firm hires 100 new employees.
2. **Indirect effects** are the changes in inter-industry purchases as they respond to the new demands of the directly affected industries. For example, an auto firm expands production and hires 100 new workers. This change in production will likely lead to additional impacts on the firm's supply chain.
3. **Induced effects** typically reflect changes in spending from households as income increases or decreases due to the changes in production.

Value Added: The difference between total output and the cost of intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). It is a measure of the contribution to GDP made by an individual producer, industry or sector.

Data and software sources: The input data for this project were supplied to the CEAD by Tri-ED. CEAD used economic impact assessment methodology to estimate the potential economic impacts arising from the proposed projects. Note this analysis produced estimates of these projects. It did not produce net impacts on the economy. In other words, as these projects go online other firms may be reducing jobs. The estimates presented are for the proposed new projects; they do not show estimates for *net* future economic activity.