



IAMC

INDUSTRIAL ASSET MANAGEMENT COUNCIL

Dispatch

“Where the market meets.”

a newsletter for corporate real estate executives

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December 2003

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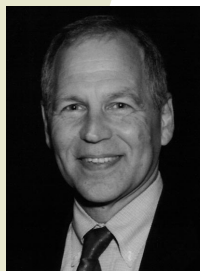
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Dr. Robert Genetski

Economist Genetski to Address Coming Boom at IAMC Spring Forum

IAMC members hungry for informative economic insights will welcome economist and financial consultant Dr. Robert Genetski as the luncheon speaker on Monday, March 15, 2004, at the Spring Forum in Tucson. Dr. Genetski will address “The Coming Economic Boom — Implications for the Economy and Financial Markets” by focusing on a classical economic framework that emphasizes low taxes, free markets, property rights and price stability as the key elements of prosperity.

“Lower tax burdens provide greater incentives to create wealth, while the creation of new money provides the wherewithal,” Genetski wrote in a recent monthly report, as he analyzed bank reserves and indicators of what he calls a “highly expansive monetary policy.” Speaking to current issues that affect the operations of most IAMC member companies, Genetski’s Tucson presentation will look at the implications of our current monetary policy,

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Fall '04 Forum Bound for the Peabody

When nearly every industrial company has some sort of operation in America’s Distribution Capital, it only makes sense for industrial asset managers to convene there too. So the IAMC Fall 2004 Forum will take place in Memphis, Tenn., Sept. 26–29, at the luxurious Peabody Hotel.

Known for its daily duck parade in the lobby and years of rooftop extravaganzas, the Peabody is in the heart of downtown and the heart of Memphis history. As for the metro itself, it’s at the heart of many IAMC member operations — companies from Pfizer to Waste Management, Honeywell to Coors, have major operations in the city.

In fact, a snapshot survey of those members, combined with research by *Site Selection* and the Memphis Chamber, reveals that roughly a third of IAMC corporate members have operations in the metro area, including companies like United Technologies, Weyerhaeuser and General Electric.

Like the city’s pre-eminent place in so many companies’ distribution plans, the Memphis Forum will be a must for IAMC members.



Genetski: Keynote Speaker

(continued from page 1)

recent tax cuts and the new Medicare legislation for the economy, interest rates, stock prices and manufacturing.

Recognized as one of the nation's premier interest rate forecasters and investment advisors, the Chicago-based Genetski has conducted pioneering research into the role of taxes and their impact on economic prosperity. He has taught economics at New York University (where he earned his Ph.D.) and at the University of Chicago's Graduate School of Business. He has served on numerous boards of directors and writes a regular column for the *Nikkei Financial Daily*, Japan's leading business newspaper. His most recent book, *A Nation of Millionaires*, follows the wide success of his first, *Taking the Voodoo Out of Economics*, which anticipated and shaped many of the major policy changes that are now occurring throughout the world.

Tucson Research Roundtable: Are Your Real Estate Operations Sarbanes-Oxley Compliant?

Make plans now to attend the March 17, 2004, Research Roundtable, which will examine how the Sarbanes-Oxley Act affects corporate real estate. The program will:

- Review the act's effects on real estate operations and reporting,
- Identify the real estate-function areas most likely to require attention,
- Define Sarbanes-Oxley Act compliance,
- Examine processes for moving toward compliance, and
- Provide plenty of small-group discussion time for the participants.

Note that the Research Roundtable has been moved to Wednesday, March 17, for the Spring 2004 Professional Forum. The program will begin at 10:00 a.m. and conclude by 2:00 p.m. Attendees must be corporate end-users, including IAMC Active members and those who qualify for this membership category. Those registered for the Spring 2004 Professional Forum may attend at no charge; there is a \$125 fee for those not registered. To reserve your spot at the Roundtable, contact Joel Parker at joel.parker@comway.com or 770-325-3484.



People In the News

Byrnes Leaves IBM for Grubb & Ellis

He helped start the corporate real estate outsourcing wave. Now, in the best West Coast tradition, he'll be the wave.

In just the latest of several recent high-profile moves from the corporate to the service provider side, **John Byrnes**, a 32-year real estate veteran with **IBM Corp.**, has taken the post of executive vice president, regional managing director for the Chicago-based central region of the **Grubb & Ellis** Corporate Services Group.



John D. Byrnes Jr.

IAMC member **Craig Morris**, president of the Grubb & Ellis Corporate Services Group, says, "Since IBM is one of our largest clients, we've had the opportunity to work closely with John for many years. He understands the benefits corporate users can achieve through outsourcing, and will be able to provide our clients invaluable insight as part of the Grubb & Ellis team."

As director of the western region of IBM's Real Estate Services Group, Byrnes oversaw a portfolio of more than 32 million sq. ft. (3 million sq. m.) at more than 675 locations in 32 states. Prior to taking that role in 1992, he spearheaded the company's — and the industry's — use of outsourcing for leasing and management services.

Sidney Epstein, chairman of the Chicago-based architecture and engineering firm **A. Epstein and Sons International, Inc.**, received the 2003 Award of Honor from the Chicago Building Congress in October 2003 for his distinguished career spanning more than 60 years. **John Patelski**, president of the firm, is an IAMC member.

As part of a string of succession moves occurring in the C-suite at **Duke Realty Corp.**, **Bob Chapman** has been named senior executive vice president, head of real estate operations. **Karen Finan**, with Duke Construction, is an IAMC member.

Spring 2004 Professional Forum Events and Sponsors

Sunday, March 14

Welcome Reception and Western Barbecue Dinner ... **Mississippi Development Authority, State of Oklahoma**

Monday, March 15

Networking Breakfast **Bowling Green Area Chamber of Commerce, LG&E Energy**

Networking Refreshment Break **CN**

Luncheon Program **McCallum Sweeney Consulting**

Networking Refreshment Break **Scannell Properties**

Networking Reception **Tennessee Economic Partnership**

Tuesday, March 16

Networking Breakfast **Virginia Economic Development Partnership**

Wednesday, March 17

Research Roundtable **DADCO Consulting**

Making the Leap

IAMC isn't standing pat with its incredible run of first-year success. Far from it, the association is taking significant strides to grow in both quality and quantity in 2004. On Dec. 1, we took a major step in that direction by hiring John Gunn Marketing Partners of Arlington, Va., as our marketing firm.

John's team of marketing professionals brings more than 65 years of collective expertise in association and nonprofit management, marketing, program development and sales. As the former director of marketing and brand strategy for the American Society of Association Executives, John brings the experience of working with hun-

dreds of associations and association executives. In other words, he has literally been at the "hub" of the association marketing world.



by **RON STARNER**
IAMC Interim
Executive
Director

Michelle Poskaitis, a key member of this team, is the author of the best-selling book, *Smart Marketing: Marketing Plans for Associations*, and is a respected leader in the industry, with more than 20 years of senior marketing and branding experience with associations.

Please join me in welcoming all of the members of John Gunn Marketing Partners to the IAMC team. Working closely with Chairman Bob Zane, the IAMC Marketing Committee and IAMC staff, John and his team are poised to deliver outstanding results to our association in 2004.

Research and Resources

• **A survey by Deloitte & Touche** finds that nearly one-half of 350 real estate and construction executives report an increase in construction-related disputes over the past few years, with touted Web collaboration tools only helping resolve or avoid disputes 25 percent of the time. Leading the complaint categories were architect/engineer error (43 percent), excessive change orders (36 percent) and owner/contractor interference (35 percent). To receive a copy of the survey, contact Mark Blumkin, senior manager of the firm's Construction Advisory Services Practice, at 212-436-2359 or mblumkin@deloitte.com.

• **In his 2004 outlook** for U.S. construction activity, Robert Murray, vice president, economic affairs for McGraw-Hill Construction, foresees total manufacturing facility construction of 70 million sq. ft. (6.5 million sq. m.) in 2004, up from 65 million sq. ft. (6 million sq. m.) in 2003. This will be the sector's first increase in three years, after dropoffs of 16 percent, 29 percent and 2 percent from 2001 through 2003. A nine-percent rise in the category's capital investment will be motivated by a strengthening dollar and the need to replace aging facilities. In his Atlanta presentation in November, he also predicted a 2004 gain of 13 percent in warehouse square footage (after declines of 16 percent in 2003 and 23 percent in 2002) and a 2-percent increase in federal highway and bridge project funding in 2004, after a dropoff of 6 percent in 2003.

SPONSOR

spotlight

CN Has New Lease on Line in B.C.

In a move sure to strengthen its forest products transport business, IAMC Founding Sponsor Canadian National (CN) has agreed to pay the government of British Columbia some US\$758 million for the BC Rail franchise and the right to operate over the rail line under a long-term lease. With the transfer to private hands, shipping costs in B.C. are expected to come

down, while market access will pick up.

That will be especially true in Prince George, where CN will shuffle most switching activity to BC Rail's yard, invest in a new wheel shop and free up substantial city real estate at its old switching yard for commercial, industrial and recreational development.



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NEW MEMBER UPDATE

Alan S. Alterman, director of real estate for the **Hanger Orthopedic Group** in Bethesda, Md., has joined IAMC as a corporate active member. His responsibilities include oversight of all real estate and facility operations for some 1.8 million sq. ft. (167,220 sq. m.) of mostly leased space, 80 percent industrial and 20 percent retail. Founded in 1861 by James Edward Hanger, the first amputee of the Civil War, the firm makes and distributes prosthetic and orthotic products across the U.S. The company owns and operates 588 patient-care centers in 44 states and the District of Columbia, with 3,115 employees.

Lisa W. Speltz, director of real estate service for **Nestle Waters North America**, joined IAMC in November. Based in North Haven, Conn., the 15-year asset management professional oversees a global portfolio of more than 9 million sq. ft. (836,100 sq. m.). The company's most recently announced project is a \$120-million plant in Madison County, Fla., reported on in the "Florida Spotlight" feature in the Sept. 2003 issue of *Site Selection*.

In December, **Russell Burton**, senior group manager for economic development with **Frito-Lay, Inc.**, joined IAMC. Based in Plano, Texas, he oversees a PepsiCo division portfolio which includes operations of subsidiaries PepsiCola, Tropicana and Quaker Oats. His duties include tax planning, governmental affairs and negotiation of economic incentives. His membership brings to seven the number of IAMC corporate members whose companies are at least partially active in the food and beverage sector.

Board Members

The IAMC Board of Directors will be meeting January 21-22, 2003, in Norcross, Ga., with a strategic planning session on the afternoon of Jan. 21, and executive committee and board meetings the morning of Jan. 22.

Money-Saving Deal: Membership plus Forum Registration

Corporate end users who are not yet IAMC members but plan to attend the Professional Forum for the first time in Tucson, Ariz., March 14-17, 2004, may join IAMC and attend the Forum for \$990.00. *This represents a cost reduction of \$600.* A membership

application must accompany the registration form. Check out our Web site at www.iamc.org for the membership application and registration form. Should you have any questions, call or e-mail Cathy Pierce at 770-325-3430 or cathy.pierce@iamc.org.



IAMC committee work continues to move forward in such areas as strategic planning, regional development, education and leadership development. Look for committee reports in upcoming issues of the IAMC Dispatch.

The Organization:

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Spring 2004 IAMC Professional Forum Tucson, Ariz., March 14-17, 2004

DADCO Consulting

Bowling Green Area Chamber of Commerce

CN

The Savannah Economic Development Authority

Mabile-Carter

The State of Oklahoma

North Dakota Department of Commerce

State of Oregon

McCallum Sweeney Consulting

CSX Transportation

Mississippi Development Authority

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