



# IAMC

INDUSTRIAL ASSET MANAGEMENT COUNCIL

## Dispatch

a newsletter for corporate real estate executives

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## Downtown Experts Rate Memphis No. 1

Specialists in downtown redevelopment tend to know a thing or two about what makes a downtown destination attractive to corporate executives.

According to the members of the International Downtown Association (IDA), there's no better place in America to hold a convention than downtown Memphis, site of the upcoming IAMC Fall 2004 Professional Forum Sept. 26-29.

In a survey released by the IDA, Memphis was ranked as the No. 1 conference location, beating out such notable city centers as Boston, Pittsburgh, Los Angeles, Orlando and New Orleans. When asked to select their favorite city for hosting a conference, members of IDA overwhelmingly chose Memphis. The vote was even more remarkable because Memphis was selected through the write-in category, as the city was not included on the original list.

Memphis is especially attractive to convention-goers because of its amenities and venues — from Beale Street and Graceland to the Pyramid, AutoZone Ballpark and the new FedEx Forum.

When IAMC goes to Memphis in September, conference attendees will have the

*(continued on page 2)*



## A Profile of Active Membership: A Source of Prestige and Strength

IAMC Active members are the organization's foundation and the primary source of business networking value for its Associate members. The Actives are corporate real estate executives, largely from manufacturing and industrial companies. Many are employed by some of the world's largest multinational corporations.

**Elite Multinationals:** Over 31 percent of IAMC Active members work for companies listed among Fortune magazine's Global 500, and 48 percent among the *Fortune* 500. These include Wal-Mart Stores, Delphi, Pfizer, Dow Chemical, ChevronTexaco, BASF and others. Their facilities amount to millions of square feet, worldwide.

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Fall 2004 IAMC Professional Forum, Memphis, Tenn., September 26–29, 2004

# Memphis Rated No. 1 (continued from page 1)

added benefit of staying at the luxurious and historic Peabody Hotel in the heart of a bustling downtown.

I can personally vouch for these IDA members, after visiting downtown Memphis on April 22-23 to speak to the quarterly meeting of the Memphis Regional Economic Development Council. I saw horse-drawn carriages and trolley cars taking crazed basketball fans to the Pyramid to watch their beloved Grizzlies battle the San Antonio Spurs in the NBA



by **RON STARNIER**  
Executive Director  
IAMC

Playoffs. I smelled the mouth-watering barbecue being cooked at famous

Memphis restaurant The Rendezvous. I saw the throngs of tourists packing into the various music establishments along Beale Street. And, of course, I saw the beautiful homes lining the New Urbanist streets of Mud Island.

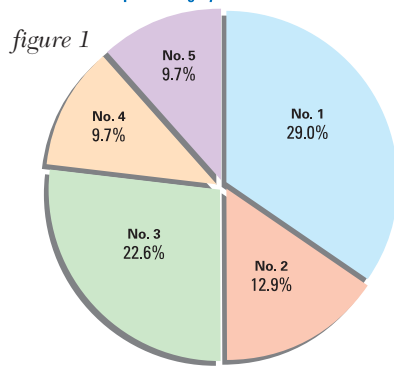
My overall impression of the urban core of Memphis is that this is one livable town — and one fantastic place to hold an IAMC Forum.

## A Profile of Active Membership (continued from page 1)

**Market-Leading Companies:** Almost as impressive as their size is the high percentage of Active-member companies ranked at or near the top of their respective industries (see figure 1). These companies are highly successful, and enjoy the competitive advantages associated with market leadership.

**High Diversity of Industries:** The Active-member companies compete in a diverse array of industries. No single industry accounts for more than eight percent of the membership. This diversity supports cross-industry learning and networking, makes the Professional Forums true opportunities for idea exchange, and provides a rich mine for IAMC research and education to seek management principles that can be applied in new ways to companies in different industries.

IAMC Companies Highly Ranked In Their Industries



Percentage of IAMC Fortune 500 companies holding rankings of 1 – 5 in their industries

Source: IAMC and www.fortune.com, the Fortune 500 lists

**Senior-Level Executives:** The corporate seniority of Active members has increased since IAMC opened for business. As of April 2004, Actives with a vice president title have replaced those with a manager title as the second-largest membership component. No other open-membership real estate association can match IAMC's concentration of high-level corporate Actives.

**Regionally Dispersed:** While over half of Active members reside along the eastern seaboard of the U.S., two western states, California and Texas, together account for 19 percent. New Jersey is home to the highest number of Active members.

**Membership Stability and Participation:** IAMC sports an Active-member retention rate of 93.8 percent from March 31, 2003, through April 1, 2004. Actives — especially those who have participated in one or more of its twice-annual Professional Forums — are loyal to IAMC.

In fact, 80 percent of Actives have participated in one or more Professional Forums; 43 percent have been at two, or more, Forums. The most recent Forum, held in March 2004 in Tucson, saw participation by 60 percent of total Active membership. Professional associations that engage a high percentage of members in key activities tend to retain those members.

## Memphis Biotech Scene, IAMC member organizations highlighted in May 2004 issue of *Site Selection*

The special "IAMC Report" is coming up in the July issue of *Site Selection*, the official publication of the IAMC. But in the meantime, don't miss "Emerging Life Science Clusters," by Senior Editor John McCurry, in the May 2004 issue. In a story that features bio-industry clusters in New Haven, Conn. and London,



Ont., several facets of the Memphis biotech scene are on display, including the Memphis Academy of Science and Engineering (a charter school)

and the new TriStar incubator, affiliated with the University of Tennessee.

Elsewhere in the May issue, **Pfizer** is honored for one of the Top Deals of 2003, for its \$1-billion, 2,000-job investment in New York City. Pfizer corporate real estate executives **Mert Livingstone** and **Sean Nugent** are IAMC corporate members.

In addition, IAMC economic developer members **Gene Strong** (Kentucky Cabinet for Economic Development), **Jim Colson** (New Mexico Economic Development Partnership), **Frank Tamberrino** (Tennessee Economic Partnership) and **Rick Richardson** (Virginia Economic Development Partnership) saw their state-level economic development efforts rewarded by placing in the Top 10 in the magazine's second annual Competitiveness Award competition.

IAMC Members **Bill Sproull** (Greater Dallas Chamber), **Janet Miller** (Nashville Chamber of Commerce), **Mario Hernandez** (San Antonio Economic Development Foundation) saw their organizations garner the magazine's coveted Top Groups honor for 2003.

## Research and Resources

A report issued on April 2, 2004, by the General Accounting Office reveals that more than 60 percent of U.S. corporations and nearly 70 percent of foreign-owned companies with operations in the U.S. found ways to **completely avoid federal taxes** between the years 1996 and 2000. However, those percentages hovered around 30 percent and 40 percent, respectively, for large corporations (those with at least \$250 million in assets or \$50 million in gross receipts). The percentages go even lower in the manufacturing sector: 6.6 percent of U.S. manufacturers, and 7.5 percent of

foreign-controlled manufacturers, reported no federal tax liability for tax year 2000. For the full report, go to [www.gao.gov](http://www.gao.gov), click on reports, then click on April 2, 2004, to access the report "Comparison of the Reported Tax Liabilities of Foreign- and U.S.-Controlled Corporations, 1996-2000."

Rochelle Park, N.J.-based DAK Group, in concert with the Whitcomb Center for Research and Financial Services at Rutgers University, has issued its **2004 merger and acquisition survey** of privately owned mid-sized

businesses. A full 69 percent of the 510 respondents anticipate that the number of companies in their industries will decrease in the next three years. Among the survey's intriguing findings for corporate site selectors: between 2003 and 2004, the importance of geographic diversification as a motivator for making an acquisition has jumped from 18 percent to 29 percent. For more, go to [www.dakgroup.com/survey.html](http://www.dakgroup.com/survey.html).

In late April, the U.S. government issued its new "FairPay" rules govern-

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## SPONSOR spotlight Entergy Corp.

### Entergy Helps Secure a Win for Wynne

In late April, ground was broken for the 91,000-sq.-ft. (8,190-sq.-m.) new plant in Wynne, Ark., for Sakae Riken Kogyo subsidiary Eakas. Less than an hour west of Memphis, Tenn., the town of 8,700 will see the Japanese auto parts manufacturer hire some 250 workers to make door handles and rearview mirrors.

Entergy's Danny Games says Eakas first looked at Arkansas during the summer of 2003, going away less than convinced. But at nearly the same time, Entergy was sending out a targeted mailing to 5,000 companies in the automotive sector, and it caught the eye of company president Tom Mori. Following a phone call between Games and Mori, Games and his counterparts with the state quickly presented alternatives to what the company had already viewed. The race was on, primarily with site in west Tennessee. One element in Wynne's favor was its "sellability," says Games, as well as the fact that Cross Co. was one of the few Delta counties in Arkansas to see gains in population between 1990 and 2000.

The company has only one other U.S. plant, in Peru, Ill. A visit there by Arkansas economic developers was one piece of the puzzle that helped the

Japanese firm snap into position.

"We asked if they were open to our visiting their one plant in the U.S., and sure enough, they were very receptive to our coming up there," Games says, noting the strong role played by Bill Thomas, head of the Cross County Economic Development Corp. A

party of six, including economic developers and local experts on water supply and treatment, made the trip on Entergy's corporate jet, spending half a day with company officials and, more importantly, demonstrating a hunger for the project that did not go unrecognized. The Wynne site did not meet the criterion of being on an Interstate. But the widening of a main highway was in progress, and the complementary work done by the economic developers helped Eakas put Wynne at the top of its list late in the game.

"Other sites were right on the Interstate, or easily within a mile," says Games. "But we sold them on the attributes of Wynne, and Wynne sold them on the attributes of Wynne. Eakas and Wynne are a perfect fit."



Entergy



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INDUSTRIAL ASSET MANAGEMENT COUNCIL

**NEW MEMBER UPDATE**

**New Corporate Members**

**Ed O'Neill**, Director, Global Real Estate, **Federal Mogul Corporation**. Ed oversees a portfolio of some 35 million sq. ft. of owned and leased facilities. He has worked for 20 years in asset management, with significant experience in the Asia Pacific.

**New Associates**

**David T. Ginn**, President & CEO, **Charleston Regional Development Alliance**, Summerville, S.C.

**Robert A. Regan**, Mayor, **City of Glens Falls**, N.Y.



**Eakas is occupying 46 acres of this 800-acre parcel in Wynne, providing one more explanation for why the Arkansas town is known as the "City With a Smile."**

## Research and Resources *(continued from page 3)*

ing **overtime eligibility**. Some 50 years had elapsed since their last update. The new regulations will take effect in August. Among the changes, workers earning \$23,660 or less are guaranteed overtime. According to the Dept. of Labor, this brings into the fold some 6.7 million low-wage salaried workers, including 1.3 million salaried white-collar workers. The former threshold was \$8,060. But companies will still need to navigate the web of differing state overtime laws and regulations. A text version of the new federal rules is available online at [www.dol.gov/fairpay](http://www.dol.gov/fairpay).

An in-depth study of corporate policies in **international work force deployment** by Cendant Mobility was released in 2002, with results that will be familiar to corporate real estate practitioners. Among other findings in "Emerging Trends in Global Mobility: Policy & Practices Survey 2004," 73 percent of respondents said their companies' business units expect international growth to increase, while 67 percent say their companies have an increased focus on cost control over the past three years. To see the full report, go to [www.cendantmobility.com](http://www.cendantmobility.com).

A study by RAND Corp. looking at all **federal R&D money** slated for universities and colleges during the 2002 fiscal year found that med schools received 45 percent, or some \$9.6 billion of the total of \$21.4 billion.

According to RAND, "California, New York, Pennsylvania and Texas were the only states that were successful in obtaining significant amounts of research and development funds from all of the major federal research and development agencies." For more, go to [www.rand.org](http://www.rand.org).

An April release from the U.S. Bureau of Economic Analysis showed that U.S. **multinational companies** (MNCs) employed 30.6 million workers in 2002, of which 22.4 million were employed in the United States. Majority-owned U.S. affiliates of foreign MNCs employed 5.4 million workers in 2002, accounting for 5 percent of total U.S. private industry employment. For more, go to [www.bea.gov](http://www.bea.gov).

A bill (H.R. 1824) currently before the U.S. House of Representatives' Ways and Means Committee would modify the current federal tax code to **classify fire**

**sprinkler systems as five-year property for purposes of depreciation**. According to the Society of Fire Protection Engineers (SFPE), the act would promote the installation of fire sprinkler systems through the use of tax incentives. For more, go to [www.sfpe.org](http://www.sfpe.org).

### IAMC Calendar

The IAMC Research and Education Committee will hold a conference call on May 12, 2004.

The IAMC Board of Directors will meet July 21-22, 2004, at IAMC headquarters in Norcross, Ga.

### IAMC Research and Education Committee Roster

**Phil Hammel**, Honeywell, co-chair  
**Pat McKee**, McGough Construction, co-chair  
**Alan Alterman**, Hanger Orthopedic Group  
**Dennis Boles**, Haworth  
**Dina Boscardin**, Mohr Partners  
**Mark Dore**, Time Warner Cable  
**Robert Duncan**, CB Richard Ellis  
**Gary Gregg**, Fulton Andrew Co.

**Rick Little**, Weyerhaeuser  
**Jack Logue**, retired, Argonne National Laboratory  
**Jim Martin**, Donaldson Co.  
**Ed McCallum**, McCallum Sweeney Consulting  
**Scott Reed**, Anheuser-Busch  
**Lisa Speltz**, Nestlé Waters North America  
**Joel Parker**, IAMC staff



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