



IAMC

INDUSTRIAL ASSET MANAGEMENT COUNCIL

Dispatch

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Going Without SOX

As of Aug. 23, the IAMC survey on the impact of the Sarbanes-Oxley Act (SOX) on corporate real estate departments had yielded some early — and sometimes surprising — results.

On the heels of the Spring 2004 Research Roundtable in Tucson on the topic, IAMC Director of Research Joel Parker sent out the survey to more than 2,500 corporate real estate, facility management, and corporate top managers. So far, 29 percent of respondents have said they are “poorly informed” about SOX, even though a full 20 percent feel that corporate real estate holds significant risks that have GAAP financial reporting implications.

While almost all respondents who report through their corporate finance departments have already experienced a SOX audit, 48 percent of overall respondents have not yet received a request from a SOX audit team.

Look for a complete report of the survey's findings later this year.

Memphis On Fed Watch List ... For Funding

On Sept. 10 — at the same venue as IAMC's Research Roundtable on corporate real estate's role in the supply chain later in the month — a six-state, eight-day coach tour by officials from top federal agencies like NASA and National Institutes of Health is stopping by the FedEx Institute of Technology at the University of Memphis. Why? To tell area business and institutional leaders how to access the more than \$2 billion made available annually through the Small Business Innovative Research (SBIR) and Small Business Technology Transfer (SBTT) programs.

Awarded to U.S. companies with 500 or fewer employees for conducting R&D with commercialization potential, the federal funds range from \$100,000 in feasibility grants to up to \$750,000 for prototype development. In its five-year history, this is the first time the tour has focused on the Midwest. Other cities on this year's tour include Louisville, St. Louis, Chicago, Indianapolis, and Detroit.

“Small technology firms throughout the United States represent a unique national resource for economic growth and technological innovation,” said Jo Anne Goodnight, SBIR/STTR program coordinator at NIH.

As many IAMC member companies can attest, Memphis stands out for its culture of innovation and efficiency, capitalizing on natural strengths in logistics and life sciences. Recent statistics show that the metro added 5,000 jobs in 2003, while many cities' jobs numbers were in the red.



**Spring 2005 IAMC Professional Forum,
Charleston, S.C., March 19–23, 2005**

Take Advantage of Tools You Can Use

Ed McCallum of IAMC member company McCallum Sweeney Consulting told an IAMC Professional Forum audience last year that 90 percent of the site selection process now takes place electronically.

If site selection consultants are using the Internet and other electronic resources to gather information on a regular basis, shouldn't you? One of the best tools in your research arsenal is the IAMC Web portal — www.iamc.org.

If you've not logged onto the IAMC Web site recently, here's a sample of what you're missing: Trade Tools, the Media Center, the Members Only section (which includes an online Member Directory and Forum registration lists), extensive coverage of past IAMC Professional Forums, plus detailed location data via a link to DevelopmentAlliance.com.

On Trade Tools, you will find the following: directories of business parks, economic developers, real estate service providers and utility companies; international corporate real estate news and information from Oxford Intelligence; a 1,200-point site selection checklist; a 50-state overview of Legislative Climates; and the vast resources of the award-winning SiteNet.com and SiteSelection.com.

You can use these tools to benchmark your own performance against your competition, learn more about your industry and your competitors, and even conduct a preliminary site search for a real estate project.

Marvin Doors & Windows did exactly that last year when it selected Roanoke for a new manufacturing plant. The company's site search began on DevelopmentAlliance.com and ended at a groundbreaking in southwestern Virginia.

From start to finish, the Web portal of IAMC.org can help you. In fact, it can become one of the best tools in your toolbox. All you have to do is use it.



by **RON STARNER**
Executive Director
IAMC

Teaming Up In Charleston

For the Spring 2005 Professional Forum in Charleston, IAMC will examine the "Team Dynamics of the Site Selection Process." Sessions will focus on particular issues driving industrial and manufacturing site decisions, offer case studies and feature discussion about how to better service end users. Another Forum highlight will be a workshop on developing the IAMC Standard Lease document.

Look for more information about the Spring 2005 Professional Forum in Memphis, and at www.iamc.org.



Forum Sponsorship at Record High

At press time, 26 sponsors had been confirmed for the Memphis Forum. Below are their names, sponsor levels and events.

Sponsor	Event Sponsored
Forum Partners	
Amarillo Economic Development Corp.	Tues. Evening Dinner
Tennessee Economic Partnership	Sun. Evening Welcome Reception and Dinner
Platinum Level Sponsors	
Entergy Corporation	Tues. Luncheon Program and Lanyards
Georgia Allies	Mon. Evening Reception
Gold Level Sponsor	
Texas Marketing Team	Tues. Evening Hospitality Lounge
Silver Level Sponsors	
Greater Dallas Chamber	Mon. Luncheon Program
McCallum Sweeney Consulting, Inc.*	Mon. Luncheon Program
Nebraska Public Power District	Registration Area
Niagara Mohawk	IAMC Internet Connection
North Dakota Dept. of Commerce*	Wed. Breakfast Program
State of Oklahoma*	Sat. Evening Networking Reception
Omaha Public Power District	Registration Area
PECO Energy	Registration Bags
Research Valley Partnership	Leadership Dev. Seminar
Sacramento Area Commerce and Trade Org. (SACTO)	Hotel Key Cards
Virginia Economic Development Partnership	Tues. Networking Breakfast
Bronze Level Sponsors	
Central South Carolina Alliance CN*	Program Back Cover Mon. Morning Networking Break
Colliers, Wilkinson & Snowden	Tues. Morning General Session
Corpus Christi Regional Economic Development Corp.	Mon. Opening Session
DADCO Consulting, Inc.*	Research Roundtable
LG&E Energy — Kentucky	Mon. Networking Breakfast
Manitoba Hydro	Tues. Morning Networking Break
Savannah Economic Development Authority*	Mon. Opening Session
St. Louis Regional Chamber & Growth Association	Workshop — M1
USAA	Leadership Development Seminar Lunch

* IAMC Founding Sponsor

Research and Resources

Ready to **go on tour**? A comprehensive guide from the National Association of Manufacturers is called "Showcase Your Plant and Build Relationships: A Guide to Successful Plant Tours for Elected Officials and Their Staff." It contains everything from checklists and media guidelines to templates for invitation letters. Download it at www.nam.org/planttours.

The recently released BAK International Benchmark Report found Ireland to be the **leading growth country** among approximately 300 regions in Europe and the U.S., studied for the period 2000-2003. Broken down by geography and business sector, such factors as value creation, work volume, jobs and productivity were examined. Leading the pack, researchers found,

were regions that emphasized the twin virtues of high R&D investment and a favorable regulatory environment. The results were an interesting mix of global locations, ranked according to their four-year growth in real GDP:

1. Ireland
2. Colorado
3. California and Massachusetts
4. Madrid and Provence-Alpes-Côte d'Azur
5. New Jersey
6. Catalonia
7. Ile de France (Paris) and Vorarlberg, Austria
8. New York, N.Y.
9. Basel, Switzerland; Franche-Comté, France; and Rhône, France
10. Tyrol, Austria

For more, go to www.bakbasel.ch.

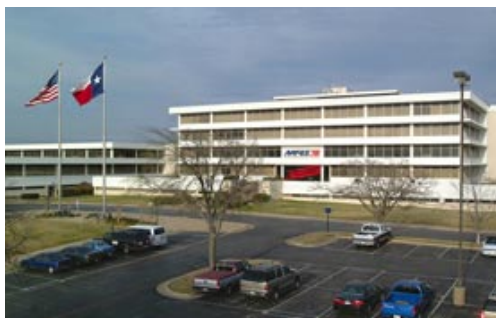
Real Estate Research Corporation's (RERC's) July 2004 institutional survey showed that the **highest expected investment returns** are for hotels at 12.5 percent, followed by industrial R&D at 10.8 percent and suburban office at 10.6 percent. To purchase the full report, go to www.rrc.com.

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SPONSOR spotlight GREATER DALLAS CHAMBER

An HQ Like No Other

The Army and Air Force Exchange Service (AAFES) is a huge multinational, launched 108 years ago, that serves its military service members according to the motto "We Go Where You Go." Right now, the Greater Dallas Chamber, in concert with state officials, is doing everything it can to make AAFES stay.



The 625,504-sq.-ft. (58,109-sq.-m.) headquarters of the Army and Air Force Exchange Service, a non-appropriated fund activity of the Dept. of Defense, first found Texas to its liking in 1967, during the LBJ administration.

Dallas is a city known for its headquarters muscle, but AAFES gives new meaning to the term. It has since 1967, when AAFES located to Texas during the presidential administration of Texan Lyndon Baines Johnson. With 2,500 employees, the AAFES HQ building, operations center and catalog/printing plant occupy 926,447 sq. ft. (86,067 sq. m.), on over 50 acres (20.2 hectares) in the Dallas metro, and have a replacement value of over \$87 million.

Unlike other retailers, of course, AAFES (like the Navy Exchange Command in Virginia Beach, Va., and

the Marine Corps Exchange in Quantico, Va.) follows its military members, with stores in all 50 states and in 35 countries around the world, and more than 47,000 associates. But C.J. Wax, director of the Unified Exchange Task Force, pointed out to Dallas officials recently that it is those very commercial retailers that are partly responsible for making AAFES streamline its own operations.

Back office and administrative operations at all three exchanges are under scrutiny as part of a shared services integration program that will issue its final recommendations to the Dept. of Defense by April 2005. Such functions as information technology, logistics, finance and accounting, human resources, and non-retail purchasing are targets for consolidation.

Dallas is shooting to be consolidation central, by virtue of the efficiencies associated with its Central time zone, central location, the expanding DFW International Airport and the established sophistication of AAFES' existing operations. One tool familiar to IAMC Spring 2004 Forum attendees in Tucson may help AAFES officials in the process: their version of the Balanced Scorecard system, first introduced to the world by Tucson Forum speaker and Harvard Prof. Robert Kaplan.

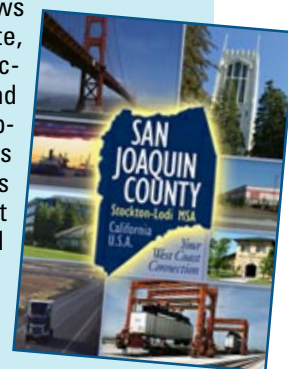
Recent civilian data from the U.S. Bureau of Labor Statistics is decidedly upbeat for Dallas/Fort Worth, showing 40,500 new net jobs created between January 2004 and June 2004.

San Joaquin and Site Selection

The September 2004 issue of IAMC official publication *Site Selection* features a 24-page Editorial Survey of the San Joaquin County/Stockton-Lodi MSA in California.

The special section includes detailed interviews of key corporate, political, infrastructure, university and economic development leaders, as well as business and housing cost comparisons and further statistical analysis.

San Joaquin Partnership President and CEO Michael Locke is an IAMC member.



Research and Resources (continued from page 3)

A study conducted for the Conference Board found that almost half of the companies surveyed **had not raised security spending** since Sept. 11, 2001. Of nearly 100 respondents from companies with annual revenues between \$20 million and \$1 billion, only 28 percent had established an off-site center for emergency operations. For more, visit www.conference-board.org.

Got **H₂O issues**? Companies across many sectors — along with the territories they inhabit — are looking harder than they used to at water and wetland availability, quality and conservation. A valuable resource for information on all aspects of these issues is the Web site of the Stockholm International Water Institute (www.siwi.org), which in August hosted World Water Week and honored best practices. Another source is the Pacific Institute of Oakland, Calif. (www.pacinst.org), which in August released a report titled “Freshwater Resources: Managing the Risks Facing the Private Sector.”

Earlier this year, UCLA economist Enrico Moretti and MIT economist Michael Greenstone published a report, based in part on project data from *Site Selection*, on the **long-term economic vitality** of communities chosen and passed by for big projects. The report also evaluated project-based incentives and job spillover. Now comes a

new book from the W.E. Upjohn Institute for Employment Research, called *Does Trickle Down Work? Economic Development Strategies and Job Chains in Local Labor Markets*. Authors Joseph Persky, Daniel V\Felsenstein and Virginia Carlson posit a “job-chains approach” that they say accounts for vertical multipliers while also serving as the basis for a true evaluation of the welfare value of employment creation. For more, visit www.upjohninstitute.org.

In August, the U.N. Conference on Trade and Development (UNCTAD) released information from its **Outward FDI Performance index**, which measures the relative importance of a territory’s outward FDI against its economic size. Here are the Top 10 from 2001-2003:

Country	Outward FDI Index
1. Hong Kong	10.7
2. Switzerland	5.1
3. Singapore	4.5
4. Belgium/Luxembourg	4.0
5. Netherlands	3.8
6. United Kingdom	2.9
7. Panama	2.8
8. Sweden	2.8
9. Finland	2.1
10. Denmark	1.9

UNCTAD will release “World Investment Report 2004: The Shift towards Services” on Sept. 22, 2004.



The Organization:

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IAMC is managed by Conway Data, Inc. McKinley Conway, Founder Conway Data, Inc., also publishes *Site Selection* magazine (www.siteselection.com), the official publication of IAMC.

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NEW CORPORATE MEMBERS

Wiley Lott, director, real estate distribution centers, **Wal-Mart Stores, Inc.**, Bentonville, Ark.

Susan Reber, real estate manager, **Air Products and Chemicals Inc.**, Allentown, Pa.

Terry Rees, real estate portfolio manager, **General Electric**, Albany, N.Y.

Charles Smith, director, Canadian tim-

berlands and properties, **Weyerhaeuser**, Vancouver, B.C. (Mr. Smith joins Weyerhaeuser’s Director of Real Estate **Rick Little** as an IAMC member.)

Robert Waller, senior vice president, operations, **Medline Industries, Inc.**, Mundelein, Ill.

NEW ASSOCIATE MEMBERS

Gary Bingham, director, economic development, **PRIDCO** (Puerto Rico Industrial Development Company), New York, N.Y.

Lawrence K. Jensen, president, **Commercial Advisors**, Memphis, Tenn.

Michael D. Strotheide, executive direc-

tor, **Claremore Industrial & Economic Development Authority**, Claremore, Okla.

Patrick Topping, senior vice president, **Macon Economic Development Commission**, Macon, Ga.

MEMBER CHANGES

The new representative for **UNICCO** is **Thomas Hanson** in Madison, Conn.

The new representative for **Mactec** is **Sharon Tyndall**, director of business development, based in Charlotte, N.C. Ronnie Davis has taken a new position as Manager, Business Development for **Duke Power Company**, whose director of economic development, **Richard Wiley**, is an IAMC member.