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Game Plan Taking Shape for Spring '05 Professional Forum

With historic Charleston as a backdrop, IAMC will kick off Spring 2005 with a three-part learning opportunity that emphasizes team building, professional development and corporate site selection dynamics in today's corporate real estate environment. The prestigious pre-conference Leadership Seminar, the four-and-a-half-day Professional Forum and the post-conference Research Roundtable will feature nationally recognized business leaders and hands-on practitioners who will broadly address a variety of topics — economic trends, customer service, multi-generational workforce management, and planning strategies — that drive current and future business decisions. Among the presenters will be futurist David Zach, leadership expert Dennis Mannering and economist Brian Wesbury.

Wesbury, chief economist and senior vice president of Chicago-based investment bank Griffin, Kubik, Stephens & Thompson, Inc., is a regular on CNBC and CNN-fn. He's also a contributor to the editorial page at *The Wall Street Journal*, and his comments and writing

have appeared in *Barron's*, *Investor's Business Daily* and *Forbes* magazine. In 1995 and 1996, he served as chief economist for the Joint Economic Committee of Congress (JEC), chaired by Senator Connie Mack of Florida.

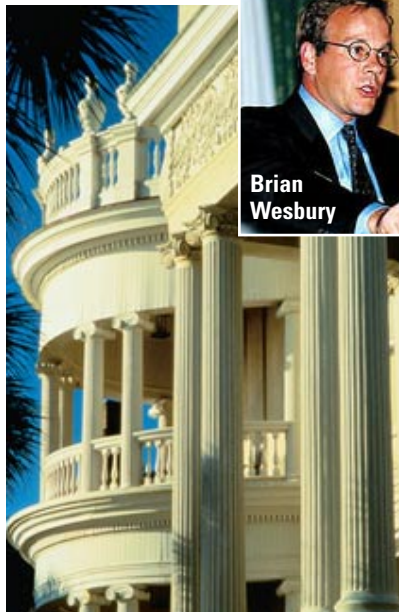


Brian Wesbury

Since September 11, 2001, terrorism has become a threat to the business continuity of U.S. manufacturing and industrial companies. Many have plans to prevent such events and to deal with the aftermath. But the role

of the corporate real estate department in the business continuity plan sometimes is not explicit, not clear, or may be missing altogether. Few corporate real estate units are well prepared to forestall a terrorist compromise of corporate facilities, and few have plans for fast resumption of work afterwards.

In response, IAMC's Charleston Research Roundtable will convene Fortune 100 corporate security directors and corporate real estate executives to discuss and develop cost-effective measures to prevent or minimize facility downtime. The Research Roundtable will take place Wednesday, March 23, 2005, at 10:00 a.m. at the Professional Forum venue. It will conclude with lunch at noon. Attendance is limited to corporate end-users.



A Toast to Texas: IAMC Sets Sights on Corpus Christi

Those of you making plans to attend the Spring 2005 IAMC Professional Forum in Charleston, S.C., should make another note on your calendar: IAMC will hold its Fall 2005 Professional Forum Oct. 8-12 next year in Corpus Christi, Texas.

Why Texas? The choice is easy. Texas is a booming industrial magnet, and it's also the source of the largest number of IAMC members.

In case you haven't heard, Texas was ranked the No. 1 state business climate by *Site Selection* magazine's November issue. This ranking isn't easy to achieve.

First, Texas was voted the No. 1 state business climate by corporate site selectors who responded to a survey. Second, Texas' performance in new and expanded corporate facilities in 2003 was so strong that, when coupled with the survey, it propelled the Longhorn State to the No. 1 overall business climate ranking.

But Texas Gov. Rick Perry isn't content to stop there. He recently announced that he will go the Texas legislature and seek even more money for the state's quick action closing fund — the Texas Enterprise Fund — to help lure big projects to the big state.

Corpus Christi is the perfect Texas city to host IAMC for several reasons:

- Corpus Christi is the fifth largest port in the United States and has the deepest ship channel in the Gulf of Mexico.
- It is the home of major manufacturing companies such as TT

Electronics, Exxene Corp., Air Liquide, American Dental Technologies and the Billy Pugh Co.



by **RON STARNIER**
Executive Director
IAMC

- Major aviation companies including McTurbine Inc., Boeing, G.E. Engine Services, Sikorsky and Vertex Aerospace have operations in Corpus Christi.

- It is home to international refining and petrochemical companies such as CITGO, DuPont, Equistar, Trigeant, Sherwin Alumina and Valero.

- It serves as the world headquarters location for Bay Inc., Circle K Stores, American Bank, Sam Kane Beef and Whataburger Inc.

- It was named a Top 20 City by *Forbes* magazine in its annual "Best Places to Do Business in America" ranking.

- *Entrepreneur* magazine named Corpus Christi the No. 6 Mid-Size City in its annual ranking of "Best Cities for Entrepreneurs in America."

- The Center for Digital Government named Corpus Christi a Top 10 Digital City in America.

- Corpus Christi Regional Economic Development Corp. was named a Top 10 Economic Development Group in 2003 by *Site Selection* magazine.

The bottom line for IAMC is that Corpus Christi represents a perfect fit for our association: It's a rapidly growing industrial hub that is home to some of the largest manufacturing projects and energy facilities in the entire world.

And that's where we want to be.

Studying the Act

Eleven days before anyone had cast a ballot, a blockbuster package of laws came into being that could change the face of U.S. industry for a lot longer than four years.

The American Jobs Creation Act of 2004 phases in a 3-percent domestic tax rate cut by 2010, offers a one-year tax holiday to repatriate foreign profits at a 5.25-percent rate and repeals the former tax exclusion for extraterritorial income. But will these factors prompt firms to give more weight to U.S. options for facility expansion or consolidation moves?

That is the question on the minds of corporations and their consultants as they pore over the 633-page act's hundreds of parts, including a measure that changes the leasehold depreciation schedule from 39 years to 15 years. Most immediately, the act should end EU tariffs in place since March 2004 on some 1,600 U.S. exports. Those tariffs had reached 12 percent as of late October 2004.

Among the other provisions are measures to alleviate the double taxation of

foreign source income earned by multinational corporations, including modified interest expense allocation rules, a 10-year carry-forward and one-year carry-back of foreign tax credits and a re-characterization of overall domestic loss. In addition, the act extends through 2007 a current provision allowing smaller companies to deduct annually up to \$100,000 of capital expenses.

"Over the next 10 years, this landmark legislation will save U.S. manufacturers billions of dollars and create hundreds of thousands of new jobs," said former Michigan Gov. John Engler, newly installed president of the National Association of Manufacturers (NAM).

Visitors to the NAM Web site (www.nam.org) can glimpse an array of documents and articles related to the newly passed act, and how its provisions will affect your company's bottom line. Click on "tax & corporate finance" under the "Policy Issue Information" heading. The selection includes a 148-page breakdown and analysis of the bill by KPMG.

A Company Salute

The December issue of *G.I. Jobs* magazine features a ranking of the "Top 25 Military-Friendly Employers."

Among them were six IAMC member organizations: **Sprint** (No. 2), **General Electric** (3), **Lockheed Martin**

(7), **USAA** (9), **Honeywell International** (15) and **W.W. Grainger** (16). The honorees were chosen from among the *Fortune* 500 for their hir-



ing, re-hiring and transition policies concerning veterans, reservists and those on guard duty. For the complete report, visit www.gijobs.net.



The number of international students enrolled in U.S. higher education institutions decreased by 2.4 percent in 2003-04 to a total of 572,509, according to "Open Doors 2004" (opendoors.iienetwork.org), the annual report on international academic mobility published by the Institute of International Education (IIE) with support from the State Department's Bureau of Educational and Cultural Affairs. The drop in enrollments is the first absolute **decline in foreign enrollments** since 1971-72 (when enrollments dropped 3 percent to 140,126). An increase of 2.5 percent in the total number of international students enrolled at the graduate level partially offset a 5-percent decline in the number of international undergraduate students in 2003-04.

Research from the Kalamazoo-based R.W.E. Upjohn Institute for Employment Research documents the difficulties ahead for the United States' **aging worker population**. While the share of the population 55 and older is expected to increase from 21.4 percent in 2000 to 29.5 percent in 2020, the share of population in the 25-54 bracket is projected to fall from 43.4 percent in 2000 to 37.7 percent in 2020. For analysis of work and retirement plans among older U.S. citizens, visit www.upjohninstitute.org.

Monday, Dec. 6th, saw the publishing of a complete section on **China's economy** by *The New York Times*. With sections on its power as a consumer as well as a producer country, the report offers some insights into what's ahead in the country that everyone wants a piece of. Direct foreign investment in China reached US\$53.8 billion in the first 10 months of 2004, surpassing the one-year record set in 2003. To access the complete package of articles, visit www.nytimes.com.

A new study in the latest issue of *The Journal of Finance* maintains that affiliates of multinational companies in countries with underdeveloped capital markets or weak creditor rights are often financed with less external debt reflecting the higher costs of borrowing in those markets. To avoid these costs, parent companies **substitute internal loans for costly external finance** for their affiliates. The analysis also provides some new estimates of how capital structure responds to tax incentives by analyzing how borrowing decisions within multinational firms capitalize on tax differences. By structuring internal capital markets opportunistically in response to tax incentives and costly external finance, multinational firms can place themselves at an advantage relative

to local firms. To download the complete article, visit Blackwell Publishing at www.blackwell-synergy.com.

A poll of Fortune 1000 companies by Korn/Ferry has shown that **Sarbanes-Oxley compliance** has incurred an average cost of \$5.1 million, with the bill at some of the larger companies going as high as \$30 million. In addition, the average ongoing cost for compliance will be in the neighborhood of \$3.7 million. But one more finding sticks out even more sharply: The percentage of poll respondents declining board invitations due to increased liability has doubled since Sarbanes-Oxley became law, from 13 percent in 2002 to 29 percent in 2004. For the complete report, visit www.kornferry.com.

Consulting firm ECA International recently published its **global salary trends** analysis for 2004-2005, covering 40 countries. According to ECA, the anticipated average salary increase within this sample is 4.91 percent, but after inflation, the merit increase will average 2.04 percent. U.S. increases will average 4 percent. The largest salary increase will go to Egyptian nationals (13 percent), followed by Russia and Brazil, although forecast inflation of
(continued on page 4)

SPONSOR spotlight

Research Valley Partnership

Based in Bryan, Texas, Research Valley Partnership (www.researchvalley.org) is the economic development agency for what the *American Almanac of Jobs and Salaries* projects will be the nation's eighth fastest growing U.S. metro area between now and 2035. Drawing on its proximity to the campus of Texas A&M, as well as its one-hour drives to Austin, Houston and Waco, the Research Valley offers a university town ambiance with a business mindset. And its location smack in the middle of a triangle formed by Interstates 35, 45 and 10 offers logistic as well as demographic advantages.

A 2004 study by the Bryan-College Station Metropolitan Planning Organization projected that the area's population of 152,415 would grow to 188,052 by 2020, and that service industries would see the biggest job creation growth. The study also projected that median household income would drop, and that the percentage of the population identified as Hispanic would increase from 17.9 percent in 2000 to 28.3 by

2020.

In a November 2004 speech in College Station, economist Ray Perryman of the Waco-based Perryman Group said Bryan-College Station's real gross product should expand 3.9 percent from 2004 to 2009, driven largely by government- and university-related economic engines. But the opportunity to use those engines to drive growth in technology- and health-related industries is ripe for the taking.

Brazos County boasts three business parks totaling some 1,100 acres, and Texas A&M operates its own 324-acre research park that is home to operations from Hewlett-Packard, Schlumberger and the Institute of Food Science and Engineering, among others.

Consistent with the food focus, the area's largest manufacturing employer is Sanderson Farms, which employs 1,500 at its poultry processing center. Universal Computer Systems employs 850, while window maker Alenco employs 600.



MARK YOUR CALENDARS

IAMC Announces Schedule of Upcoming Professional Forums

Spring 2005 IAMC Professional Forum

Charleston Place Hotel
Charleston, South Carolina
March 19–23, 2005

Fall 2005 IAMC Professional Forum

Omni Corpus Christi
Corpus Christi, Texas
Oct. 8–12, 2005

Spring 2006 IAMC Professional Forum

Location TBD in Southern California
Dates TBD

Fall 2006 IAMC Professional Forum

Colonial Williamsburg Hotel & Conference Center
Colonial Williamsburg, Virginia
Sept. 30–Oct. 4, 2006

Visit www.iamc.org or call Cathy Pierce at 770-325-3430 to register and find out how you can save \$700 on registration and membership.

Research and Resources

(continued from page 3)

nearly 9 percent in Russia is expected to yield a net average increase of only 1.1 percent. The full report is available for purchase by contacting ECA International at www.eca-international.com.

	2005 Avg. Salary Increase	IMF 2005 Inflation Forecast	Net Increase
Japan	2.00%	-0.10%	2.10%
New Zealand	3.00%	2.80%	0.20%
France	3.00%	2.10%	0.90%
Germany	3.00%	1.30%	1.70%
UK	3.50%	1.90%	1.60%
USA	4.00%	3.00%	1.00%
Poland	4.50%	3.80%	0.70%
South Africa	6.50%	5.70%	0.80%
China	6.80%	3.00%	3.80%
Brazil	10.00%	5.90%	4.10%
Russia	10.00%	8.90%	1.10%
Egypt	13.00%	5.70%	7.30%



IAMC Headquarters Relocates

Conway Data, Inc., publisher of *Site Selection* magazine and manager of the Industrial Asset Management Council, relocated its corporate headquarters to The Corners Office Park in Norcross, Ga., on December 1, 2004. Conway Data will occupy nearly 7,000 square feet in Suite 200, 6625 The Corners Parkway. IAMC member Arthur L. Murray, associate broker with Lavista Associates, Inc., in Norcross, represented CDI in the transaction. Trammell Crow represented The Corners.

"This headquarters relocation is a significant step for Conway Data," said Ron Starner, director of publications for CDI and interim executive director of IAMC. "The new office space will help us accomplish our strategic goals for *Site Selection* magazine, IAMC and all other CDI projects."

IAMC NEW MEMBER UPDATE

NEW ACTIVE MEMBERS

Eugene D. Ervin, director, real estate and property management, Air Products and Chemicals, Inc., based in Allentown, Pa. He joins colleague **Susan Reber** as an IAMC member.

NEW ASSOCIATE MEMBERS

Christina Taylor, director, new business

development, Liberty Property Trust, based in Malvern, Pa.

Al Cook, director, economic development, City of Opelika, Ala.

Charles L. Moore, broker/principal, NAI Batten & Moore, Charleston, S.C.

Allen Neel, president and CEO, East Tennessee Economic Development Agency, Knoxville, Tenn.



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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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