

## 2005 IAMC BOARD OF DIRECTORS

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## Regions Off and Running

IAMC members — corporate real estate, economic development and service provider professionals who represent industrial and manufacturing organizations — span the continental United States, and portions of Europe and Canada. The Region Development Committee, chaired by Rich L'Ecuyer, recently established seven IAMC regions within the continental United States.

The recently held inaugural meeting of the Mid-Atlantic region featured a roundtable discussion led by special guest and economist Joel Naroff, Ph. D., president of Naroff Economic Advisors. The objective was for Dr. Naroff to offer his views and predictions for economic issues of interest to the members present. Two such topics turned out to be the current offshoring of corporate functions and the impact of the falling U.S.



dollar. The increasing economic impact of China was also discussed, as well as Social Security. Dr. Naroff ended with his 2005 economic forecast.

"The recent IAMC Mid-Atlantic Region meeting provided a great forum for learning," says LuAnn McHugh, vice president, real estate & facilities, SAP America, Inc. "Both the networking and the educational program were insightful. I found the meeting to be so

valuable that I not only joined IAMC, I also signed up as co-chair of the Program Committee."

Each region has appointed a small team of Active and Associate members to discuss short- and long-term goals, establish sub-committees as required and coordinate organization meetings. Meeting formats will vary from region to region; i.e., networking receptions with a brief information/planning segment; a 3-4 hour program that includes lunch or dinner, a guest

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— LuAnn McHugh  
vice president, real estate & facilities  
SAP America Inc.

speaker, and a business meeting; or a business meeting with refreshments. As their business schedules permit, IAMC Chair Bob Zane and Vice Chair Charles McSwain will attend region organization meetings.

To learn more about IAMC Regions, please access the IAMC Web site ([www.iamc.org](http://www.iamc.org)) or contact Hazel Pankey, director, IAMC Conference Programs, Leadership and Regions, by phone at 770-325-3476, or by e-mail at [hazel.pankey@iamc.org](mailto:hazel.pankey@iamc.org).

### IAMC Region meeting schedule

|               |               |                   |
|---------------|---------------|-------------------|
| Mid-Atlantic  | Dec. 9, 2004  | Philadelphia, Pa. |
| Southeast     | Jan. 18, 2005 | Atlanta, Ga.      |
| Great Plains  | Jan. 20, 2005 | Omaha, Neb.       |
| South Central | Jan. 20, 2005 | Dallas, Texas     |
| West Coast    | Jan. 25, 2005 | Ontario, Calif.   |
| Mid-West      | TBD           | Chicago, Ill.     |



## Forum Sponsors Keep Raising the Bar

At press time, the following 24 sponsors had been confirmed for the IAMC Spring 2005 Professional Forum in Charleston, S.C. To find out more about sponsorship opportunities, contact IAMC's Director of Sponsorships Joy Pooler at 1-888-588-8676 or joy.pooler@iamc.org.

| Sponsor   | Event                           |
|---|---------------------------------|
| <b>Chairman Level</b>                           |                                 |
| South Carolina Host Committee                   | Welcome Reception and Dinner    |
| <b>Platinum Level</b>                           |                                 |
| Georgia Allies                                  | Tues. Evening Reception         |
| <b>Gold Level</b>                               |                                 |
| Tennessee Economic Partnership                  | Mon. Evening Reception          |
| Texas Marketing Team                            | Sun. Evening Hospitality Lounge |
| Wyoming Business Council                        | Tues. Luncheon Program          |
| <b>Silver Level</b>                             |                                 |
| Greater Dallas Chamber                          | Mon. Luncheon                   |
| Liberty Property Trust                          | Tues. General Session           |
| McCallum Sweeney Consulting, Inc.*              | Mon. Luncheon                   |
| Nebraska Public Power District                  | Registration Area               |
| Niagara Mohawk                                  | IAMC Internet Connection        |
| North Dakota Dept. of Commerce*                 | TBD                             |
| State of Oklahoma*                              | Sat. Evening Reception          |
| Omaha Public Power District                     | Registration Area               |
| PECO Energy                                     | Registration Bags               |
| Research Valley Partnership                     | Leadership Seminar              |
| Sacramento Area Commerce and Trade Org. (SACTO) | Hotel Key Cards                 |
| San Joaquin Partnership                         | Lanyards                        |
| Virginia Economic Development Partnership       | Tues. Breakfast                 |
| <b>Bronze Level</b>                             |                                 |
| CN*   | Mon. Morning Networking Break   |
| DADCO Consulting, Inc.*                         | Research Roundtable             |
| LG&E Energy — Kentucky                          | Mon. Networking Breakfast       |
| Longview Economic Development Corp.             | Tues. Morning Networking Break  |
| St. Louis Regional Chamber & Growth Association | Workshop                        |
| Scannell Properties                             | Mon. Afternoon Break            |

\* IAMC Founding Sponsor

## Research and Resources

The Brookings Institution in December 2004 released "Toward a New Metropolis: The Opportunity to Rebuild America." The report is a projection of how **the built environment of the United States** is going to meet the demands imposed upon it by demographic, market and industry trends. Among its findings — and concurrent with the findings of the Conway Data New Plant Database over the years — is that "states with a strong industrial presence will see the largest amount of growth in industrial space even though other areas may witness faster growth. After California, which far outpaces the nation in terms of absolute square feet of new industrial construction, the next four largest producers of industrial space are all Rust Belt states in the Midwest: Ohio, Michigan, Illinois, and Indiana." The report also states that by 2030, 70 percent of the Midwest's industrial space will be less than 30 years old. For the complete report, visit [www.brookings.edu/metro/pubs/20041213\\_rebuildamerica.htm](http://www.brookings.edu/metro/pubs/20041213_rebuildamerica.htm).

In November 2004, Brookings published a report analyzing the ramifications of the **new metropolitan clas-**

**sification system** designed by the federal Office of Management and Budget (OMB). Subtitled "A Field Guide to the New Metropolitan and Micropolitan Definitions," the report looks at the new boundaries' implications "public- and private-sector research, for federal programs — think Medicare, Section 8 housing assistance — and for how big-city and small-town residents view the places that they live." For the complete report, visit [www.brookings.edu/metro/pubs/20041115\\_metrodefinitions.htm](http://www.brookings.edu/metro/pubs/20041115_metrodefinitions.htm). And look for the nation's top micropolitan areas for corporate projects in 2004 in the March issue of *Site Selection*.

With the **legislative season** upon us, the National Association of Manufacturers has released its agenda for 2005. "We have four key goals to strengthen manufacturing," said NAM President and former Michigan governor John Engler in early January. "Reduce production costs in the U.S., level the international playing field, better prepare a twenty-first century work force and promote innovation," *(continued on page 3)*

## SOX Research to be Published by IAMC

In late January 2005, the Industrial Asset Management Council will publish the results of its August 2004 survey on "Sarbanes-Oxley Act's Impacts on Corporate Real Estate." Authored by Joel Parker, director of research and education for IAMC, the report will draw on the responses of some 160 corporate real estate executives, facility directors and top corporate managers.

Among the early findings, 22 percent said the corporate real estate department holds significant risks that have financial reporting implications, yet 43 percent have not yet responded to a request from a Sarbanes-Oxley audit team. And a full 45 percent say Sarbanes-Oxley-prompted changes to corporate real estate are likely to improve corporate governance.

"The results have been quite enlightening," says Parker. "They show a surprising percentage of professionals unaware of the specifics of the act even as it specifically relates to them, and an overall pessimism about the potential effects of Sarbanes-Oxley. The Sarbanes-Oxley Act is one of the strictest in the history of corporate governance, and it is being met in less than enthusiastic ways."

A corporates-only Research Roundtable on the topic was conducted as part of the Spring 2004 Professional Forum in Tucson, Ariz. A report on that event may be accessed in the April 2004 issue of the "IAMC Dispatch," in the online pressroom at [www.iamc.org](http://www.iamc.org).

## Research and Resources

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investment and productivity." For NAM's complete 109th Congress agenda, visit [www.nam.org/agenda](http://www.nam.org/agenda).

The manufacturing came first. Now **China** wants your HQs and R&D. On Dec. 24, 2004, Chinese Minister of Commerce Bo Xilai encouraged foreign companies to bring these operations to China in order to upgrade the country's industrial infrastructure and innovation capacity. The country is especially looking for more foreign investment in the areas of high-tech, advanced manufacturing, service, modern agriculture and environmental protection. Earlier in the month, several ministries hosted a working conference on the development of National Economic and Technological Development Zones. For more, visit [english.mofcom.gov.cn](http://english.mofcom.gov.cn).

A survey released by the Construction Practice at Ernst & Young LLP in December 2004 finds that **material costs and demand** have delayed the start of some projects until the third quarter of 2005. It also reports that a 10-percent decrease in non-residential construction may be repeated in 2005. And Mike Lucki,

Americas Director of Construction Industry Services for Ernst & Young, says joint ventures and other ways of doing business are changing the nature of projects. "For example, construction executives are no longer accepting owner's terms carte blanche, liability exposure is being equalized to fee levels, and the normal consequential damage clause is not being included in many contracts," he says. Receivables claims by construction companies are at higher levels this year than any year in the previous ten years. And he observes that some companies have recorded claims approaching the equity level in the entire company. For more, visit [www.gallen.com/news.htm](http://www.gallen.com/news.htm).

According to U.S. Bureau of Labor Statistics data released in December 2004, 26 states reported year-to-year **declines in manufacturing employment**, 21 reported increases, and three reported no change. Wisconsin showed the leading job gain, adding 15,900 jobs in the sector, followed by Minnesota with 6,400. Michigan lost 18,700 manufacturing jobs between November 2003 and November 2004, while New York lost 16,700.

Calif.-based offshore advisory and management firm neoIT says India will continue in its leadership role as the supplier role model for **offshore services** in 2005.

"China and the Philippines are expected to mature most rapidly in 2005," the firm predicts, "with Central Europe, particularly Poland, Czech Republic and Hungary following close behind." "2005 will witness a bevy of M&A activity in the supplier market similar to General Electric's recent spin-off of its India BPO unit, and we also predict the emergence of multi-country supplier and delivery models that span the globe from India to China to Central Europe," said Atul Vashistha, CEO of neoIT, in December 2004. "In the client market, US companies will no longer be the dominant buyers as Western European firms create strong demand for offshore services." For the firm's full list of prognostications, visit [www.neoit.com](http://www.neoit.com).

As of January 1, 2005, five states raised their **minimum wages**: Illinois (from \$5.15 to \$6.15 per hour), New York (\$5.15 to \$6.00), Oregon (\$7.05 to \$7.25), Vermont (\$6.75 to \$7.00) and Washington (\$7.15 to \$7.35). Increases to \$6.15 an hour are slated to come into effect soon in Florida and Nevada. According to the National Conference of State Legislatures, minimum wage increase measures failed in 2004 in Arizona, California, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, New Hampshire, New Jersey, Oklahoma, South Dakota and Virginia. Measures pegging the  
(continued on page 4)

## SPONSOR spotlight

# Wyoming Business Council

### Free and Clear

Wyoming placed 9th in the recently released U.S. Economic Freedom Index from the Pacific Research Institute. The Milken Institute's 2004 Best-Performing Cities report, which looks at such factors as job and salary growth and high-tech GDP, found Casper, Wyo., to be a city on the rise, going from No. 23 in 2003 to No. 5 in the nation among small cities. And the recent 2004 report on "small-business-friendly" states from the Small Business and Entrepreneurship Council named Wyoming among its top five. So what is it about Wyoming?

One clue lies in the Wyoming Business Council's Business Ready Community Grant and Loan Program, a multi-year program designed to promote economic development at the city, town and county level. To date, it has funded 31 projects with \$27 million from a total appropriation of \$33.4 million. With projects amounting to \$10.1 million in funding recently recommended for approval by the State Loan and Investment

Board, the program is so popular it's expected to run out of funding in mid-2005. However, Gov. Dave Freudenthal's recommended supplemental budget request of \$11.6 million may extend funding through December 2005.

"There is significant pent up demand for readiness projects, increased interest in the Business Committed program from businesses outside of the state and growing interest in enhancement projects," said Shawn Reese, Business Ready Communities

Program Manager, in a December 2004 news release.

Among the recently approved projects is an office building in the Gillette Tech Center, a 180-acre business park owned by the city. Green River received similar funding for a new building at its College Business Park. And the town of Afton received a combination of loan and grant monies for water and sewer improvements at a 22-acre site identified for business development.

For more information, visit [www.wyomingbusiness.org](http://www.wyomingbusiness.org).



# MARK YOUR CALENDARS

## Atlanta Metro to Host IAMC Board and Region Meetings in January

IAMC headquarters in Norcross, Ga., will be buzzing with activity in January. On Jan. 18, the IAMC Southeast Region will hold its inaugural meeting at the Atlanta Athletic Club in nearby Duluth. On Jan. 19, the organization's board of directors will hold its strategic planning meeting in Norcross, followed on Jan. 20 by the regular board meeting.

## Angel Fortenberry Named 'Meeting Professional to Watch in 2005'



Angel Fortenberry

In November 2004, Angel Fortenberry, IAMC director of event planning, was named one of 60 "Meeting Professionals to Watch in 2005" by *Convention South* magazine. Nominated by the Peabody Hotel Group, Fortenberry was featured in the December 2004 issue of the magazine. "I am always looking for better, more efficient, more cost-effective ways of doing everything," the 26-year industry veteran said. "I have found out through the years that constantly looking for better or different ways of handling specific tasks has kept event planning fresh for me — and also more exciting."

### IAMC NEW MEMBER UPDATE

#### NEW ACTIVE MEMBERS

**Dean Vonderheide**, vice president safety, environment & facilities, **Kimball International**, Jasper, Ind.

**Charles R. Waltz**, inactive sites manager, **BASF Corp.**, Florham Park, N.J.

**LuAnn McHugh**, vice president, real estate & facilities, **SAP America, Inc.**, Newtown Square, Pa.

#### NEW ASSOCIATE MEMBERS

**Thomas E. Cooley**, director of economic development, **Allegany County**, Md.

**Brenda Daniels**, manager, economic development, **ElectriCities of N.C., Inc.**, Raleigh, N.C.; serves N.C., S.C. and Va.

**Don Holbrook**, president/CEO, **Economic Development Corporation of Wayne County**, Richmond, Ind.

**David Paul**, director of economic development, **City of Brockville**, Ont., Canada

**Mary A. Simmons**, manager, economic development, **Aquila, Inc.**, Lincoln, Neb.; serves Iowa, Mich., Minn., Mo., Neb., Colo. and Kan.

#### MEMBER ON THE MOVE

**J. Patrick McKee**, vice president, **Equis Corp.**, Phoenix, Ariz.

### IN MEMORIAM

Fall 2004 saw the passing of **Den Costantino**, director of business and industry for IAMC member organization the Wyoming Business Council.

"Den was a class gentleman, mentor and friend," said Wyoming Business Council CEO Tucker Fagan. "He worked tirelessly to help Wyoming's future. The state and members of the Business Council are truly saddened by his passing."

A native Wyomingite, Den Costantino joined the Wyoming Business Council in June 1999 after working as director of the Sweetwater Economic Development Association since 1991. He served as president of the Wyoming Economic Development Association. Born in Rock Springs, he was educated at the University of Wyoming. He became involved in economic development as a volunteer after 18 years in the private sector as a retail owner/operator.

Friends may contribute to the Quinto Costantino Scholarship Fund, c/o Western Wyoming Community College Financial Aid Department, P.O. Box 428, Rock Springs, Wyo., 82901; Hospice of Sweetwater County, 809 Thompson, Rock Springs, Wyo., 82901; or a cancer group of their choice.

Carol Stearns, business development manager, is currently serving as the Council's designated IAMC representative.



## Research and Resources

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wage to inflation failed in Connecticut, Hawaii and Minnesota, while a measure pegging it to 15 percent more than the federal minimum failed in Mississippi.

In December 2004, the U.S. Environmental Protection Agency (EPA) announced that all or part of 224 counties and D.C., in 20 states, did not meet the nation's first fine particle (PM2.5) **air quality standards**. States with nonattainment areas must submit plans by early 2008 that outline how they will meet the PM2.5 standards. They are expected to attain clean air as soon as possible and not later than 2010. EPA can grant one five-year extension for areas with more severe problems. The attainment date for those areas would be 2015. "The good news for 30 states is that they already meet the fine particle standards," Administrator Mike Leavitt said. "The good news for the remaining areas of the country is that we have new rules both proposed and in place to help these states make their air cleaner to breathe." For more information, visit [www.epa.gov/pmdesignations/](http://www.epa.gov/pmdesignations/).

  
**www.IAMC.org**  
INDUSTRIAL ASSET MANAGEMENT COUNCIL

#### 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](http://www.siteselection.com)), the official publication of IAMC.

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