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IAMC Leadership Initiates Fellows Program

During their January 2005 IAMC Board meeting, IAMC Directors approved the Leadership Fellows Program. Fellows candidates must be IAMC members and must attend and actively participate in five Leadership Development Seminars over a four-year period.



Ed Kelley

Leadership Committee Chair Ed Kelley strongly contends that "leadership is key to developing any organization." IAMC's Leadership Development Program is designed to benefit the individual member, the member's organization and IAMC.

IAMC Leadership Development Seminars are multi-dimensional learning opportunities that provide networking, information, training, and exercises that are designed to enhance professionalism and skill sets. The seminars create a path — but not the only path — to leadership opportunities within IAMC.

The inaugural IAMC Leadership Seminar was offered in Tucson just prior to the Spring 2004 Professional Forum. IAMC's first Fellows will be designated at the Spring 2006 Professional Forum.

All IAMC Fellows will receive special affirmation and recognitions:

- The IAMC Chair will present

designations during a full-member event at a Spring or Fall Professional Forum.

- Award notices will be mailed to Fellow designees' organizations or companies.
- Fellows will be recognized in IAMC's media — *Site Selection Magazine*, IAMC Dispatch and Notes Newsletters and Web site information.
- Each designee will receive an IAMC Fellows pin.
- Fellows will have a standing invitation to a special breakfast during the Spring and Fall Professional Forums. During the breakfast, Fellows and the Leadership Development Committee Chair will discuss leadership strategies, programs and other pertinent subjects.

IAMC leadership

The Spring 2005 Leadership Seminar — scheduled for March 20 at the Charleston Place Hotel in Charleston, S.C. — will feature Dennis Mannering. He will engage participants in discussions and learning exercises that demonstrate *The Art of High Impact Leadership*. Registrants will include all Fellow candidates (members who attended the first two seminars). Other registrants will be confirmed on a first-come, first-served basis.



Dennis Mannering

Board Sets Aggressive Agenda for 2005

Despite a record year of growth for IAMC in 2004, the Board of Directors adopted an aggressive agenda for 2005 over two days of meetings at IAMC headquarters just outside Atlanta.

On Jan. 19 and 20, the Board conducted its semiannual strategic planning session and set a course for even more ambitious growth in the year ahead.

One thing's for sure: 2004 will be a tough act to follow. With 23 percent membership growth, 29 percent Active membership growth and 27 percent conference registration growth from 2003 to 2004, IAMC set new standards of achievement in 2004.



by **RON STARNER**
Executive Director
IAMC

The Board, however, shows no signs of letting up on the gas. Pressing full speed ahead, the leadership of IAMC discussed and adopted new proposals aimed at strengthening Professional Forum content, providing professional continuing education for corporate real estate executives, rewarding graduates of IAMC's unique Leadership Development Program with a special Fellow designation, and approving the appointment of Membership Officers to each of the seven new Regions of IAMC.

Current Vice Chair and incoming Chair Charles McSwain of CSX in Jacksonville said it well when he summarized the meetings as follows: "The theme of 2005 will be quality growth."

By focusing every single IAMC initiative squarely on meeting the needs of industrial asset executives, the organization has staked out a strong and coveted niche in the marketplace. In fact, right now, there's no other place to turn for such a focused association.

The bottom line is simple: If industrial asset management is your job, then IAMC is your association. Period.

Not that this is anything new. The Board, when it first met some two and a half years ago, adopted this platform as its No. 1 priority. It has not deviated since.

If anything, this focus has only been made stronger. Some 325 satisfied members attest to that.

Research and Resources

As of February 1, the European Union sanctions on U.S. exports occasioned by the extraterritorial income exclusion tax break for exporters were officially lifted, retroactive to Jan. 1. The **lifting of the sanctions** was a direct result of the passage of the American Jobs Creation Act. However, the threat of renewed sanctions still lingers, as the result of continuing debate over the Act's grandfathering clauses and transition guidelines.

According to a special report published in the Jan. 24 edition of Tax Notes, **inflated tax basis** (resulting in the underreporting of gains and the overstatement of losses) may be costing the U.S. government at least \$250 billion over the next 10 years. "Unlike corporate tax shelters," reads the report, "this type of tax fraud is available to all taxpayers who engage in property transactions." The authors attribute non-compliance to three sources: "fact and rule complexity, the absence of a substantiation requirement and the lack of compliance

incentives." For the complete report, visit www.taxanalysts.com.

Data released in January from the United Nations Conference on Trade and Development (UNCTAD) showed a 6-percent rise in **global foreign direct investment (FDI)** in 2004, to \$612 billion. According to the organization's investment division, developing countries now account for 42 percent of that total, up from 27 percent during 2001-2003. The leading recipient of FDI was the U.S., with \$121 billion, followed by China. However, estimates released by UNCTAD in late January showed that China's export growth during 2003-2004 was likely to have approached 35 percent. For more, visit www.unctad.org.

Among the annual real estate predictions from Ernst & Young is the continuing privatization, joint venturing or merger of public real estate companies, brought about in part because of **financial reporting costs**. But that same compliance discipline
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American Jobs Creation Act Clarified

Thinking of buying back stock or paying dividends with those repatriated overseas profits? Think again, say U.S. Treasury officials.

In guidance issued in mid-January, the Treasury and the Internal Revenue Service explained that while repatriated overseas profits could still be used to pay down debt, pay for research or worker retraining and, of course, invest in new plants, they could not be used for some other financial maneuvers. The American Jobs Creation Act, signed into law by President George W. Bush in October 2004, allows companies to bring overseas profits back to the U.S. at a 5.25-percent tax rate, instead of the usual 35-percent corporate tax rate.

Job-creating or job-retaining end uses for the cash that are still open to favorable interpretation from Treasury and IRS officials include contributing to pension funds and paying off claims resulting from lawsuits. Estimates of the potential money headed back to U.S. shores range from \$320 billion to \$500 billion.

More guidance on the Act was issued a week later, relating to its newly created deduction for domestic production activities. The deduction generally equals 3 percent of income from domestic production activities for 2005 and, by 2010, 9 percent of such income. "The activities eligible for the deduction include not only the manufacture of personal property such as clothing, goods, and food," read the release, "but also software development, film and music production, production of electricity, natural gas, or water, construction, and engineering and architectural services."

For the complete guidance, visit www.ustreas.gov.

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(especially Sarbanes-Oxley's Section 404) will enable a new level of transparency on many companies' real estate management strategies, which may result in more efficient operations. For more prognostications, visit www.ey.com/realestate.

The Los Angeles County Economic Development Corporation (LAEDC) in January issued "Recapturing the Dream: A Winning Strategy for the LA Region," co-authored by LAEDC Senior Vice President and Chief Economist Jack Kyser and Joel Kotkin, a national expert on community competitiveness. The report looks back at **L.A. County's economic development history and challenges**, unveils results of corporate conversations and surveys, and makes recommendations for the future. The study is posted at http://laedc.org/data/pdf/Recapturing_the_Dream.pdf. Look for analysis from the study and an interview with Kotkin in the March issue of *Site Selection*.

The 11th annual *Index of Economic Freedom* was issued in January by The

Heritage Foundation/*Wall Street Journal*. Measuring 161 countries against a list of 50 independent variables grouped into areas like monetary policy, property rights and regulation, the study found which countries could be called "most free" or "least free." Among the most improved nations were several Eastern European countries, as well as Indonesia and Malaysia. Among those whose **freedom index** slumped were several nations in the Middle East and North Africa. Analysis of the report by Jeff Madrick, published in *The New York Times*, found that only three of the 10 most competitive nations (according to a separate list compiled by the World Economic Forum) were among the world's freest: Denmark, Iceland and Singapore. Copies of the full report may be ordered at www.heritage.org/index.

Not all the latest mergers are corporate — but one in the works is certainly meaningful to industrial corporations, as it would create the **largest labor union** in the U.S. In January, a formal merger was announced between the United Steelworkers of America and the Paper, Allied Industrial, Chemical and Energy Workers International Union. Members of both unions will vote on the merger at their separate conventions in April.

In January, a French federal court ruled that GE Healthcare must make essential work documents at their operations in France **available in French**, including software and safety documents. The company, which plans to appeal, employs more than 1,500 people from 45 countries at its site in Buc, France.

Think **nanotechnology** is the stuff of fantasy? A team of scientists from Rensselaer Polytechnic Institute in New York begs to differ. In research published in an upcoming edition of the journal *Nature Materials*, the team says that new systems based on carbon nanotubes will benefit "the performance, safety and reliability of future manufacturing equipment, sensitive laboratory equipment and everyday electronic devices," Nikhil Koratkar told the Albany Business Review. For more, visit www.nature.com/nmat/current_issue/. And look for more on the promise of nanotechnology in the March issue of *Site Selection*.

A January survey by American Express found that the leading public policy concern of **small business owners** was tax relief (26 percent), followed by healthcare benefits (20 percent), interest rates (14 percent)

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SPONSOR spotlight

Texas Marketing Team

In a State This Big, Why Go It Alone?

The Texas Marketing Team was established in 1989 to bring business to Texas. Now at 55 members and going strong, this network of professionals includes community economic developers, utilities and others involved with the corporate attraction business. As has become readily apparent in the past year, that includes the office of Gov. Rick Perry.

"We're partnering with the state economic development team and Governor Perry's office," says TMT Chair David D. Miracle, CecD, director of economic development for the City of Cedar Hill, near Dallas. "Governor Perry is the first governor in Texas history who has had the economic development responsibility officially in the governor's office."

The success of that pairing — and the discretionary incentive fund called the Texas Enterprise Fund — has been self-evident over the past year, bringing the state new business like **Countrywide Financial's** recent expansion, as well as new



honor like being named the "Best Business Climate for 2004" by *Site Selection*.

Miracle says TMT, a gold-level sponsor of IAMC since spring 2004, has also started hosting special CEO events in partnership with the governor's office, as a way of both thanking existing industries while at the same time letting them know Texas is ready and willing to help them grow.

As a standing committee of the Texas Economic Development Council, TMT is planning to do more fundraising "so we can do more events," says Miracle, including heavier sponsorship activity as well as more site consultant and end-user relationship-building activities. As he points out, Texas had been pretty successful before anybody ever heard of the Texas Enterprise Fund. "Now, with funds to grow business, that puts us on a pretty strong growth probability," he says.

To learn more, visit www.texasedc.org/tmt.



David D. Miracle

UPDATE: Charleston Overflow Hotel Information

The Charleston Place Hotel is completely sold out on Saturday, March 19, but still has availability for the remainder of the IAMC Professional Forum. Below is information on the overflow property, The Mills House, which is located just two blocks south of the Forum location, at 115 Meeting Street.

A special rate of **\$209.00** is available at The Mills House Hotel in downtown Charleston. To reserve your room contact The Mills House Hotel directly Monday-Friday, 9:00 a.m.-5:00 p.m. EST, and identify yourself as part of the Industrial Asset Management Council. Availability of this discounted rate is limited, so it is recommended that you reserve your room as soon as possible to ensure that you get this special rate.

Call 800-874-9600 or 843-577-2400, and press option "1" to make reservations.



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cent) and regulation (14 percent). For more, visit www.americanexpress.com.

The North American Steel Trade Committee projects that the world will see an **increase in steelmaking capacity** of some 250 million metric tons by 2010, a 25-percent increase. Meanwhile, in January, the American Iron and Steel Institute reported that U.S. steel mills saw a 7.6-percent year-over-year increase in shipments through the month of November. The sector showing the strongest gain was machinery, industrial equipment and tools, at 19.2 percent. For more, visit www.steel.org.

The World Free Zone Convention (WFZC) will be held April 20-22 in Izmir, Turkey, part of the country's Aegean Free Zone. According to WFZC Chairman Graham Mather, some 120 countries now have some form of special economic zone that is able to offer tax breaks and other incentives. For more information, send an e-mail to info@freezones.org.

IAMC NEW MEMBER UPDATE

NEW ACTIVE MEMBERS

Robert Downey, project manager, **ServiceMaster**, Memphis, Tenn.

Alison Mertwoy, manager, strategic sourcing & corporate real estate, **FMC Corp.**, Philadelphia, Pa.

NEW ASSOCIATE MEMBERS

Harry Busbee, manager, economic development, **SCANA Corp.**, Columbia, S.C.

Brian Cardoza, president & CEO, **Fayette County Development Authority**, Fayetteville, Ga.

Marc Farmer, director of business recruitment, **Lubbock Economic Development Alliance**, Lubbock, Texas.

Mark Lofthus, director, **Positively Minnesota**, St. Paul, Minn.

Roger Miller, vice president, business recruitment, **Enterprise Florida, Inc.**, Tallahassee, Fla.

Ralph Rhode, senior economic development executive, **FirstEnergy**, Lebanon, Pa.

Brad Richardson, executive director, **North Hardin Regional Industrial Authority**, Radcliff, Ky.

Jeffrey Samet, senior vice president/principal, **Colliers Pinkard**, Baltimore, Md.

Lynn Storen, vice president, **Metro Atlanta Chamber of Commerce**, Atlanta, Ga.



www.IAMC.org
INDUSTRIAL ASSET MANAGEMENT COUNCIL

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