

Conditions Were Excellent at BOMA Regional Owners Council Retreat in Deer Valley

The setting was the Chateaux at Silver Lake at Utah's Deer Valley Resort, April 6-7, 2006. Outside, several inches of freshly fallen snow beckoned vacationers to hit the slopes to enjoy another weekend of spring skiing. Inside, members of BOMA's Regional Owners Council (ROC) were warming up for two days of indispensable networking, information exchange and high-level education.

The April meeting featured presentations on technology trends, recruiting young talent, the economy, and developing and managing mixed-use properties. ROC members also enjoyed a tour of the Mormon Tabernacle Conference Center in Salt Lake City, believed to be the largest religious and theater auditorium in the world.

Bursting the Bubble

Challenging ROC members to be less "U.S.-centric" and adopt a more international focus, Realcomm's Jim Young kicked off the education segment of the ROC retreat with a fascinating presentation on technology trends. Young is Founding Partner and Co-Producer of Realcomm, the world's largest and most recognized conference on technology for the commercial real estate industry. As President of the Jameson Group/RE Applications, Young is involved in some of the largest and most successful automation projects in the industry.

According to Young, while the U.S. leads the world in business skills, Asia is light years ahead in its use of technology in intelligent buildings and everyday life. In Asia, cell phones have already replaced credit cards for most everyday transactions, and in real estate, "virtual property managers" manage multiple

properties from a central operation control center. Examples of other technology innovations that are being adopted in Asia include video attendants for online retailers, Internet terminals placed throughout shopping malls, automated parking attendants, and video conferencing in restaurants and cars.

Here in the U.S. we are "living in a bubble," Young argued, and encouraged ROCers to be more in touch with what's happening in a world where everything is connected to the Internet.

College Campuses are Fertile Recruiting Grounds

Fact: Our workforce is aging, and all businesses are faced with the challenge of recruiting new, young talent to replace our soon-to-retire Baby Boomers. But how easy is it to find our future business partners and leaders? Knowing how to tap into colleges and universities may be the answer.

Angela Sorrell, Chief College Recruiter for Ernst & Young's Real Estate Advisory Group, shared tips on everything from how to identify target schools to utilizing internship programs. Sorrell discussed how to build relationships with faculty, student organizations, career centers and alumni, and how to prepare for career fairs, presentations, and on-campus interviews.

According to Sorrell, college students make excellent recruits because they're energetic, have fresh ideas, are innovative and technologically savvy, haven't yet learned bad work habits, are affordable and "hungry" for opportunities, and understand the importance of working collaboratively.

The Jobless Recovery is Behind Us

So says Jeff Thredgold of Thredgold Economic Associates and economic consultant to \$40 billion Zions Bancorporation who provided ROCers with an outlook on the U.S. and world economies.

In the first quarter of 2006, job creation is the strongest in six years as the U.S. economy rebounds. Nearly 600,000 new jobs have been created, with small business creating many of the job opportunities. The unemployment rate is the lowest in 4.5 years. Thredgold warns, however, that access to labor will continue to be a challenge for businesses, and immigrants will represent the majority of entrants into the U.S. labor market. Thredgold added that the average worker productivity in the U.S. is the strongest in 50 years.

Inflation is headed in the right direction too, according to Thredgold, who credits intense global competition, price-sensitive consumers, more effective use of technology, and the competitive nature of the Internet for keeping inflation in check. Thredgold cited modest or good economic growth in Japan, China, India and Canada, with disappointing or slow growth in Europe, South America and Africa, which he says has been ranked as “the global community’s major failure of the past 50 years.”

On Thredgold’s list of industries to watch, calling them the “seven critical industries of the future:” technology, transportation, telecommunications, financial services, energy, entertainment, and bio-medicine. Thredgold’s presentation was sponsored by Schindler Elevator Corporation and ThyssenKrupp Elevator

Straight Talk on Mixed Use

As our industry struggles to get a handle on this growing trend, ROC members were treated to an inside look at what it takes to make mixed-use development projects a success. Jake Boyer, a Senior Partner with The Boyer Company, discussed market strategies; construction,

financing, leasing and other challenges; tenant negotiations, including co-tenancy deals; and complex cost allocation systems, as he walked ROCers through the development of one of his company’s major projects – The Gateway.

The Gateway is a \$375 million, 2.1 million-square-foot mixed-use development project in downtown Salt Lake City. The project combines retail, office, residential and cultural destinations. It’s located on 40 acres, centered around historic Union Pacific Station. This very successful project, which is currently 98% leased for retail and 100% leased for office, was developed to draw people from the suburbs back into downtown. Following his presentation, ROC members boarded a bus and headed into town to visit the project and dine at one of the Gateway’s fine restaurants.

ROC’s next retreat is scheduled for October 12-14 in Dallas, TX in conjunction with BOMA’s National Advisory Council (NAC).

The Regional Owners Council is an exclusive group of owners or equity partners of single or regional market commercial real estate. Chaired by Barbara E. Reuter, RPA, COO, PICOR Commercial Real Estate Services, Tucson, AZ, ROC members hail from across the U.S. and Canada. The group meets four times per year – retreats in the spring and fall, and at special sessions at BOMA’s Winter Business Meeting and Annual Conference. For more information about ROC, contact Patricia M. Areno, CAE, BOMA International’s Senior Vice President, 202-326-6320, pareno@boma.org.