



# In the News

Winter 2006

## President's message

by Bill Chester

With the Holidays right around the corner, it is hard to believe that 2006 is almost over. From a NAIOP perspective, 2006 has been a very good year. Our local chapter is very healthy with over 110 members and growing.

During the year, we hosted several very successful and well attended events. On October 19, we held our annual NAIOP Night of Stars at the Marriott RiverCenter in Covington, Kentucky. We had 330 people attend as we honored the top office and industrial deals of the year, the Developer of the Year, the Broker of the Year and the Transaction of the Year. Bill Butler of Corporex Companies was presented with the Impact Award for 2006.

On November 14, NAIOP presented an educational program on the ABCs of TIFs and JEDDs. This sold out event was hosted by Graydon Head & Ritchey LLP. Education will remain a big focus of NAIOP.

Our Annual Holiday Party is December 5 at the Metropolitan Club at the RiverCenter in Covington, Kentucky. This event promises to be a good networking event as well as a way to spend time with good friends.

We are in the process of completing our planning for 2007. As always, we will have a full schedule of exciting events. If you are interested in joining NAIOP and taking advantage of the upcoming events and programs please visit our website at [www.naiop.org](http://www.naiop.org) or contact me at [bchester@fuse.net](mailto:bchester@fuse.net).

Sincerely,

Bill Chester

NAIOP President

## What Exactly is Mixed Use?

Mixed-Use is quickly establishing itself as a unique type of development and a trend that is revolutionizing the real estate landscape. Combining the elements of residential, retail, office and entertainment, Mixed-Use projects are being developed in both urban and suburban markets and on a global scale. But what constitutes a "mixed-use development" project in today's development environment?

Though mixed-use is commonly defined as a project that features the mixing of at least three significant revenue-producing uses, i.e. retail, residential, commercial, today the definition represents a collection of components working together simultaneously-and the project may include a non-revenue producing-though traffic-generating-element. Thus, the new working definition for mixed-use development is:

*"A mixed-use development is a real estate project with planned integration of some combination of retail, office, residential, hotel, recreation or other functions. It is pedestrian-oriented and contains elements of a live-work-play environment. It maximizes space usage, has amenities and architectural expression and tends to mitigate traffic and sprawl."*

"As the interest in developing mixed-use projects gains momentum, it is important that the associations representing those involved in creating mixed-use projects have a clear understanding of what mixed-use developments are," said Michael P. Kercheval, president and CEO of ICSC. "It is only fitting that ICSC collaborated with these leading associations to develop this cross-organizational definition of mixed-use," added Kercheval.

This new definition was revealed during the first industry-wide conference on Mixed-Use Development, which was hosted by ICSC, NAIOP, BOMA, ARDA and NMHC. The 2006 Conference on Mixed-Use Development focused on the challenges and opportunities related to developing, designing, financing, leasing, managing, and marketing a Mixed-Use project. For the Power-Point presentation, *Understanding the Concept and Drivers of Mixed-Use Development*, visit the [NAIOP Web site](http://www.naiop.org)

## About NAIOP

The National Association of Industrial and Office Properties is the nation's leading trade association for developers, owners, investors and asset managers in industrial, office and related commercial real estate. Founded in 1967, NAIOP comprises 12,500+ members in 50 North American chapters and provides networking opportunities, educational programs, research on trends and innovations and strong legislative representation. For more information, visit [www.naiop.org](http://www.naiop.org).

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## ANNUAL AWARDS DINNER HIGHLIGHTS

The Cincinnati/Northern Kentucky Chapter of NAIOP hosted its annual awards dinner on Thursday, October 19<sup>th</sup> at the Marriott RiverCenter in Covington. The event is held every October to honor the year's most successful developments and deals, and to recognize the developers, brokers and other professionals that make these projects possible.

At the awards dinner the Cincinnati/Northern Kentucky Chapter donated over \$6,000 to Boys Hope/Girls Hope and Habitat for Humanity. In addition, the chapter recognized University Of Cincinnati Real Estate Center student Aaron Bottenhorn as its annual scholarship recipient during the awards dinner. WKRC-TV news anchor Kit Andrews, who served as emcee for the awards dinner, recognized all of these recipients and represented NAIOP in distributing the awarded funds.

This year's awards ceremony recognized the leading office and industrial deals of the past 12 months, as well as the Broker of the Year, the Transaction of the Year, and the Developer of the Year. The final award for the evening is the Impact Award, named in memory of David Tipton.

### **This Year's Award Winners Were:**

**Office Deal— Category I:** Citigroup Lease, Landing I&II- Duke Realty

**Office Deal— Category II:** Mayfield Clinic BTS- The Ackerman Group  
& Al Neyer Inc.

**Industrial Deal— Cat. I:** San Mar BTS, ProLogis

**Industrial Deal— Cat. II:** Melink BTS, Bunnell Hill/Henkle Schueler

**Broker Of The Year:** Doug Altemuehle, Grubb & Ellis/ West Shell  
Commercial

**Transaction Of The Year:** First Industrial & Duke Realty, FirstCal I

**Developer Of The Year:** IDI

**Impact Award:** William P. Butler, Corporex Companies

The final award presented at the ceremony was the Impact Award, named in honor of the late David N. Tipton. The recipient for this award for 2005-2006 was William P. Butler, the founder of Corporex Companies. It was a fitting tribute to the man who had the vision to develop Covington's RiverCenter, where the awards dinner was hosted at the Marriott Hotel.

Congratulations to all of this year's NAIOP award winners. Their commitment to our community helps make our region a better place to live and work. NAIOP's membership base are leaders in the commercial real estate industry because they are committed to improving the greater Cincinnati marketplace. (See photos on Page 3 for more highlights from the awards dinner.)

## Annual Night of the Stars AWARDS DINNER

**Thanks to Our Sponsors:**

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**Gold Sponsors: First Industrial Realty Trust, Buy Lease Build Magazines and Strauss & Troy**

**Silver Sponsors: Duke Realty Corporation and Integra Bank**

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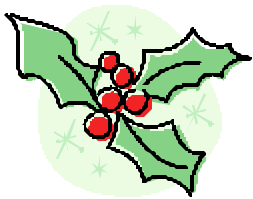


*The Cincinnati Chapter of  
The National Association for Industrial and Office Properties*

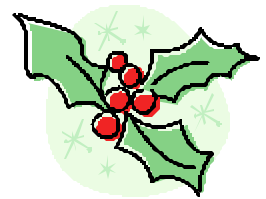
**Invites you to our Holiday Party at  
The Metropolitan Club**

NAIOP members and guests will come together to celebrate the holidays and toast the good things that took place in 2006 and celebrate the things to come in 2007!

***Thanks to Our Sponsors:***



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***Date:***

**Tuesday, December 5, 2006**

***Time:***

**5:30 - 8:30 pm  
Cocktails and Hors D'oeuvres**

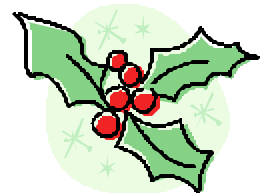
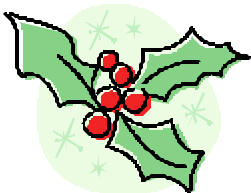
***Location:***

**The Metropolitan Club  
50 East RiverCenter Blvd.  
Covington, Kentucky  
859-491-2400**

***Cost:***

**\$25 NAIOP Members \$35 Non Members**

To Register call 513-388-9268



## NEWS BITS

### The Trend: Building Urban Villages -- Remade City Centers Find Mass Appeal

Washington Post (11/13/06) P. D1; Hart, Kim

*New Urban News* reports that the number of mixed-use developments of 15 acres or more has been increasing annually by nearly 28 percent since 1996. The most recent year for which figures were available is 2004. In that year, a total of 650 mixed-use projects were in various stages of planning, development and completion nationwide. Many of these projects have formed what are considered "urban villages," which combine retail, residential and office space in a compact environment. Studies have shown that retail businesses in these urban villages typically generate more revenue than those in traditional strip malls and shopping centers. Additionally, mixed-use urban villages have proven to attract a desirable set of demographics, namely young professionals in dual-income households, retirees and empty-nesters. Congress for the New Urbanism President John Norquist comments, "What's really driving [the trend] is profit. Everybody's trying to recreate the urban form because that's what the consumer wants."

### Tips on Career Networking:

Real estate conferences can be goldmines for anyone looking to advance his/her career. Do you ever wonder why others seem to generate loads of great contacts at meetings while you seldom meet anyone new?

#### **Tip #1: Learn all you can.**

Real estate industry meetings offer great opportunities to gain an introduction to new sectors, fields or disciplines. Let your curiosity be your guide here. Research shows that real estate leaders and hiring managers prefer well-rounded, multi-faceted professionals. The broader your knowledge, the more interesting you will be as a candidate and as a colleague.

#### **Tip #2: Network during leisure activities.**

If you can include any recreational activity in your meeting itinerary - golf outing, mobile workshop, cultural side trip, dinner at a local rib joint - you will have a chance not only meet people outside your normal sphere, but also to expand and deepen your relationship with existing contacts. Successful networkers know that life-changing opportunities often come from the most unlikely sources. Remember that the longest time one is able to spend with another at a convention is often at a breakfast or luncheon. Catch up with important contacts at meals and make a point to sit with them. Some seasoned networkers purposely join a table of total strangers just to see if anything interesting comes of it.

## MEMBERSHIP UPDATE

### • Take Advantage: Free Membership Thru Dec. 31

Don't delay! Encourage your friends and colleagues to join NAIOP now and they'll enjoy the **rest of 2006 free and all of 2007 at 2006 rates**. Membership in commercial real estate's premier organization is essential to business growth. Take advantage of:

- High-level local, state and federal legislative representation.
- Local chapter *and* nationally-organized networking/education events.
- Online membership directory of fellow members.

**If you know someone that is interested in NAIOP membership, contact Matt for more information.**

**Matt Watson, NAIOP Membership Chair**

**(513) 454-0113**

**[mwatson2@firstindustrial.com](mailto:mwatson2@firstindustrial.com)**

## WELCOME NEW MEMBERS!

**Brad Austing**

**Steve Denison**

**Angela Doerflein**

**John Harvey**

**Chip Kupferberg**

**Nicholas Lingenfelter**

**David Petroni**

**Greg Schroeck**

**Trent Warner**

**Towne Development Group**

**Duke Realty Corporation**

**Land America Commercial Services**

**Miller Valentine Group**

**Blue Mark Capital LLC**

**LaSalle Bank, N.A.**

**Miller Valentine Group**

**Fifth Third Bank**

**Spectrum Interiors, Inc.**

## The Election's Impact on Commercial Real Estate's Legislative Agenda

In light of the shift of power in Congress resulting from our most recent elections, commercial real estate industry leaders are assessing how these changes may affect current and new legislative initiatives on behalf of the industry. Key real estate issues facing legislators are terrorism insurance and taxation.

Industry leaders see the issue of Terrorism Risk Insurance as only partially resolved with the extension of the Terrorism Risk Insurance Act (TRIA), which is set to expire at the end of 2007. Barney Frank (D-Mass.), the new House Financial Services Committee chairman, is expected to hold committee hearings on the terrorism insurance issue in early 2007. Commercial real estate leaders are hoping that these hearings will result in bi-partisan approval for the continuation of the TRIA in some form by mid-2007. This issue will also be debated by the Senate Banking Committee.

Industry leaders are also looking to Congress to address crucial taxation issues that can affect economic

growth. NAIOP has lobbied extensively in favor of permanently extending the 15-year recovery period for the depreciation of qualified leasehold improvement property as well as passage of a bill to amend the Internal Revenue Code of 1986 to expand the expensing of environmental remediation costs.

New House Ways and Means Committee chairman Charles Rangel (D-N.Y.) is in favor of permanently reducing the depreciation for leasehold improvements to 15 years. In regard to costs associated with brownfields cleanup, many Democrats on the Ways and Means Committee support efforts to ensure that costs incurred with clean-up can be expensed immediately versus being added to the basis of the cleaned-up land.

For more information and updates on federal legislative issues, please contact John Bryant, director of federal affairs, at (703) 904-7100, ext. 162 or [bryant@naiop.org](mailto:bryant@naiop.org).



*The Forum for Commercial Real Estate*

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