



December 15, 2009

Dear St. Louis Chapter NAIOP Member:

As we approach the end of 2009, we have much to celebrate. We have managed to survive an entire year since the failure of Lehmann Brothers and the near collapse of the world's largest banking system and free market economy. Many economists are now predicting that we have weathered the brunt of the crisis and have now settled into what is likely to be a long and slow recovery.

As if the meager state of our economy were not difficult enough, the targeting of our industry by politicians and special interests continues to accelerate, and if successful, threatens to substantially stifle the growth of our individual commercial real estate practices for years to come. Why? Because we have become an easy target. Historically, our industry has not done a very good job of protecting our interests on Capitol Hill. NAIOP is working to change this.

A few of the notable challenges currently facing our industry on Capitol Hill:

Taxation – The “tax man” is attempting to reduce depreciation benefits on leasehold improvements, raise taxes on partnership carried interest, alter the use of like-kind exchanges, add additional inventory and sales taxation, limit the benefits of Brownfield Tax Incentives and significantly alter the lease accounting rules of our corporate client base.

Environmental Regulation – Interest groups have unfairly labeled commercial buildings as the number one cause of Green House Gases in the world and are attempting to increase energy efficiency standards well beyond what our industry and customers have embraced through LEED certification. The degree of this proposed acceleration has the potential to virtually eliminate speculative new construction.

FEMA & EPA Initiatives – Momentum is building to introduce additional burdensome storm water requirements for clearing and cleaning run-off to such a degree that site development costs could grow exponentially.

Lobbying and educating our elected officials and our members on NAIOP's official positions to legislative issues facing our industry is of tremendous value. That is why now, more than ever, it is important to be a member of NAIOP. In addition to our legislative support, NAIOP supplies you with numerous educational and networking resources, which are outlined on the national webpage, (www.naiop.org). I encourage each of you to browse the website and learn more about the many benefits your membership provides you.

On the local front, I am proud to announce that your St. Louis Chapter continues to make significant progress in all organizational areas:

Membership: Despite the difficult economy, our membership committee has added 15 new members since January, growing our total to over sixty-five. Your local chapter now includes representatives from most every development company in the St. Louis area. Any referrals or recommendations brought to the attention of our membership committee would be very much appreciated. Robb Johnson with Altus Properties is the Membership Committee Chair (314- 569-5000).

Governmental Affairs: We now have ten active members on the governmental affairs committee providing us with a diverse background and comprehensive skill set as we positively influence Federal and State issues

affecting our local industry. The committee continues to make inroads on local and state legislative matters by supporting Missouri Growth Association. They have successfully found a “seat at the table” with MSD, enhancing our ability to monitor and educate MSD officials on the potential effects of state and local storm water initiatives. I am also proud to announce that the first edition of our “Go To Guide” was released in July. This invaluable guidebook provides you with a concise directory of Federal, State and Local Economic Development Incentives available to our industry here in St. Louis.

Many other exciting ideas are being formulated by the governmental affairs committee, such as: (1) the potential creation of a local Political Action Committee (PAC) supplying us with the financial resources necessary to assist and challenge political agendas effecting the future of our industry; and (2) the progress of our Community Involvement Initiative, which seeks to bring stakeholders together in improving the landscaping and hardscaping around the transit areas of Lambert Airport. Subcommittees for these initiatives are currently being formed. Please do not hesitate to contact Steve Polk with Storm Water STL, (Governmental Affairs Chair), with your interest, (314- 406-7655)

Programs: The Program Committee recently committed to a very exciting schedule of events for 2010. It will be posted on the local website shortly. In brief, we are working toward having at least one NAIOP event every month. We will have “group webinars” on various topics, and breakfast and cocktail programs on some of the latest issues to face our industry such as energy efficiency regulation, the state of the capital markets, pending tax and accounting regulations, trends in construction including ever changing Green ideas, and more. Stay tuned for exact dates and times and contact our Program Chair, Kara Villhard, Director of Operations for Maune Development, with any ideas for future programs and topics, (314-678-4886).

We are committed to keeping you informed of upcoming educational programs, networking events and significant legislative issues with President’s Letters such as this, timely Newsletters and a website that is up to date and timely. Thank you for your patience as we have worked to put together an organization and committees that will execute these goals.

Thanks again for your support and involvement. Please call me at anytime with questions or comments!

Sincerely,



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