

International Facility Management Association



IFMA Atlanta Chapter * 1185 Willingham Drive * Atlanta, Georgia 30344 * February 1999 Issue

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Monthly Meeting

Wednesday, February 17, 1999 * J. W. Marriott at Lenox

Topic: Y2K Issues Affecting Facilities

Time: 11:30 a.m. - 1:30 p.m.

Cost: \$20.00 Member; \$25.00 without advance registration
\$35.00 Guest; \$40.00 without advance registration

Location: J. W. Marriott at Lenox

Reservations: Association Office(404) 766-1632 or Fax 404-768-7767 Please call
Vernon or Lisa by 4:30 p.m., Friday, February 12, 1999

Please note: Cancellation of your reservation must be made 48 hours or more in advance
of the meeting. A \$5.00 service charge will be added to all no-show invoices.

Is your building ready? Year 2000 is fast approaching. Join us in February at our New location at the J. W. Marriott in Buckhead. We will continue our educational coverage of the CFM Core Competency Areas. We are very pleased to have two partners from Alston and Bird Law Firm as our Y2K panel. Mr. Jay Farris and Mr. Chuck Young will be discussing issues that will impact the operation of your buildings. Hope to see you there. Note this location is great since it is across the street from the Lenox MARTA Station. I hope many of you will take advantage of MARTA.

Upcoming Events:

February 17

Y2K Impact on Facilities
J. W. Marriott at Lenox

March 17

CFM Review - TBA

March 10

New Member Orientation breakfast

April 21

Developing a Great Relationship with
your Property Manager - TBA

April 24

YWCA Saturday IFMA Volunteer Day

May 19

Facility Image and Using your Facility as
a Recruiting tool - TBA

May

IFMA Golf Event - TBA

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President's Message



In January, we promised the chapter a new strategic direction along with specific initiatives to accomplish during this year. I am pleased to report that we have already made real progress on committee goals and have the momentum in our organization to satisfy these initiatives.

Please look to this column for regular reports on our chapter and member achievements, the good work of your Board, the news of our association and our profession. As a reminder, we are soliciting your ideas and feedback on our membership services. If you are interested in serving on a particular committee or have suggestions, please contact the committee chair directly or me at 404.881.7704. Please support our committee chairs and volunteers in their efforts to better service you. A listing of committees and contact information is listed on page 7.

As promised, the Professional Development Taskforce has organized our newsletter information around the CFM core competency areas and into a monthly resource and learning tool. Many thanks to Suzanne Thomas, our Newsletter chair, for implementing this new format. Please let us know your thoughts and suggestions on this important new member service.

Facility Managers, Y2K Compliance & Contingency Planning

This month, we will address the Y2K subject at our luncheon, provide you resourceful newsletter information and publish the particulars of available Y2K seminars throughout the year. Additional information is available on the web and at our speakers site, <<http://www.alston.com/y2k>>www.alston.com/y2k.

At our luncheon, you will learn some suggestions on how you should be addressing this important issue. As if it were a planned disaster, Facility Managers should already have a plan in place and be devoting management time to create contingency plans for the new year. If you have not been proactive in identifying and correcting Y2K problems, begin your efforts today. Each passing day will place you, your organization and end users at risk for dealing with problematic systems and the ancillary headaches a system or vendor service failure will create. Be a Hero in your organization, use your IFMA Atlanta resources to focus your company on

the subject today.

IFMA International Leadership Conference

Our chapter was well represented at the Annual IFMA Leadership Conference in Houston, Texas. Joyce Roper, Vernon Thomas and I represented the Atlanta Chapter. In addition, Atlanta Chapter members represented the Legal Industry Council (Harry Ludwig, President and Corey Zawadzki, Vice President) and Corporate Headquarters council (Anne Steele, Secretary). Congratulations to our newly elected Industry Council officers. We encourage every one to join an Industry Council. Your IFMA Council association is included with your membership dues and will provide you with nation-wide and international professional contacts. We will be organizing a local campaign for councils within our chapter. If you are interested in assisting with this effort, please let us know.

While visiting IFMA Headquarters, we learned that several new member services are available through the web site, <<http://www.ifma.org>> www.ifma.org. If you have not visited your association web site, you are missing out on valuable membership services. The site is comprehensive and undergoing continued enhancement. In the near future, you will also be able to receive Educational courses on-line, take a CFM sample test, register for World Workplace and review a virtual Exhibit Hall.

Upcoming Events and Reports

Several March reports will be forthcoming on the hard work of your Board members in organizing activities, new member services and professional development opportunities. Next month, we will have reports on the progress of our Georgia Tech Masters program effort, Mentoring Taskforce, Professional Development Taskforce, Foundation Activities and our charity Golf and Tennis Tournament.

We are striving to meet the growing service and educational demands of our membership. Please make a little time this year to advance your career and profession by involving yourself in the Chapter. Remember, IFMA Atlanta is a better Chapter with you in it!

Many thanks.

Core Competency Educational Information

Year 2000 Issues Affecting Real Estate

Introduction

The Year 2000 ("Y2K") problem refers to the inability of computer hardware, software, and embedded-chip microprocessors to correctly recognize and perform date-sensitive functions involving dates after December 31, 1999. Commentators have estimated that this problem could cost from \$300 billion to \$600 billion to correct.

This advisory discusses the Y2K problem as it specifically affects the real estate industry. Whether you are an owner-occupier, landlord, tenant, lender, pension advisor, general contractor, property manager or vendor to the real estate industry, the Y2K problem will affect your business. REITs, other publicly traded real estate companies, pension funds and pension fund advisors especially should be concerned due to the heightened legal duties those entities have to shareholders, beneficiaries and their clients.

Building Operational Concerns

Many building systems rely on date sensitive computer programs or embedded-chip microprocessors. There is the potential for disruption in building operations should those programmed systems not correctly recognize dates in the year 2000 and beyond. These systems include:

- * Controlled-access parking decks that require either programmed access cards or date-stamped parking tickets.
- * Elevator banks and escalators that are programmed to operate to certain floors on programmed dates and times.
- * Controlled-entry doors to the building and to interior tenant space.
- * Fire detection and safety systems.
- * Any systems, such as electrical, telecommunications and HVAC systems that are programmed to be date and time dependent.

Building owners, property management companies and tenants face challenges when any one of these systems is not functioning properly. The potential for widespread disruption is greater when an occurrence such as the Y2K problem simultaneously threatens a number of the building systems.

Administrative Concerns

The Y2K problem will also affect date sensitive computer hardware and software used in many administrative aspects of property and portfolio management and loan servicing. Financial software which tracks loan payments or lease obligations, property management software which tracks maintenance schedules, automatic bill payment programs and asset man-

agement software are just a few of the many date-sensitive software programs employed by the real estate industry. A failure of any of these programs could put a user at a financial risk and at a competitive disadvantage.

Potential Liability

In addition to the lost productivity which is likely to result from Y2K problems, the failure of building operations and a breakdown in administrative functions could result in liability and loss of revenue to landlords, owners, tenants, advisors, managers and service providers in the real estate industry.

For example, if a building is not fully operational, the landlord may be responsible to its tenants for interruptions in services depending on the terms of each tenant's lease. A tenant interested in terminating its lease may use the Y2K problem as an excuse to terminate based on interruption of services or a breach of a landlord's covenant in the lease. Landlords may be subject to an increased risk of premises liability claims if third parties are injured in the building due to malfunctioning or non-functioning equipment such as escalators, elevators, or fire safety systems. Finally, if the business systems of tenants or borrowers are not Y2K compliant and that leads to a loss of revenues, landlords and lenders are at risk of increasing default rates of their tenants and borrowers if those parties are unable to make rental/loan payments. The following page contains a table which gives examples (although not exhaustive) of potential liabilities of various parties in the real estate industry arising out of the Y2K problem.

Year 2000 Plan

If your company has not already done so, the first step to address the Y2K problem is to form a multi-disciplinary Y2K team and devise a Y2K plan. A successful Y2K plan should first identify potential software, equipment and systems which may be affected by the Y2K problem. Then, the potential problems should be prioritized in order to focus on the most critical services. Next, all appropriate agreements, contracts and insurance policies should be analyzed in light of the Y2K problem. The Y2K plan should also include a thorough, systematic approach to identifying the third parties who may be liable, notifying those parties to preserve the company's legal rights and remedies, documenting all correspondence and contacts, and aggressively pursuing the resolution of all potential Y2K problems. To the greatest extent possible, the company should test its software, equipment and systems to determine whether the Y2K problems have been adequately re-

(continued on page 4)

Core Competency continued from page 3

solved. Finally, the company must prepare a contingency plan to address the Y2K issues should the company not be fully Y2K compliant or if unexpected problems arise.

Liability Management

The potential Y2K liability involves a web of complicated legal relationships and, therefore, careful liability management is essential. In addressing building operational and administrative concerns, you may likely discover that the software or equipment manufacturer is no longer in business. Accordingly, you may be unable to seek redress if the software or equipment being used is not Y2K compliant. Maintenance providers may offer some opportunity to seek recourse, depending on the contractual agreement between the parties. However, many of the agreements -whether between the

manufacturer and building contractor, the contractor and the building owner, or the maintenance provider and management company -may include disclaimers of warranties, including those implied by law. Pursuing some claims through litigation may be complicated, if not barred, by disclaimer or statute of limitation issues.

Depending on the terms of each specific policy, insurance may provide some protection from financial liability but no protection from the potential disruption. In some instances, specific Y2K insurance can be purchased at an expensive premium. Even if there is some coverage from insurance whether through existing policies or specific Y2K policies companies may still face caps on liability or exclusions from coverage. Accordingly, each insurance policy must be carefully reviewed to determine whether the policy offers appropriate coverage in the context of the company's overall Y2K plan.

Potentially Liable Party	Aggrieved Party	Example of Problems/Claims
Landlord	Tenant	Interruption of services; breach of quiet enjoyment
Tenant	Landlord	Failure to bill/miscalculation of rent due or paid.
Borrower	Lender	Default in rent payment due to faulty bill payment software; default of lease due to loss of business from Y2K impact on tenant's business.
Seller	Buyer	Default in loan payments due to faulty bill payment software; default of loan due to loss of business from Y2K's impact on borrower's business; default of loan because of impaired cash flow to borrower from defaulting tenants whose business is impacted by the Y2K problem.
Property Manager	Owner/Landlord	Liability for a breach of representations and warranties in sales contract regarding property's building systems.
Builder/Developer/ General Contractor	Owner	Liability/lost business for failure to identify and solve Y2K problems in building operations/rent collection and other services.
Loan Servicer	Lender	Liability for failure to install Y2K compliant systems.
Pension Fund Advisor	Plan Sponsors	Liability/lost business for inability to properly service loans in Year 2000 and beyond.
Board of Directors/ Managing Partner	Shareholders in REITs and other publicly traded companies; investors/ limited partners	Liability/lost business for failure to identify Y2K problems in acquisitions, ongoing asset management and portfolio management.
Vendors	Owners/Property Managers	Breach of duty of care in failure to identify and solve Y2K problem, which lead to adverse financial results.
		Failure to have Y2K compliant systems.

Summary

The Y2K problem may have a significant impact on the real estate industry. Those companies which address the problem now and minimize the adverse effect of the Y2K problem will have a competitive advantage in the Year 2000 and beyond. The Alston & Bird Y2K Committee is a multi-disciplinary

group composed of 34 Alston & Bird attorneys. For specific real estate Year 2000 questions, please call Jay Farris at 404-881-7896.

This Year 2000 Advisory is published by Alston & Bird to provide a summary of significant developments to our clients and friends. It is intended to be information only and does not constitute legal advice regarding any specific situation. This material may also be considered advertising under the applicable court rules.

Community Services Corner

Over the past 30 days, our involvement with the YWCA has been explosive. Starting with the IFMA Christmas Luncheon, our members generously donated over 50 games and toys to the children of the in town Y. Thank You!

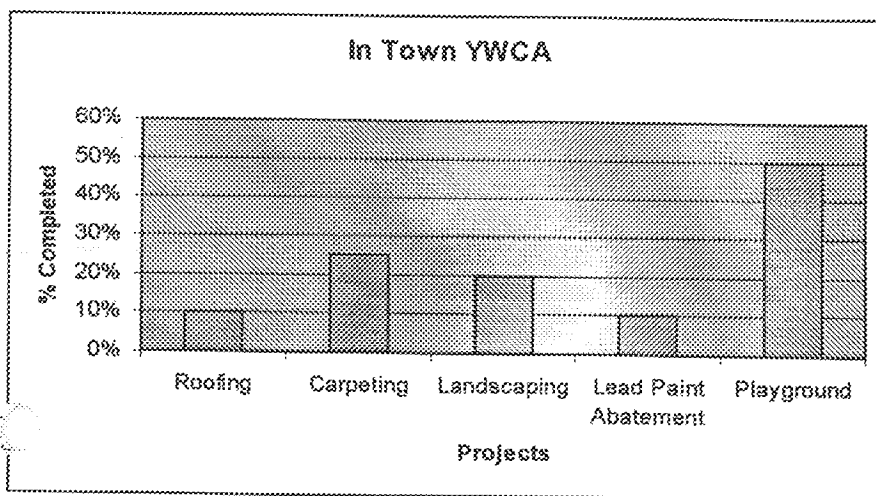
December 23, 1998 we had an emergency volunteer day. The playground area at the in town facility needed some quick sprucing up over the holiday break in order to meet NAEYC requirements. A team comprised from Metric Constructors, Jeff Kling & ASD, Ackerman Landscaping, and MilliCare Environmental Services pitched in at a moments notice to: dig out the old fill area around the playground, grade the area, add new pine bark, and spread it throughout the space. It was a frigid 30 degrees that day! Clint Mays, and his team at Metric donated the use of a bobcat for the day as well as the dumpster truck filled with pine bark. This is a short term fix to get the playground useable until a long term solution is determined.

The highlight of the day was when the television crews showed up! Our very own Jeff Kling of ASD stepped forward and represented IFMA Atlanta, proudly sharing our story of partnering with the "Y" and our efforts to give back, via our expertise, to the community.

On January 4, 1999 the new carpet arrived. Milliken Carpet donated 500 yards of new carpet tiles to the facility. On that same day, a team from MilliCare Environmental Services installed the first 30 yards. Now the children in the pre K room have new carpet to nap on and a warmer play area.

As of this printing we are a third of the way through our first project and will plan to begin our next project in the month of February. If you have not had your chance to participate, don't worry, we have 4 more facilities that need our capabilities. We will be contacting you soon.

Mark your calendars for Saturday April 24, 1999 at 9 am. This will be our next IFMA Atlanta Volunteer Day at the In Town "Y".



What is the IFMA Foundation?

The IFMA Foundation is a non-profit organization established in 1990 to fund and support education, research and scholarships to assist facility managers and students prepare for the future. By generating and distributing knowledge to benefit the profession, the Foundation provides workplace professionals with resources to help improve job performance. Increased professional capabilities foster a greater corporate reliance on facility managers; therefore, improving credibility within the workplace.

The Foundation is funded through the generosity of members, chapters, councils and corporate sponsors. As a non-profit organization, donations are tax-deductible and every dollar goes toward advancing facility management as a profession.

However, benefits are not limited to the Association. The Foundation also benefits non-IFMA activities. Contributions underwrite research, fund educational program development and provide scholarships to students pursuing Facility Management degrees. For instance, in 1998, thirteen (13) scholarships were awarded with a worth of \$19,400. Also, the Foundation supports the IFMA Certification program. At World Workplace 1998, IFMA Atlanta was pleased to make a contribution to the Foundation. This year IFMA Atlanta plans to raise substantial funds through our monthly contribution/drawing and with one or more fund raising events. Plans are underway for a golf/tennis tournament. So, watch your newsletter for information.

A wealth of information regarding the Foundation is available at the IFMA website. Check it out. www.ifma.org

Facility Minute!

How is your company responding to Y2K?

Linda Daniel of Georgia Power

"Georgia Power has put together a business continuity plan for the year 2000. This will ensure things continue to operate correctly. They have been working on this for over 2 years."

Reliability Technology Seminars February 25th / 26th Greensboro/Charlotte, North Carolina Call 336/856.0926 for registration

Dow Corning Corporation is presenting a practical seminar on waterproofing and roofing technology. The program is being held on February 25, 1999 from 8:00 AM-1:30 PM at the Galleria Centre located at Highway 41 and I-285. The program is free of charge and offers 8 AIA/CES learning credits. A complimentary lunch and continental breakfast will be provided. RSVP by February 19, 1999 by calling 404-691-5250.

Moving, Modernization Seminars Offer Timely Tips In Atlanta,

*Comp Tickets Available To
Professional Members*

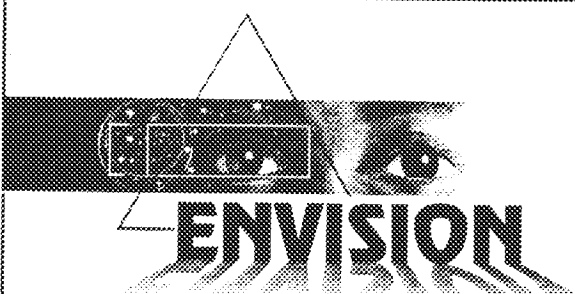
**February 24
Cobb Convention Center**

Smart Moves will be held 7:45 am to 11 am (including a continental breakfast) and Smart Modernization runs 1 pm to 4:30pm. Atlanta will be one of the first cities in the U.S. to get the Smart Modernization Seminar in addition to a return of the Smart Moves Seminar. Popular seminar leader and author, Alan Whitson, will lead both programs. The Corporate Realty, Design & Management Institute and Buildings magazine are hosting the two educational programs.

IFMA professional members can arrange for complimentary tickets through the Corporate Realty, Design & Management Institute by calling 800-452-4480 or faxing your request to 503-274-1423. IFMA members must pre-register, however, to obtain the complimentary tickets. Admission is \$40 at the door to each seminar without pre-registration. IFMA professionals may attend either seminar or both. Professional members will earn 1.5 certification maintenance points per seminar for the CFM designation by attending.

Smart Modernization addresses the increasing impact of technology on buildings facing upgrade. In the U.S., 90% of the commercial buildings are over 10 years old. Yet, most of the money saving technologies were developed in the past 10 years. In the Atlanta area, over 75% of the commercial buildings were built prior to 1990. Covered in Smart Modernization are 5 steps to maximizing energy savings, first cost versus total ownership cost -how to calculate it, and examples of how award winning modernization projects achieved their owners' goals. This program will give you an integrated approach to handling the vast array of new technology and ways to stretch your modernization dollars further.

Seminar leader Whitson is a leading expert on corporate real estate and author of Smart Moves Manual -The Step By Step Guide On How To Move Your Company and 327 Questions To Ask Before You Sign A Lease. Whitson, who is President of B. Alan Whitson Co. in Newport Beach, Calif., shares his secrets learned from his 23 years of experience as a broker, facility manager, project manager and consultant for more than 25 million square feet of facilities throughout the world.



ENVISION



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Calendar of Upcoming Events

- **Smart Moves & Modernization**
(Certified at 1.5 CFM points for each)
Where: Cobb Convention Center
When: Wednesday, Feb. 24
 - **Smart Moves**
7:45 - 8:30 am - registration
8:30 - 11 am - program
 - **Smart Modernization**
1:00 - 1:30 pm - registration
1:30 - 4:00 pm - program
-
- **Getting Ready for the 21st Century**
Wednesday March 3, 1999 8:30 am to 4:00 pm
Westin Peachtree Plaza Hotel 210 Peachtree St, Atlanta
-
- **World Work Place Europe 99**
30 May - 1 June, 1999
Gothenburg, Sweden

1999 IFMA Committees

Committee	Chairperson	Phone
Associates	Steve Sperling Malone Construction Company	404.351.3991
Career Services	Marty Mason Pitney Bowes	770.952.5591
Community Service	Tom Haslach Millicare Environmental Services	770.975.1113
Foundation	Shelia Foster Foster Business Interiors	770.998.2122
Membership	Beth Chaplin Knoll	404.522.1835
Mentoring	Lendy Buchman Rite Way	770.248.9315
Newsletter	Suzanne Thomas HEERY	404.881.9880
Professional Development	Kathy Roper Sprint Communications	404.649.5011
Programs	Tammy Gaither Interface Flooring Systems, Inc.	404.522.0091
Public Relations	Patti Stewart Initial Contract Services Ltd.	404.637.8188
Sustaining Patrons	Harry Ludwig King & Spalding	404.572.4902

February 1999

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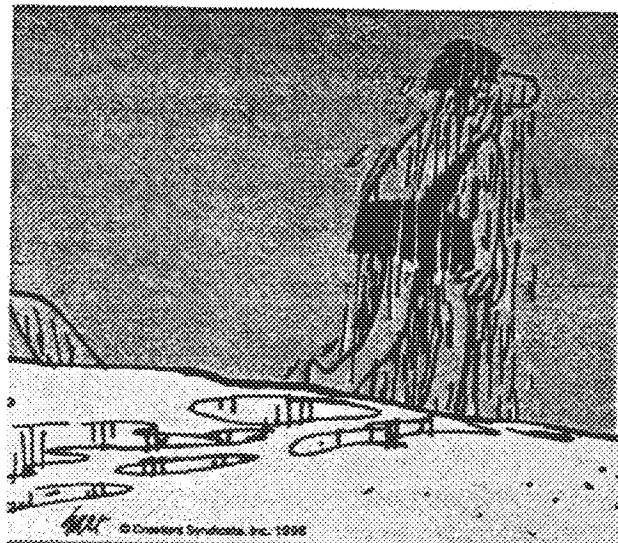
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MilliCare is the recommended maintenance for Milliken Carpet. www.millicare.com

Would you run your best suit through the wash?

Not if you have a lot invested in it.

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International Facility Management Association
Atlanta Chapter
1185 Willingham Drive
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Directory Update

Note corrections to
mailing label at right
(include phone/fax
numbers).

