THE PRESIDENT’S MESSAGE...

I am writing this the day after our annual IFMA Golf Tournament held at the Hermitage Country Club. It was an event for which our chapter can be proud on many levels:

- Thanks to the tournament’s director Tim Hume, your board and other members, we sold out the tournament – 144 participants comprised of 36 teams of four players each.
- Tim and the Hermitage Country Club hosted a very professionally run tournament. The course was in good shape, the rain held off until the day was over, the food and beverages were tasty and plentiful, and the prizes were generous. Several people unaffiliated with our chapter approached me after the tournament to tell me what a good time they had.
- Members were very generous with donating raffle prizes and auction items.
- Participants were very generous purchasing mulligans and string and participating in Valcourt’s Par 3 contest and the post-dinner auctions.
- We don’t know the total net proceeds yet, but I am confident that we will be positioned to make generous donations to our two tournament charities: Rebuilding Together Richmond and Hanover Habitat for Humanity! We will present them with checks during our December Social.

I would like to recognize a number of people that made the tournament the success it was. First and foremost, thank you Tim Hume! Simply put, this tournament would not have happened without Tim’s leadership and countless volunteer hours. Our chapter administrator, Barbe Shaffer managed the registration logistics and other behind the scenes tournament day tasks. Other members that helped plan the tournament and/or provided tournament day support include: Ken Coll, Jeff Bradley, Paxton Whitmore, Connie Hom, Bernadette Coleman, Julie Mutcher, Jane Waring, Marjorie Davidson, Holly Jones, Bud Vye and Christien O’Keeffe. And thanks again for those who contributed raffle and auction prizes.

You may be interested in learning a little more about our very worthy charities.

Rebuilding Together Richmond (http://rebuildingtogetherrichmond.org/) is a volunteer based organization that repairs homes of low income, elderly and disabled people. The program is centered on a 1500 person volunteer blitz on a Saturday in April. We have been sponsoring a house for many years. This past April, Barbe led a team of 20 volunteers work on the Eastview neighborhood home of Olga Anderson.

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AROUND THE CHAPTER
by Bud Vye, Retired CFM

Having spent the afternoon of 9/17 out at the 4th hole looking over at the rear of two homes sitting off to the left as our golfers were hitting off the tee, I was surprised to note an article in the sports section which struck me as coincidental. Seems a Reno, Nevada man who similarly lives along Lake Ridge golf course grabbed his shot gun and came out of the house after a ball came through his window. As the twosome approached the green, he fired at them, hitting one. The golfer was released after being treated at the hospital for minor injuries, while the home owner was arrested and faces charges. Thankfully, nothing like that happened at our tournament. No holes in one, but no one even close to those homes over on the left. (Although I had to wonder what they expect when they buy a house along a golf course, since even the pros shank one now and then.)

And I noted that the group that is leasing the space on the Canal where they ran the BlackFinn (the site of our membership recruitment social in September of ’07) is having difficulty finding someone to take over the lease. As I mentioned earlier, it looks like it might be some time before that area looks like San Antonio’s RiverWalk, which is what everyone was hoping when the Canal Walk was completed. In the mean time, the place is closed, and the rent keeps coming due every month.

Out at the U of R, the projects just finished in time for the start of the school year include a Student Activities Center and eight small cottages, which will be used primarily by the university’s sororities. In addition to those facilities, they did some major renovations at the library, as well as getting their Richmond on Broad Cafe open in the vicinity of their downtown unit.

Down at Fort Lee, must be a tremendous amount of lobbying going on regarding the off-base lodging situation as the peak population of the post is now up to 47,000. First, the post-9/11 security requirement of indoor corridors prohibited a number of apartments from being used. Then some heavy lobbying resulted in a policy review and a lifting of that prohibition. Then the Army stopped paying the housing directly and gave the soldiers $77 per diem to get their own housing anywhere they desired. Then they stopped the per diem and ordered the soldiers who could not get on-base housing to stay at one of the 16 hotels that had originally been approved. Then the apartment owners cried foul again, so there is currently an RFP out that was due by 9/19, where everyone’s proposal will be evaluated. Sounds confusing but the soldiers aren’t getting jerked around, its just that each new group coming in seems to be getting different instructions. We’ll see how this eventually shakes out.

RGIII seems to be off to a great start on the field, as the savior of the Redskins, but he’s having a few problems with the endorsement side of things. Seems he signed an exclusive agreement with Adidas to promote their apparel, but when he tried to wear their shirt in a game, Nike (who has the ex-
inclusive agreement with the NFL) came down on him hard. I think he's still wearing the Adidas shirt, but with tape over their logo. Looks like his agent wasn't paying attention.

**Naming rights** seem to be proliferating, as you may have noticed the Geico name starting to crop up on our Interstate highway **rest stops**, while the major league baseball teams are considering sponsors on their shirts, as the soccer teams have done for some time. Soccer fans are used to seeing the big VW on the DC United shirts, as well as the sponsors on all of the English Premier League teams, but it'll take some getting used to if baseball does it.

Build outs at both West Creek and Innsbrook continue, as Pruitt breaks ground on a 230 acre mixed use project called the **Notch at West Creek**. On the east side of 288, up near the Broad Street end, multifamily housing, an 80,000 sq.ft. medical office building, office, and retail space. First thing we'll see will be a road going in from the Broad Street side, running three miles down to Tuckahoe Creek Parkway. Don't have as much detail on the **Innsbrook** project, which sounds as though it will primarily be a large apartment building.

Back in the city, the 178 apartment unit Rebkee project in the old **Interbake cookie factory** (on Boulevard, backing up to the Children's Museum) receives approval from the Richmond Planning Commission, as they are happy to see something going into the 80 year old, 240,000 sq.ft. building.

While just a little further up the Boulevard there is sadness with the closing of one of the original **Bill's Barbecue** restaurants, along with the other two remaining units, marking the end of what was a 13 store, Richmond based institution dating back to 1931.

But the **frozen yogurt** outlets keep coming, as Yapple follows their Carytown opening, which Sweet Frog did their best to sabotage, with a 2nd one in Willow Lawn; Menchie's is readying one near Short Pump Town Center, and one called **CRAVE** has got one open in the Virginia Center Marketplace. As I mentioned earlier, I've been checking them out and they all seem to be knock offs of Sweet Frog's concept of 41 cents an ounce and a salad bar of toppings to help yourself to. We'll see how many more keep coming, and how long they last before someone starts another fad.

If you are used to seeing the prices sky high, you may not have noticed that **lobster prices have come way down** in the restaurants. Record hauls in the Gulf of Maine have flooded the lobster market, driving the price of soft shell lobster to its lowest level in three decades. If you like lobster (I do, my wife doesn't) and have been shying away because it's too pricey, check it out. You may get a pleasant surprise, as I did at Outback recently.

A sign of the times, as Wal-Mart, the nation’s largest retailer, announced recently it was discontinuing the carrying of Amazon’s Kindle tablets and e-readers in their stores, an indication of how seriously it views Amazon as a competitor to them in the consumer goods market.

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**Words of Wisdom**

The early bird may get the worm, but it’s the second mouse who gets the cheese.
IFMA Richmond Chapter has again met their community outreach financial goal.

I’ll also report on the **Golf Tournament** on 9/17, which I attended for the first time in some time, and the first time ever at Hermitage. **Chairman Tim Hume** from the host facility was proud to report that he felt this was the best tournament ever. I heard others who had attended other recent tournaments second this assessment, so I assume that its factual. The weather was cloudy and on the cool side, but the rain held off until we were finished, so it was actually quite a nice day for the players. The field of 36 foursomes was sold out, although a handful came through with players missing who had not shown up. The preceding lunch was very nice, featuring the biggest hot dogs I have seen for a long time, along with cold cuts, hamburgers, and chicken.

My assignment was to the 4th hole, a par 3, 148 yarder, with a difficult pin placement, where I was to certify anyone who might hit a hole in one for the $10,000 prize. In that role, I was able to see every player come through, and to take a photo of every team before they went on to Hole 5. **Jim Reilly** from the 10B team came closest to the pin as his ball hit beyond the pin and rolled back to within 4 ft. before stopping. A little later, we had some excitement as **John Spicer** of the 6B team hit more of a line drive that came rolling up onto the green, passing the pin by inches as I could hear the team whooping and hollering from the tee. It would have been interesting to see what would have happened had the ball hit the pin. All in all, a fun afternoon for me. A couple of birdies (Reilly’s being one of them); four birdies using string; mostly pars; and one lone bogie were witnessed. Then it was back to the clubhouse for a very nice meal featuring salmon and carved prime rib, after which Tim presided over the awards, with the lowest team scoring a 51, and **Mike Cline’s Cort team** winning their flight. I was too tired to write down who all the prize winners were, but they were numerous and the prizes quite valuable. I must comment on the only all-ladies foursome, the ServiceMaster team of Lindsey Hollins, Melissa Ziglar, Christine Probst, and Amanda Young. Not only did they look good but they must have hit the ball pretty well, as they came through my hole with a solid par, and finished with a respectable score. Prizes all awarded, we were out of there about 7:30, just as the rain finally made its appearance. A very nice event, with all of the participants appreciative. I’m hopeful that Tim, or someone who had the scores and prize results, will do an additional report so those winners can be recognized.
Welcome to our newest member!

Caroline Garrett
Interior Designer
Evolve Architecture
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On behalf of the chapter board, “Thank You” to the following members for renewing this month.

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Evolve Architecture was founded in 1990 with a mission statement to bring unsurpassed service and creativity to our clients in the field of architecture and interior design. Our clients have visions of a workplace design that will reflect their own sense of innovation and excellence. At Evolve, we take pride in finding the most practical solutions to bring those visions to life and meet our clients' needs.

Our innovative design team brings a wealth of knowledge and experience to every project. By immersing ourselves in our clients business and engaging our clients in the design process, we create unique spaces that harmoniously combine function and style. Some of the services include: Master Planning Economic Feasibility, Architectural Design, Construction Management, Comparative Building Evaluation, Space Programming, Space Planning, Interior Design, Furnishings Specification, and Move Coordination.

Caroline Garrett is a commercial interior designer for Evolve Architecture. She specializes in designing for corporate offices and healthcare environments. She strives to create unique and inviting workspaces in which her clients love to work. From initial space planning to construction completion, she stays involved in all steps of the design process, so that a high quality of design and functionality is met. She enjoys solving clients' workplace needs!

Caroline is originally from Richmond, and moved from Washington, DC a year ago. In her free time, she enjoys racing on sailboats and skiing. She volunteers teaching English as a Second Language.

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This is the easiest meeting to report on I have all year. No tours, no presentations to take notes about. Just socializing and networking.

52 attended, of which a dozen looked like potential members. None seemed to have any trouble finding the place, which was a new location for most of us (about a block and a half from the Farmers Market), or finding a place to park. It was a nice, mild evening so the front of the building was open to the outdoors, and we walked in through the front area and bar to a more dimly lit room in the back with its own bar and large stage at the back, where the bands set up when they play here. An overhead TV was hooked up to display information about IFMA and the Chapter on a continuous basis (which I think we have to thank ex-AV man Mike Cline for setting up), and a small alcove holding an assortment of finger foods was tucked away over by the bar.

After extensive socializing (we all had two drink tickets as part of the deal, and the bar was featuring their private label ROX beer on tap, which wasn't bad), President Tom Wood mounted the steps to the stage and eventually got the group to attention. He made a brief presentation about the benefits of IFMA membership and what the Chapter does and then turned the group over to Programs Chair Matt Sobel, who shared plans for our upcoming meetings. Barbe Shaffer then told the group about the upcoming Habitat for Humanity house framing day, and stated that she still had room on the team for a few good workers for some, or all, of the day on 9/22. Tickets were then drawn for a number of door prizes, most of which were gift cards to restaurants, which I must confess I didn't capture the names of the winners, other than Paxton Whitmore, who took home a nice print to get framed and hang on his wall. Awarding of prizes completed, those remaining finished up their socializing before heading out the door, so ending another of our annual Membership Recruitment Meetings.
IFMA WORK DAY WITH HANOVER HABITAT FOR HUMANITY

Thanks to everyone who worked on the Hanover Habitat house for the Toomey Family

Lloyd Brucher  Jim Mallon  Mark Friedrich
Ranny Robertson  Tim Hume  Barbe Shaffer
Mike Maroney

and thanks to Andrea at Sophisticated Soirees for donating our box lunches.

They were great.
SUSTAINABLE DESIGN
By Maureen Roskoski, SPF, REPA, LEED AP

Title: Financial Tools for Making the Business Case in Sustainability
Author: Mayra Portalatin, SFP, LEED AP O + M

Introduction
As the need for Corporate Social Responsibility (CSR) takes hold in the corporate world, more organizations are looking to be more conscientious about their environmental footprint. At the same time, the world is on a financial rollercoaster, making our operational and capital expenditures on sustainable initiatives and energy efficiency even more challenging. That is, facility managers are being asked to help the organization make their buildings more sustainable (which requires some investment), while cutting costs to keep up with the struggling economy. So let's add another to the many multiple hats that, as facility managers, we must wear. Time to put on the accountants hat!

Over the years, educational and professional development opportunities have allowed facility managers to arm ourselves with the tools needed to make a financial business case; but it is not always a simple task, nor one that we may feel comfortable doing. We may not use all of the tools available because in the past, we did not need that level of detail or complexity in making the business case. However, difficult financial times may require that we pull out all the stops to make the case for sustainability.

Tools for your Business Case
One of the most commonly used tools to make the business case for sustainability is the simple payback period (SPP). That is, how long before the investment pays off. It's a quick way to evaluate a project's economic feasibility and decide whether you need to look deeper prior to implementing an initiative. Although very easy to calculate, the calculation fails to account for what you gain after the initial investment is paid off. It also does not account for the time value of money (TVM). The TVM is a methodology for looking at the potential future value of a dollar invested at a known (or target) interest rate, or by looking at the investment rate required to reach a future target dollar value.

Another tool commonly used is the return on investment (ROI). Simply put, it is the “savings” generated by the investment over the initial cost, expressed as a percentage. Essentially it's the inverse of the simple payback period. It is used to compare different initiatives. The higher the ROI, the better one initiative is over the other. However, it may have the same limitations as SPP if you do not account for the time value of money.

Life-cycle cost analysis (LCCA) is a financial tool that is used to compare two or more projects that are different with regard to scope and timing. In this process, you look at all the costs associated with an initiative, such as planning, design, construction, operations & maintenance, all the way to disposal. That is, you’re looking at the overall cost of your project from “cradle to grave”. LCCA requires more effort that SPP and ROI, but it can provide a more complete picture to make a more informed decision.

There are other tools that can be just as helpful as LCCA that take more into consideration for the analysis. Two of these are net present value (NPV) and internal rate of return (IRR). The NPV allows facility managers to determine the minimum rate of return on a project as well as compare the economic feasibility of several projects, while the IRR measures the profitability of an investment.

Using the Tools
Let's look at one initiative with each of the tools. Let's say we have a lighting retrofit project that we are considering. The initial investment on the lighting retrofit project is $50,000 to replace existing T-12’s for T-8’s. You have an estimated $10,000 in annual energy savings. How will each financial tool fare in helping you make a decision?

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Simple Payback Period – In our example, the project will pay itself back within 5 years. The question you have to ask yourself, is a 5-year pay back acceptable to the organization? As most organizations are looking for shorter payback periods (typically between 1 and 3 years), the answer is probably, no. Another thing to consider in your decision making process is that it ignores $30,000 in energy savings after the initial investment is recovered (in years 6, 7 and 8).

Simple Return on Investment – As previously mentioned, simple ROI is the inverse of SPP (investment cost/annual savings), resulting in 20% for this project. While it is a positive return, the question remains, is this a worthwhile return on your investment? Typically the question can be answered by an organization’s accountant or chief financial officer (CFO). In this case, since the organization typically has a 15% on investment, an ROI of 20% would be acceptable. Since simple ROI does not account for the time value of money, many organizations use discounted ROI to determine the value of an investment.

Net Present Value – NPV calculations consider all cash inflows and outflows over the life of an investment and convert them all to the value of today’s dollar. In this case, energy savings would be considered cash inflows (as compared to the status quo, or keeping the T-12’s), and outflows would be the initial investment. In order to perform a NPV calculation, you need to know how your organization “values” money. In other words, if your organization could reinvest the same amount of capital you needed for your lighting retrofit in itself or another worthy investment, how much could it make? This is called the capitalization rate. It represents the minimum investment rate that your organization is seeking. Using the time value of money (NPV) and a capitalization rate of 8%, your net positive cash flow would exceed your initial investment by $7,466 - a good investment to make!

Internal Rate of Return – The IRR is that rate of return on a series of cash inflows and outflows that equal the present value of the investment (where NPV equals zero). It is the discount rate that makes the investment pay for itself over its service life. In our example, the IRR is 11.8% -- a good return by almost any standards. The IRR is a measure of the project’s return on investment and needs to be compared to the organizations hurdle rate to determine if it has adequate value. The hurdle rate is the organization’s capitalization rate, plus any premium the organization decides to place on the rate of return to account for risk or additional profit. For the lighting retrofit in this example, the IRR of the project (11.8%) is compared to the organization’s hurdle rate (8% capitalization rate plus 2% “premium”), still making this a good investment by organizational standards (11.8% exceeds the 10% hurdle rate).

Summary
As you can see, the same project analyzed in different ways can yield different decision outcomes. If you had stuck to the SPP, you would have walked away from the project and $30,000 in savings after the investment had been paid off. Table 1 below summarizes our example and the different financial analysis outcomes. The key to using these financial tools is to understand when to use which. But in the end, no matter which tool you use, understanding your organization’s accounting philosophy and methodology so that you can build your case for sustainability is a must for the wise facility manager.
I was fortunate to be able to attend the IFMA Workplace Strategy Summit 2012 at Cornell University. The summit offered lectures and discussions by industry experts and the variety of topics discussed kept it interesting. The attendees were always involved and allowed to ask questions and add to panel conversations.

I work for nTelos Wireless and we are facing the same issues as many other companies. With full buildings, we need help deciding; do we compress the current staff into smaller cubes, open work areas, or lease new space. It was nice to talk with experts who have dealt with these issues and people who are facing the same challenges. Product manufacturers attended as participants and were willing to help create solutions.

The Summit did not look at only issues in the USA; we were able to see what is happening worldwide. With speakers from Japan, United Kingdom, Australia and the USA, it was clear that the issues affect everyone. Lecturers covered a range of topics: Building construction, the mobile workforce, open workspaces, face-to-face conversation VS email, and many other great topics. The Summit was not only lectures, there were panel discussions where the panel was given a topic to discuss and after their discussion the floor was open for comments from the audience. We were also included in discussion groups, prior to the Summit each person selected 4 topics they would like to discuss. When registering each person was given a topic and table number for their discussion groups, this kept the group size consistent.

One of the more interesting topics discussed the changing role of facility managers. We have to be on the leading edge of change with creative thinking, adapting to changes quickly, willingness to step away from our comfort zone and new technology which will include gaming technologies* for facilities management. If we stick to our traditional ways of managing space and the environment we may not be involved in the future. So, there are great opportunities for us to show why we do what we do – nothing stays the same.

All-in-all this was a great high level Summit that brought many experts together with people who are looking for answers, like me. It sounds like the Summit will continue to develop ideas that were started during the conference.

* see also:
http://www.ted.com/talks/jane_mcgonigal_gaming_can_make_a_better_world.html
http://fcw.com/articles/2012/05/30/home-page-management-watch-gamification.aspx

(Continued from page 1)

Hanover Habitat for Humanity (http://hanoverhabitat.org/) partners with the community and hardworking, low-income households to build new affordable homes. In addition to our financial contribution, we have a volunteer group scheduled to work September 22nd on the new Ashland home of the Toomey family.

Your President,
Richmond Chapter of IFMA
October Meeting
Tuesday, October 9, 2012

West Broad Village
2201 Liesfeld Way
Glen Allen, VA 23060

Join us for a great meeting! Relax on the patio overlooking the beautiful pool at this impressive 9,000 sq. ft. community clubhouse. Then hear a presentation on the history, challenges, current status and future visions of this unique community called West Broad Village. We will conclude the evening with a tour of the award winning Eagle Home Gallery.

West Broad Village is designed for people who want to live, work, shop and play within the community they call home. The Village Master Plan encompasses approximately 115 acres of residential, retail, office, hotel, recreation and environmental preserve. This is a landmark development in the much sought after Short Pump area in Henrico County. This upscale development is a blend of colonial America and urban living; combining the best of both life styles.

West Broad Village provides an urban development within a suburban setting. With numerous shopping, dining and entertainment opportunities, the Village is quickly becoming a true destination in Richmond’s West End.

Presenter: Richard E. Core, Jr., Principal, Markel/Eagle Partners, LLC

5:30-6:30pm Networking/Social Hour
6:30-6:45pm Chapter Business
6:45 - 7:30pm Presentation/Tour

Parking: Lot across from clubhouse, behind South University, any parking deck or street spaces

RSVP by Thursday, October 4, 2012
Simply e-mail Barbe Shaffer at ifmarichva@gmail.com
or register on our website at www.ifmarichmond.org
and pay by PAYPAL
Cash, Check, and Credit Cards accepted at the door

Be sure to include your guests name and company
Members: $10.00     Non-Members: $25

An additional $5 will be charged at the door if you do not pre-register
No Shows will be billed
West Broad Village
2201 Liesfeld Way
Glen Allen, VA 23060

Tuesday October 9th
5:30 PM

www.ifmarichmond.org