FROM THE PRESIDENT

FEBRUARY 2024

By Jennifer Blair
President
Dayton BOMA

Welcome to 2024! As we dive into yet another year, we wonder what challenges we will face. Are you someone that sets an annual goal? Some like to choose a word of the year. I have found two for 2024:

"Intentional – doing things with a purpose."

"Connection – a relationship in which a person, thing or idea is linked or associated with something else."

What goals have you set for this year in business or personally? Are you off to a good start so far or do you find yourself challenged? While we do most things intentionally, what do you intend to do to reach your annual goals? What connections are you going to make or how can your connections help you reach that goal?

I had the opportunity to make new connections while attending the BOMA International Winter Business Meeting in Washington DC, Jan 28 to 31. I sat in on the BOMA Administrative Executive sessions and heard from other Locals how they're creating ways to increase membership, increase membership participation, what their challenges are and what they have found didn't work as they had hoped. During the Political Town Hall meeting GSA member Alexandria Kosmides spoke about the green leasing requirements for Federal leases. She also discussed the key goal for Executive Order 14057 (Clean Energy Industries and Jobs) which is to achieve a Net-Zero carbon pollution-free electricity by 2045. The Keynote speaker for Tuesday's Luncheon was Gene Robinson from the Washington Post. Mr. Robinson provided his thoughts on the 2024 election and the Presidential nominees. I also participated in the Community Service Committee meeting, where they discussed and voted on the service project that will be completed during the Annual Conference & Expo, The Unforgotten Haven, based in New Jersey. The Unforgotten Haven is a non-profit organization whose mission is to help the less fortunate. BOMA will be making Snack Packs for Chemo Patients. Snack Packs are snack bags for adults going through chemo. BOMA is requesting monetary donations made through www.unforgottenhavenhaven.org. The intention is to pack 35,000 snack bags during the Annual Conference. If you or your organization makes a donation, be sure to list BOMA Dayton.

This year's Annual Conference & Expo will be held in Philadelphia, PA, July 13-16. You can check out https://www.bomaconvention.org/BOMA2024/Public/mainhall.aspx for details and registration. The Annual Conference is attended by Building/Property Managers, Asset Managers, Facility Managers, Leasing Agents, and Brokers. It is an opportunity to learn more about the fluctuating commercial real estate landscape, a source for cutting-edge solutions to give you a new outlook on what's next. The annual meetings offer continuing education opportunities with emphasis on the evolving workplace, workforce development and emerging technologies. The Technology Pavilion will be showcasing the newest technologies, systems, and data management to sustain high performance assets.

UPCOMING SPEAKERS AND EVENTS

If you'd like to suggest a future speaker or topic, please reach out to Nancy at nancy@bomadayton.org or give her a call at (937) 299-2662.

February 13th – Dayton BOMA membership luncheon to be held at the Kohler Center in Kettering. Members will be participating in "Speed Networking" this month.

February 21st – After Hours Event to be held from 5-7pm at Geez Grill & Pub on Far Hills Avenue in Centerville. Becky Edgren and PuroClean Emergency Services will be our sponsors for this event.

March 12th – Our March membership luncheon is being sponsored by Kyle Kempton and Integrity Lift Solutions. This month we will be doing a service project for Crayons to Classrooms.

April 9th – Dayton BOMA membership luncheon to be sponsored by Holley Freeman and ServiceMaster by Angler.

July 22nd – Dayton BOMA 39th Annual Golf Outing to be held at Walnut Grove Country Club. 9am shotgun start.

OUR VISION

BOMA will be the partner individuals in the commercial real estate industry choose to maximize value for their careers, organizations and assets.

BOMA International
Federated with BOMA International

OUR MISSION

To advance a vibrant, commercial real estate industry through advocacy, influence and knowledge.

Federated with BOMA International

STAY CONNECTED WITH THE BOMA APP

The BOMA App is your hub for everything BOMA, including each year's annual conference app and quick licks to BOMA resources, allowing you to stay informed on the go. Just search "BOMA App" in the iTunes Store or Google Play.

WHERE ARE CAPITAL ALLOCATIONS GOING?

By John Salustri

"Stodgy."

That is how Beth Mattison-Tieg describes under-performing assets in her recent article for the Urban Land Institute, "Investors Fueling Growth in Alternative Property Sectors." The article piggybacks on the release of ULI's *2024 Emerging Trends in Real Estate* and its analysis of a so-called "portfolio pivot," toward alternative investments.

Of course, there is really no surprise at this point in the post-pandemic environment that investors are redefining their core assets, shifting away from problematic property types—read: office and enclosed retail—in favor of greener pastures.

"Traditionally, 'core' has been defined by the four main food groups [office, retail, industrial and multifamily]," stated one asset manager in the report. Much of what we might call the new core, he says, are actually extensions of traditional frontrunners. In industrial, for example (which continues to fare well, despite its post-pandemic cooling), cold and self-storage are now making strong showings, as are data centers. Ditto student, workforce and seniors housing as a subset of multifamily.

It is important to note here that, despite the woes that have befallen the office sector, a redefined core does not necessarily rule out the sector as a whole. As one asset manager stated, "I think office gets rethought in terms of what's core, perhaps less by geography like urban or CBD [central business district] and more by age and stage or by capital intensity."

New Avenues, New Challenges

Redefining an investment strategy is only half the battle, however. Unleashing the capital from a retail or office asset in order to fund that next move is the next challenge. For one fund manager, the answer is buying portfolios.

"You don't buy two truck stops and then another two and then another two," he says. "You buy 100 truck stops, or you buy a 20 percent interest in 400."

Naturally, property management skills focused on a previously untapped sector come in mighty handy. "Owners also must be able to manage the property," says *Emerging Trends*, "which typically is more operational and thus requires more specialized knowledge than more conventional product types."

Entering new investment waters also demands a fresh look at the issues of sustainability. "Once you figure out what the composition of that portfolio looks like," one fund manager stated, "the number-two issue is going to be some combination of decarbonization of it and at the same time adapting that portfolio to climate change."

This assumes that the former owner or owners were not on top of their sustainability game. Step up, he said, your "energy conservation efforts and a whole series of activities to decarbonize and reduce the carbon footprint of every aspect of real estate: construction, the management, the ownership of it."

And, of course, there is the reporting to other stakeholders as well as to regulators and trade associations, a perennial step in the investment process, no matter the climate. He includes NCREIF and the Pension Real Estate Association (PREA) in that number.

You can add to these the evaluation of the upfront criteria that always govern—or should always govern—the decision to diversify. According to the report, these include property sector allocation; target asset markets; desired tenancy; and the "preferred operational, physical and site attributes of each asset type."

So in many respects, venturing into new areas of alternative investments follows the patterns of your traditional "core" strategies. But there are enough new criteria that demand, more than ever, thorough due diligence upfront and throughout the process.

INDUSTRIAL SPACE REPLACING OFFICES IN NORTH AMERICAN SUBURBS

Jeffrey Steele, Contributor

Since the arrival of Covid-19, office space demand has nosedived, while the quest for industrial space has traced the opposite trajectory. Result: large numbers of suburban office buildings have been converted into industrial real estate. Such metamorphoses aren't always easy to achieve. But the rationale behind them is easy to understand.

"Suburban office-to-industrial conversions are gaining momentum nationally, in spite of expected regional limitations," says Teresha Aird, co-founder and CMO of Dallas, Texas-based Offices.net, an online commercial property brokerage connecting businesses nationwide with optimal workspace solutions.

"This trend is spurred by hybrid work models reducing office footprints, and a robust demand for industrial spaces, as evidenced by a staggering 33.7% rise in office conversions in just two years."

The repurposing of underperforming assets has driven developers and investors to tackle the conversions, Aird adds. The mathematics make sense, with industrial space vacancies around 3.8% and office vacancies 18%.

The major "why," she says, is clear: "The shift towards e-commerce has ramped up demand for industrial space."

The same is true north of the border, says Jason Anbara, president of Ottawa, Ont.-based private lender and mortgage administrator NorthLend Financial

"We are mainly seeing private equity companies and developers scoop up office spaces from companies that no longer need them," he said, pointing to the Toronto suburb of Mississauga as ground zero for such moves.

There, many Canadian companies held office space near Toronto's Pearson International Airport and along arterial highways in and out of the nation's largest city. "With supply chain difficulties following 2020 shutdowns, it served as a fruitful option to pivot to industrial and manufacturing operations," Anbara says.

Hurdles exist

Industrial construction remains fundamentally less complicated and expensive than maintaining office spaces, which Aird comments "aligns with the fiscal prudence of today's market." What's more, she says, the infrastructure in suburbia tends to be more conducive to industrial use, regardless of whether the use is logistics, storage or less common applications like urban agriculture or life science labs.

But taking advantage of these opportunities that appear to make perfect sense isn't devoid of obstacles. "It can be an excellent move for investors and owners of companies that need to expand operations and do not currently have the space," Anbara says. "However, the niche market comes with some extremely intricate challenges and lengthy approval processes."

Adds Aird: "Zoning, community pushback and the mere physical requirements of transforming these spaces to meet industrial demands can be significant hurdles. And challenges can differ drastically, case-by-case, based on location, zone, age of build and the construction quirks of each space."

Staying power

Aird believes the trend of office-to-industrial suburban conversions could be lasting, but foresees incremental modifications to the model based on the movement of interest rates, inflation, consumer spending and additional variables.

Consumer spending is a particularly important X factor, "since most of the industrial space is being used for e-commerce," Aird says. "So how these influences shift over time will obviously impact industrial space demand.

"But the underlying theme remains the adaptability of commercial real estate to meet emerging market needs. As this trend continues to play out, public-private partnerships could be the linchpin in overcoming conversion challenges and prolonging these submarkets' transformations."

The hurdles inherent in office-to-residential conversions –ranging from the opposition of nearby homeowners to objections to rezoning from municipalities – haven't kept urban planning committees in Ontario from advocating for the shift, Anbara points out. "In Toronto, the still-high vacancy rates in offices, combined with solidified work-from-home policies and topped off with a housing crisis, make it hard *not* to explore," he says.

BUSINESS ACTION ON ENERGY EFFICIENCY COULD SAVE $2 TRILLION A YEAR, NEW RESEARCH CLAIMS

A World Economic Forum and PwC report sets out a host of energy efficiency actions it claims are 'doable today, at attractive returns with no need for new technology.'

By Michael Holder

A suite of "doable today" business actions that would slash demand for energy could unlock annual savings of at least $2 trillion a year across the global economy, while helping to boost growth, save companies cash, unlock competitive advantages and reduce greenhouse gas emissions.

That is the conclusion of major new research backed by over 120 CEOs of global corporates, which sets out a host of near-term actions businesses can take to reduce energy demand across their buildings, infrastructure and transport use.

Drawn up by consulting giant PwC in collaboration with the World Economic Forum (WEF), the research contends that if cost effective energy efficiency measures were taken by companies by the end of the current decade, and better supported by effective policy frameworks, it could unlock a major acceleration in the net zero transition.

The research, which comes ahead of next week's annual global WEF meeting in Davos, Switzerland, argues "the potential of demand-side action is extraordinary,"and details a host of measures it claims are "doable today, at attractive returns with no need for new technology."

Recommended measures include retrofitting buildings with insulation and other efficiency and green energy measures, electrifying transport systems and harnessing artificial intelligence to optimize factory-line design to unlock efficiencies. The report also recommends deeper collaboration between businesses across value chains in order to unlock further efficiencies, as well as "industrial clustering" to share clean energy sources and maximize the benefits of efficiency initiatives.

The research argues energy efficiency measures remain an "under-addressed" component of the net zero transition, which can deliver substantial energy and emissions savings.

It claims proven measures could deliver a short-term, cost-efficient reduction in energy demand of almost a third — 31 percent — shared across the buildings, industry and transport sectors, and avoid the need to construct almost 3,000 extra power stations.

Moreover, these efforts would support the UAE Consensus agreed at COP28 in Dubai last month, which saw hundreds of nations commit to tripling renewable energy capacity and doubling the rate of energy efficiency improvements worldwide by 2030.

However, in order to deliver on these global ambitions countries need to cut their energy intensity at least twice as fast between 2023 and the end of the decade compared to previous.

"It is crucial we address energy demand alongside supply, reducing the energy intensity of current activity and increasing the energy efficiency of future growth," said PwC's global chair, Bob Moritz. "This will help the world to get back on track on targets set out in the Paris Agreement, support the COP28 pledge to double the rate of energy efficiency improvements by 2030, and support business growth. Getting this right will take deep collaboration across the public and private sectors. We need to raise awareness of the business case for change, align policy and private incentives, and develop new financial solutions to unlock action."

The 120 CEOs supporting the findings are responsible for an estimated 3 percent of global energy use. They are members of the WEF's International Business Council which met in Davos a year ago to discuss the potential for demand-side measures to accelerate the clean energy transition, it explained.

But the report warns that awareness among companies of the potential for energy efficiency to benefit their business, achieve cost savings and support emissions reduction efforts remains low, as it called for more supportive government policy to help drive progress.

As many as 47 percent of CEOs on the WEF's International Business Council surveyed for the report cited a lack of supportive regulation as a barrier to effort to reduce energy demand.

Chair of the Council Ana Botín, group executive chair at Spanish banking giant Santander, said businesses had a "vital role to play" in slashing energy demand worldwide, and stressed that firms could do so without decreasing economic output.

"Reducing the amount of energy needed to manufacture products and deliver services is something we can act on now," she said. "Although progress is being made, there is a lot more to be done, and the fact is that our energy demand continues to rise at unsustainable rates.

"It is crucial, therefore, that we work together with governments and regulators across both developed and developing markets to help accelerate progress on this issue."

UPCOMING TRENDS IN 2024

John Salustri

To say 2023 was an interesting year is to miss the point completely. The issues that the office market currently faces is just one of the hurdles owners and managers have to puzzle out. Otherwise, from supply chain disruptions caused in large part by global geopolitical intrigue to an economic picture that remains cloudy at best, we enter 2024 with a vast array of questions that indeed impinge on all categories of commercial real estate.

It is not surprising that the folks of Gensler see design as a salve on many, if not all, of the above-mentioned woes CRE currently faces. Designers, the firm states in its recently released Design Forecast: The 8 Trends Shaping Design in 2024, "can make sense of complex challenges to create lasting solutions."

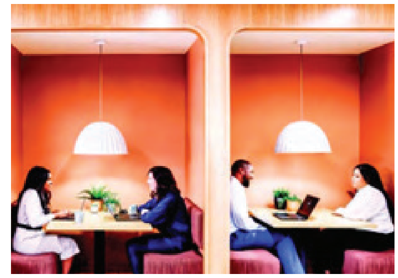
That's a bold claim considering all that is at stake. But their theory continues: "as war, social injustice, climate change and health crises grow more acute, people desperately want more connection and community."

So then, what are the eight trends that will bridge the gap between our current states of concern and caution and the coming year? Here is the design firm's take on the question:

Trend 1: Experience Multipliers Pay Premium Dividends. "Phenomenal, visceral and connected experiences." That's what Gensler says people want, and they want it in every part of their lives. Experience multipliers and immersive designs, such as a workplace that has the look and feel of a clubhouse, are the key to reclaiming "the human connection . . . and a shared sense of inspiration and belonging."

Trend 2: Conversions Resurrect Stranded Assets. BOMA International reported recently on the Biden Administrations strategy for office conversions, and certainly the move has made headlines in recent months as more stranded office assets fall to major adaptive reuses. Not surprisingly, Gensler predicts more municipalities incentivizing such conversions, especially "in an environmentally responsible way."

Trend #3: Sustainable Design Becomes a Non-Negotiable. This is more than energy conservation. Gensler cites intense weather and climate change and the importance of sustainable design to help mitigate risk. "Higher standards for products and materials, the adaptive reuse of existing buildings, net-zero energy strategies and regenerative design principles will define our sustainable future," says the firm.



Trend #4: IN: the Future of the Workplace as a Compelling Destination; OUT: Return to Office Metrics. Not only should the workplace be grounded in immersive designs (Trend #1) but next year will see a ramp-up in planning for "spaces that are agile and flexible enough to evolve with the changing demands of the workforce and useful enough to earn people's commutes."

Trend #5: Mixed-Use Lifestyle Districts Bring Cities Back to Life. BOMA Deep Dives have long extolled the office as a part of the larger community. Gensler clearly shares that view and notes that monolithic, office-focused downtowns are a "thing of the past." Mixed-use, vibrant and experience-driven CBDs are the wave of the future, attracting "residents and tourists and [bringing] COVID-impacted neighborhoods back to life."

Trend #6: Designers Harness AI to Accelerate Ideas and Innovation. It was only a matter of time before Artificial intelligence (AI) made its way onto the list, here, logically, as a tool for designers. "Buildings and spaces designed with the help of AI will be more sustainable, better performing and more responsive to individual needs and preferences," says Gensler.

Trend #7: Focus Shifts to Ageless Communities and Design for a Lifetime. Our life expectancy is growing, says the report, by more than 10 years over the past 50—and counting. Increasingly then, age-inclusive communities will be the trend this coming year, the watchwords being accessibility and affordability.

Trend #8: 20-Minute Cities Become Archetypes of Community and Accessibility. BOMA International has provided guidance on the 20-minute city and, as noted in Trend #5, the office as a part of the larger community. (See The Office Building's Role in the Optimized City of the Future, July 2021.) in the 20-minute city, says Gensler, all essentials—everything from restaurants to healthcare and education—will lie within a 20-minute reach of vibrant, walkable neighborhoods. Not only is this a recipe for ease and comfort, but, as the Deep Dive indicated, it also fosters equity and connectivity.

Now, all that remains is for the commercial real estate community to bring these eight watershed trends to life.

2024 Dayton BOMA Board of Directors
Bryan Woods, Sean Turner, Vickie Vanderhorst, Maureen Bereda, Emily Griggs, Jennifer Blair, Tony Pinto, Mike Croucher, Bob Denny, James Abrams

DAYTON BOMA HOLIDAY LUNCHEON

We would like to thank Kettering Fairmont A Capella group for providing entertainment at our holiday luncheon in December. The Fairmont A Capella group is under the direction of Brody McDonald.

MEMBER HIGHLIGHT

Greg Wagner has been a lifelong Dayton area resident. The start of his professional career was in property management as a maintenance technician for 8 years. During his time as a maintenance technician Greg began using his dog Alex on a few properties to remove geese humanely. In 2012 Stalk and Awe Geese Management, LLC was created when Greg decided to create his own company focusing on humane goose control methods. After 12 years focusing on the Dayton and Cincinnati areas, Stalk and Awe is now expanding into Kentucky.

Greg's credentials include; Certified Goose Management Professional with NWCOA, licensed commercial wildlife control operator for both Ohio and Kentucky, and Certified Professional Dog Trainer. Greg also teaches at the dog training company, Train Your Pup, that he owns with his wife.

Greg spends much of his free time in the outdoors, backpacking, kayaking, and white-water rafting. He also enjoys trying new cuisines, grilling, competing in herding dog trials, and traveling.

CRE LENDERS SEE MARKET STABILIZING AS 2024 PROGRESSES

By Paul Bubny

Commercial and multifamily mortgage originators continue to experience an unsettled market for borrowing and lending but anticipate those conditions will stabilize over the course of 2024. That's according to the Mortgage Bankers Association's (MBA) 2024 Commercial Real Estate Finance Outlook Survey, released Tuesday.

Among the highlights of the survey are the following:

- More than 90% of respondents consider today's market either somewhat or very unsettled.
- Among property types, the office market is viewed as most negatively affecting today's borrowing and lending. Meanwhile, half of respondents view the industrial outlook as having positive impacts.
- Cap rates and valuations, base interest rates and rate volatility all are viewed as having negative impacts on today's financing activity.
- Originators expect the market to stabilize over the course of 2024.
- In 2024, lenders are expected to have a (slightly) stronger appetite to lend than borrowers will have to borrow.
- Borrowing and lending volumes are generally expected to rise in 2024.
- Expectations for particular capital sources vary broadly.

"Commercial real estate markets are entering 2024 amid a great deal of uncertainty and, as a result, a significant slowdown in activity," said Jamie Woodwell, MBA's head of commercial real estate research. "Leaders of top commercial real estate finance firms believe that a host of factors may continue to act as a drag – rather than a boost – to the markets. However, they do believe that overall uncertainty will dissipate over the year, helping to boost borrowing and lending above 2023 levels."

MEMBER HIGHLIGHT

Holley Freeman is a seasoned professional with over 12 years of experience in the industry, proudly serving as a National Client Advisor at ServiceMaster by Angler.

In her role, Holley plays a pivotal role in assisting commercial clients in preparing, responding and recovering from unforeseen catastrophes. Her mission is clear: to work hand in hand with clients to develop and implement emergency preparedness plans. With a steadfast commitment to building and nurturing relationships, Holley's expertise lies in partnering with their valued commercial clients.

Holley brings a wealth of experience to the table, earned through over a decade of dedicated service with ServiceMaster by Angler.

In addition to her professional achievements, Holley was born and raised in Xenia, Ohio and is happily married with 3 kids and one beautiful granddaughter, Opal Irene. She spends most of her free time with family and traveling.

H.R.1491 UPDATE

This month our top legislative priority, H.R.1491, picked up twelve new, bipartisan co-sponsors: Del. Norton (D-DC), Rep. Levin (D-CA), Rep. Gottheimer (D-NJ), Rep. Evans (D-PA), Rep. Swalwell (D-CA), Rep. Davis (D-NC), Rep. Kim (R-CA), Rep. Sykes (D-OH), Rep. Beatty (D-OH), Rep, Molinaro (R-NY), Rep. Stevens (D-MI), and Rep. Tokuda (D-HI). The Small Business Energy Loan Enhancement Act would expand the maximum allowable amount businesses may borrow through the U.S. Small Business Administration 504 loan program for energy efficient investments and upgrades.

The 504/CDC program provides small businesses with long-term, fixed rate, low-cost loans that can be used to finance renovation and retrofit projects, as well as the purchase of major fixed assets, such as land, equipment, and machinery.

Among the small businesses that will benefit from this legislation are commercial properties seeking to increase operational efficiency through capital-intensive investments, particularly older building stock. As this priority now moves through the legislative and committee process, the support and help from BOMA membership is critical. We are asking that you take action through this our campaign link (https://p2a.co/qdSH34Y) amplifying the messaging of BOMA International on social media, especially Twitter and LinkedIn.

If you have questions or would like additional information, please contact Sam Lopez, Director of Federal Affairs, at slopez@BOMA.org.

U.S. MARINE CORPS RESERVE TOYS FOR TOTS

Dayton BOMA members gathered in November at the Toys for Tots distribution site in Huber Heights to help sort toys for the Marine Corp Reserve Toys for Tots program. Dayton BOMA has collected toys to for the program for the past 36+ years. This year we added to that by volunteering our time.

The mission of the U. S. Marine Corps Reserve Toys for Tots Program is to collect new, unwrapped toys during October, November and December each year, and distribute those toys as Christmas gifts to less fortunate children in the community.

IDF SUPPORTS BOMA/CHICAGO CAMPAIGN AGAINST TRANSFER TAX

Chicago is the latest major market facing a potentially dramatic real estate transfer tax increase, with a referendum on the ballot for the city's next local election in March. The BOMA Industry Defense Fund recently approved an award of $75,000 to match local efforts to combat the initiative, which if approved, would restructure and increase the City's transfer tax on sales above $1 million, heavily impacting commercial office buildings.

The tax would increase by 167% for the portion of a sale between $1M and $1.5M and increase by 300% on the portion of the sale over $1.5M. The ostensible purpose of the tax increase is to fund services to combat homelessness, but the proposal did not include any process to align stakeholders, any deliberation on how to effectively reduce homelessness, or any detail on how the funds would be deployed. BOMA/Chicago has assembled a coalition of business organizations to oppose this referendum while also insisting that the commercial real estate industry be part of the process to develop and fund a plan to combat homelessness effectively.

SEDGWICK COST CONTAINMENT

As most employers know, the financial and emotional impact of a work-related employee injury can be significant. While the primary goal is to ensure the injured worker receives appropriate care, minimizing the costs associated with the accident should also be a focus for employers.

In Ohio, there are three primary cost containment options for employers – Settlement, Handicap Reimbursement and Subrogation/No Fault Motor Vehicle Accident (MVA). Sedgwick is the industry leader in successfully employing these options.

Significant premium savings is available to employers through these cost containment initiatives; however, the injured employee does not see a reduction in their benefits when the cost containment options are utilized.

We utilize leading measures and predictive cost containment to help Ohio employers contain costs and lower premiums. When a claim occurs, Sedgwick is ready to apply cost containment strategies to quickly resolve the claim, resulting in cost savings for the employer.

Sedgwick has a dedicated cost containment team that solely focuses on achieving significant cost savings for our clients through Settlements, Handicap Reimbursements and Subrogation/MVA. Our efforts have resulted in massive cost reductions for not only the individual employer, but for all employers participating in group retrospective rating.

Sedgwick savings results include:

- Handicap condition relief estimated premium refunds, savings and increase in group retro refunds savings range of: $13,253,289 to $14,608,194
- Settlements estimated premium savings and increase in group retro refunds: $9,589,890
- Motor Vehicle Accidents (MVA) estimated claim costs charged to surplus fund: $9,733,503 (may not equate to dollar-to-dollar savings - based on total costs at time of MVA surplus approval)

Sedgwick is honored to partner with you on successfully managing your workers' compensation program. Sedgwick's early, proactive cost containment strategies will continue to be an ongoing priority toward achieving the best outcomes for clients and their injured workers. If you have any questions, contact our Sedgwick program manager, Julia Bowling at julia.bowling@sedgwick.com or by phone at (513) 218-4062.

MEMBER HIGHLIGHT

William Manning was born and raised in Lake Havasu City, AZ. He joined the Army in 2007 where he completed 3 deployments as a Bradley Mechanic and Ammo Control Specialist. Will now serves in the Army Reserves as an Army Reserve Drill Sergeant. He moved to Dayton, OH from Kyle, TX in April 2019 with his wife and their 3 children.

Will and his family absolutely love Ohio and getting out to the parks as much as they can, doing beach trips, concerts, and of course spending time as a family and making memories. In his spare time Will enjoys fitness events and working out. He's been doing CrossFit since 2015 and currently holds a Level 2 Trainer Certificate.

Will currently works for the General Services Administration and began as a Property Manager for the Kinneary Federal Courthouse in Columbus in August 2022. He now serves as the Property Manager for the Walter H. Rice Federal Building and US Courthouse in Dayton since June 2023.

MEMBER HIGHLIGHT

Originally from Dayton, Ohio, Phillip Malone's passions span across real estate, architecture, traveling, music, cooking, and DIY projects. Whether he's crunching numbers or immersed in a home project with music blaring, Phillip relishes the joy of embracing life's adventures and staying busy!

Family, relationships, and giving back through volunteering defines Phillip's core values. Staying active is a priority, whether hitting the gym, working on yard projects, or more recently, exploring Dayton's trails on his bike.

In the professional arena, Phillip serves as a Commercial Property Manager at Cushman & Wakefield, specializing in traditional office and medical office buildings. In the past two years with C&W, a standout project involved partnering with Five Rivers Health Centers on their inaugural owner/occupied, 83k sq.ft. medical office facility in West Dayton. Over Phillips 23-year career in Real Estate, extending across both the USA and Europe, he has not only enhanced his professional expertise but also experienced personal growth through immersion in diverse and culturally rich environments.

READY BUSINESS

Businesses and their employees face a variety of hazards:

- Natural hazards like floods, hurricanes, tornadoes, and earthquakes.
- Health hazards such as widespread and serious illnesses.
- Human-caused hazards such as accidents and acts of violence.
- Technology-related hazards like power outages and equipment failure.

Business leaders and employees can do a lot to prepare for the most likely hazards they will face in the workplace.

Ready Business Toolkits – The Ready Business Toolkit series includes hazard-specific versions for earthquake, hurricane, inland flooding, power outage, and severe wind/tornado. Toolkits offer business leaders a step-by-step guide to build preparedness within an organization..

Ready Business Plans – The process for creating a business' preparedness plans should encompass as much as possible of what a business might need during an emergency. This includes communications planning, IT support and recovery, and continuity plans. Ready.gov and FEMA have plans available that your business can use to get started.

Training and Exercises – Being prepared in advance is a critical step to responding to an emergency and keeping your business and employees safe. Training, testing and exercises are essential components of preparedness. Training ensures that everyone knows what to do when there is an emergency or business operations are disrupted.

Getting Ready to Plan – If your business doesn't have a plan yet, or if you're in the middle of reviewing plans, there are steps that business leaders can take to prepare their companies for the disaster that comes down next. Many disasters and hazards can't be prevented if you plan ahead.

Other Resources – A variety of resources are available to help your business be prepared for a disaster and recover stronger. Information to help you prepare and recover includes resources on incident management, resource management and hazard prevention.

Go to www.ready.gov/business for more information.

Consider these steps to take when OSHA inspectors arrive at facilities.

By Dave Lubach, Executive Editor

Press releases are written to grab attention, and whoever wrote this one for the Occupational Safety and Health Administration (OSHA) hit a home run with the headline.

"Risky Business: Dollar General continues to expose employees to workplace dangers with fire, electrical hazards found."

The December 2022 OSHA press release announced a fine of $290,000 levied against the retailer for repeat citations that included blocking an emergency exit and electrical panel with merchandise. The fines were in addition to a whopping total of $15 million in fines the retailer had accrued since 2017.

OSHA investigations can shock the public with sometimes heavy penalties. The investigations can also rattle maintenance and engineering managers when they learn that inspectors are coming to their institutional and commercial facilities to conduct an investigation.

The way managers handle an investigation can make a difference in the way OSHA responds to a safety violation.

Why am I being investigated?

OSHA investigations typically take place for three reasons:

- employee or community complaint
- reportable event, such as a hospitalization, amputation or death
- national emphasis programs.

In rarer instances, an OSHA investigator – either from federal OSHA or one of the 23 states that operate their own OHSA programs – can be out and about, see an unsafe activity at a workplace and open an inquiry. No matter the reasons for OSHA launching an investigation, managers should take them seriously. Knowing that any safety breaches could land a facility in OSHA's crosshairs should be top of mind for every manager.

"I've actually heard of OSHA driving to a scheduled visit, glancing over and seeing someone doing something incorrectly, immediately pulling over and doing a quick investigation," says Rusti Dyals, national director of environment, health and safety at ESFM, a facility management consulting company. "Those more serious events. Those are OSHA reportable events. Those are things that we're required to notify OSHA about."

OSHA inspectors can also randomly show up on site to conduct investigation, but those occurrences are happening much less frequently these days.

"I think one misconception is that investigations happen much more frequently than they actually do," says Julie Sobelman, a senior occupational safety and industrial hygiene consultant. "If you go into the OSHA website and look at the data, the odds of any given facility being inspected are minimal unless something goes bad or unless they're targeted."

Targeted investigations take place when OSHA sees a trend in a certain industry and seeks information on ways to make conditions safer or why accidents continue to keep happening. While those kinds of investigations can often focus more on industrial occupations, they can apply to institutional and commercial facilities in cases such as heat stress.

"Inspectors can drive wherever they want to drive, look for outdoor work activity that's going on, pull over and do an evaluation of heat stress based on the elements an employer has in place to prevent it," Sobelman says. "That's looking at training, shade, breaks, water, a handful of things that employers really need to do.

"Employers can't prevent inspectors from pulling the car over and asking questions or looking around. But putting up a pop-up tent to provide shade, having a big cooler of cold water and having regular breaks, it's easy to prevent citations for heat stress."

What kinds of events trigger an inspection? OSHA annually releases the list of the top 10 most frequently cited standards.

The list nearly always includes violations of safety procedures in general fall protection and training requirements; handling of toxic chemicals; falls from ladders, scaffolding or aerial lifts; vehicular accidents; and personal protective equipment use.

"Falls are serious, so a lot of falls result in hospitalizations or deaths," Sobelman says. "Many fall injuries, especially from height, tend to be the more serious types of injuries. A lot of them are grouped together like the fall protection, like general ladders, scaffolding, there can be four citations for one event."

Investigation readiness

If an accident results in a fatality, a company or facility needs to notify OSHA within eight hours of the incident, beginning the launch of an investigation.

"Facilities should have a response plan," Dyals says. "Pre-planning is the key to this situation. You don't want to have OSHA showing up and you're suddenly going, 'Who am I supposed to call? What am I supposed to do?' There are very common best practices with that game plan."

A facility's OSHA response plan must include documented information like safety programs, training records and inspection processes that are in place to help support a facility during an investigation. One important aspect of that prepared information should include agreements with third-party contractors, such as cleaning teams or grounds workers onsite who might have created the accident that caused an investigation.

"Have tight language in your contractor agreements," Sobelman says. "Make sure their people are trained and knowledgeable in whatever they're doing and have oversight of the contractor. You can't just wash your hands of the situation. If you're using a landscape contractor, for example, you want to make sure they are wearing hearing protection, eye protection and protective footwear and that the equipment they're using is in good condition."

An OSHA investigation can be an intimidating experience, given the potentially damaging results that might result.

"It's an intimidating situation, but the most important thing is just to keep calm," Dyals says.

Other tips for managers during OSHA investigations include:

- Verify that inspectors are who they say they are, since reports of scams have occurred.
- Avoid oversharing information that could expand the investigation. "Managers will want to push a lot of information at the inspector, but there is such a thing as too much information," Dyals says. "You want to give the inspector exactly

what they asked for in the most concise way possible."
- Take investigators on a designated path to the area or areas being inspected. "Don't give inspectors a whole plant tour. Plan your path and walk as directly as possible to the area that they're there to investigate," Sobelman says.
- Stay with investigators through the whole process.
- Make sure the proper members of the facility team are available for the investigation, such as safety personnel and union representatives.
- Work with the inspectors to make their job easier. "If they need to see your hazard communication policy, you don't want to give them this massive book with five other policies. Make sure it's concise and available electronically because it helps them," Dyals says.

Inspection aftermath

After an inspector completes the investigation, a closing conference takes place between the parties when the facility learns preliminary findings.

"This is where the inspector goes through and says, 'This is why we came, this is what I was looking for, and this is what I discovered'," Dyals says. "Sometimes it might be in black and white, what was discovered. This is where the rules or standards that you're in violation of are discussed."

At this stage of the process, managers must remember that the findings are preliminary. The inspector will listen to the facility's case and take their views into consideration before making a final decision.

Facilities can fix a problem if it's a quick fix, and inspectors will often grant the facility that option so long as they can provide proof that an issue has been corrected. But the process does not always go smoothly.

"Sometimes inspectors have an interpretation of the law that you might not necessarily agree with or your lawyers might not necessarily agree with because at the end of the day, not everything fits into this perfect box, even for OSHA," Dyals says.

If the situation still has not been remedied after those steps and if fines are leveled by OSHA, managers and facilities can go to mediation to either eliminate penalties or have them reduced.

"You've got so many days to contest it in writing, and that's when the lawyers will try to do this," Dyals says. "Sometimes they'll go through mediation where you can get the funds reduced where you're saying, 'We don't necessarily agree with you 100 percent, but we do see where we're wrong. Can you work with us on this (and) work with us on that?"

An OSHA investigation can sound intimidating and can damage a facility's bottom line and reputation. But when managers must deal with an investigation, it is important to remember the goal is making facilities safer.

"The whole point of these inspections is trying to solve a problem, answer a question and help the company improve whatever that might look like," Dyals says. "A lot of times, OSHA will work with the company trying to get to a solid resolution that everybody is in agreement with."

Dave Lubach is the executive editor of the facilities market. He has more than eight years of experience writing about facility management, engineering and maintenance issues.

BOMI

Building Owners and Managers Institute

REAL ESTATE'S LEARNING LAB

ABOUT US

BOMI is the number one commercial real estate education provider in North America. With 400,000+ courses taken, and 43,000 credentials earned, BOMI has delivered more educational value than any other CRE provider in every asset class.

OUR SPECIALITIES

- Property Management
- Facilities Management
- Systems Maintenance
- Sustainability

BOMI RPA® BOMI FMA® BOMI SMT® BOMI SMA® BOMI HP®

CONTACT US bomi.org service@bomi.org 800.235.BOMI