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Welcome to the fall 2017 issue of the *S.E.C. Observer*. In this issue, Nick J. Esterline, S.E.C., the 2017 president of the Society, reviews the Society’s “mission statement and vision” as 2017 slowly draws to a close.

Charles E. Sutherland, S.E.C., provides an excellent overview of the “crisis of retail”—and how to benefit from it. Alex Ruggieri, S.E.C., CCIM, shares why it is important to “forge global connections.”

Mark Johnson, S.E.C., CCIM, explains how to “get the results you are hoping for,” and Bob Steele, S.E.C., shares why “don’t wanters can be the key to more transactions.” The S.E.C. Education Foundation’s 2017 president, Paul M. Winger, S.E.C., reports on the 2017 and 2018 education schedule and encourages everyone to practice using our new Meeting Administration software.

The “Society News Briefs” section includes information about our future meetings in Savannah, Georgia, and Costa Mesa, California, as well as information about our upcoming course, *Creative Solutions*, which will be presented by Kenneth M. Vidar, CCIM, in November.

Our “In the Spotlight” section features John Tyler, Jr., S.E.C., and you will learn about his well traveled path to becoming a Counselor. Richard Reno, S.E.C., encourages you to “ask these questions first,” and Cliff Weaver, S.E.C., has some advice regarding your “personal money management,” in the History Files.

Enjoy this issue. As always, we welcome your comments, suggestions, and submissions of articles to be considered for publication. Please contact the S.E.C. office via e-mail at sec@secounselors.com.

Jackie Hellingson
Editor, *S.E.C. Observer*
I. President’s Message

Nick J. Esterline, S.E.C.
2017 President

We recently returned from our meeting in Indianapolis, Indiana, which was a very well attended and productive meeting. There is one meeting left this year, in Savannah, Georgia, in November. We continue to try to adhere to our Mission Statement and the Vision of the S.E.C. to grow and improve each year, and it doesn’t seem possible that another year is nearly over.

I find it is beneficial to revisit our core goals periodically, and reading our Mission Statement and Vision of the Society may be helpful for those who are not members to understand what the Society is all about.

Mission Statement: “The Society of Exchange Counselors pursues problem-solving techniques in the real estate industry based on the time-proven principles of integrity, professionalism, and accountability to our clients and peers.”

Therefore:

S – SERVICE (Integrity): Being dedicated to what is true in the discipline of real estate problem solving

E – EXPERIENCE (Professionalism): The pursuit of one’s individual discipline in real estate based on time-proven principles, the pursuit of continued education, and the commitment to performance based on accountability

C – COUNSELING (Understanding): Identifying the task and determining the desired result for all parties concerned

These endeavors—Service, Experience, and Counseling—are undergirded by a mutual respect for all parties who truly pursue these principles as Counselors.

Vision of the Society:
1. Promoting the finest marketing session in North America.
2. Promoting continuing education.
3. Promoting membership—seeking out the best of the best.
4. Promoting the Society as an organization based on its integrity and professionalism.
5. Identifying and recognizing individual members for outstanding contributions.
7. Pursuing the validity of the designation of “Counselor.”

Have a wonderful fall, and don’t hesitate to contact the S.E.C. office if you have any questions about the Society.
II. Feature Article A. The Crisis of Retail

The Crisis of Retail

Chuck Sutherland, S.E.C.
With contributions by John Brennan

I was thinking about vacancy issues in retail properties the other day while looking at an offering package of a retail center, and I decided to do a little research. The following are some of the ideas I found most compelling.

The Chinese word for “crisis” is widely known as being composed of two Chinese characters signifying “danger” and “opportunity.”

The Crisis
You could say that the retail store world is in a state of crisis—with both danger and opportunity—for retailers, shopping center owners, and lenders. More and more vacancies are appearing in shopping centers as the number of store closures continues.

Stock values for JCPenney, Macy’s, Kohl’s, and Dillard’s have substantially declined this year because of lower than expected sales and earnings for those companies and the entire retail store group. Sears is closing a large number of stores, and many do not expect the chain to survive at all. Those chains are facing the “danger” side of crisis.

All in all, an estimated 7,000 to 10,000 retail stores will close in 2017. Amazon is the major leader in seizing opportunity in the face of the retail crisis. Although Amazon saw an increase in revenue in the 2nd quarter, its net profit of 40 cents per share was a full 71% below the market projection of $1.40 per share. Their stock value fell somewhat, but Amazon is seizing the “opportunity” in home food delivery with its acquisition of Whole Foods.

The retail businesses are all in turmoil, looking for strategies they can use to either survive or profit. Again, the retail store “crisis” is both “danger” and “opportunity.”

What can you do to protect yourself or profit in these changing times for retail? These are a few ideas to consider, but they are by no means all-inclusive.

Reduce the Danger and Embrace the Opportunity

1. One expert said that we don’t really have a big box vacancy problem but an “under-demolished” problem. Consider demolition where necessary.
2. If you own shopping centers or other retail, seek to minimize the “big box” footprint. In new developments, consider what the development would look like without a major “big box.”

3. In developing, considering reducing the overall size of the retail development: John Brennan, a retail expert in Dallas, stated, “One developer that I know builds Wal-Mart shadow anchored retail. Beginning about 4 years ago, he lowered his standard footprint for the retail centers that he builds from about 17,000 square feet to only 7,000 square feet or less.”

4. If you are dealing with vacancy, look for “short term” lease solutions. One such solution is transforming vacant space into “pop-up stores,” which are stores that only have a short lifespan as retailers test different retail concepts. The Lionesque Group coordinates just such a solution. Also, large vacant space could be reconfigured to operate as a food court or entertainment venue.

5. Before putting a lot of money into improvements for tenants, do a thorough risk assessment of the future of that tenant. Be sure that the tenant’s company will be around long enough to pay for the improvements.

6. Focus on what retail is expanding even as the mainstream units are contracting. Fast food companies are expanding overall in the United States even as family style restaurants are declining. For example, the owners of Applebee’s and IHOP expect to close up to 160 of their US stores.

7. Look to create smaller retail centers focused on something other than general shopping. While centers focused on food are typically smaller than general shopping centers, they are less subject to the ups and downs of general retail business in today’s environment. Restaurant-only shopping centers are becoming popular with many developers to take advantage of the growth and popularity of fast casual restaurants.

8. “In general, service retail, including dry cleaners; hair salons; donut shops; medical and professional practitioners; insurance offices; and small, fast, casual restaurants, remains unaffected by the Internet and is a popular choice of both developers and investors,” said John Brennan.

9. If a shopping mall is antiquated, find a new use for the land. In Dallas, the Valley View Mall in North Dallas is being demolished to make way for an entirely new, high-density multi-use property. “The development will bring to the northern border of Dallas nearly 1 million square feet of retail and office space, an 18-floor hotel, a 10-screen luxury cinema, a 183,000-square-foot health and wellness center, 1,000 new apartments, and the 20-acre park Midtown Commons” (The Dallas Observer, Friday, June 23, 2017).

10. Ultimately, the huge power centers and regional malls are something most of us will have neither the means or opportunity to tackle. Many of these have no major problems at this time, but some do and will. These are the types of properties that will require enormous amounts of money, creativity, and talent to resolve their growing issues.
11. This is the age of retail disruption . . . of “crisis.” Stay out of danger and embrace the opportunity!

These were some of the ideas I found about retail vacancy issues. There are those who deal with retail properties exclusively and may have many more solutions.
For the third year, Illinois REALTORS® represented and promoted the state’s real estate market and all it has to offer global investors at MIPIM, the world’s largest real estate conference held each March in Cannes, France. REALTOR® Alex Ruggieri asked Illinois REALTORS® officers and the CEO of Intersect Illinois to share their thoughts on the industry benefits and global connections made at the event.

Illinois REALTORS® President
Doug Carpenter, ABR, AHWD, GRI, SFR

Repetition gets you noticed in any business.

The simple act of showing up at an event each year pays dividends whether you are in Illinois or traveling six time zones away to one of the largest real estate conferences in the world.

Illinois REALTORS® sent a delegation to the annual MIPIM conference, a massive event attracting more than 20,000 people. This is a conference where repeat attendance is highly valued.

For Illinois REALTORS®, MIPIM serves two big purposes.

First, the event allows us to make sure foreign real estate investors understand the value of doing business with a REALTOR®. The show has traditionally been geared toward European investors, and many of them may not be familiar with the REALTOR® brand and the expertise and professionalism which come with it.

A second, but no less important reason to take part, has to do with building business.

Our association’s REALTORS® who go to the show each year find they make connections which they might never otherwise get to experience. That’s because you can easily find yourself standing next to a decision maker at one of the many educational events or by walking through the massive trade show.

Illinois REALTORS® saw increased traffic to our booth at the conference this year, and I can speak from the experience of having gone to MIPIM for three years that many of the people who stopped by already knew who we were and what we represent.

Illinois has a great story to tell those who seek to invest here.

The association’s MIPIM experience underscores that the real estate business is based on relationships. It doesn’t matter if you are selling your expertise in your hometown or on a different continent, having ongoing, consistent contact helps you stand apart.

MIPIM brings key players from real estate markets around the globe together for four days each March on the French Riviera. The National Association of REALTORS® (NAR), recognizing the tremendous potential for MIPIM to provide a platform for broad promotion of U.S. real estate, sought out globally-oriented state REALTOR® associations to partner with NAR for a larger, higher impact combined footprint at MIPIM.

The Illinois REALTORS® made a three-year commitment with NAR, beginning in 2015. Illinois is home to one of the world’s greatest big cities with a multitude of global ties. The state also boasts a world class flagship state university with 10,000 international students in a highly global community. The state offers unique logistical advantages as a hub of railways, interstate highways, trans-continental waterways and one of the world’s busiest airports.

Beyond simply having a booth at MIPIM to promote Illinois, our delegation has included key economic development public officials. This year the Illinois REALTORS®

During a session, featured panelist NAR Chief Economist Lawrence Yun made the point that longtime strong demand for investments on the coasts had led to downward pressure on cap rates. That, in turn, has led to increased interest on global investments in more central areas of the U.S., such as Illinois, where cap rates are typically higher. Additionally, lower prices offer more investment opportunities that won’t exceed lump sum international wire transfer limits.

In addition to promoting greater awareness of global investment opportunities in Illinois generally, the Illinois REALTORS® presence at MIPIM also provides specific opportunities for our members. Several of our members attended on their own dime, finding that their opportunities to connect with potential clients were significantly enhanced by the base of operations they enjoyed at the U.S. Pavilion that included NAR and Illinois REALTORS®.

MIPIM has become a platform from which the Illinois REALTORS® has forged new strategic relationships, nurtured existing relationships, and has provided members with opportunities to grow their businesses — all while attracting foreign capital to Illinois.

Illinois REALTORS® Treasurer Dan Wagner

What do REALTOR® associations from Beverly Hills, Miami and Illinois have in common?

All of them were part of the strategic vision the National Association of Realtors (NAR) represented at the MIPIM Conference.

Former bank robber Willie Sutton once replied to a reporter’s inquiry as to why he robbed banks by saying “because that’s where the money is.”

A similar thing can be said regarding why the Illinois REALTORS® are representing the Land of Lincoln’s real estate industry in France: “Because that’s where the deals are!”

When people from around the world look at making a real estate investment, the first place they look to is the U.S. because of market stability. As the largest real estate organization in the world, NAR’s participation at the international convention is vital for its members’ interests. NAR provided space for associations to promote their state or city, so it only made sense that Illinois REALTORS® made the investment to represent our members.

The atmosphere at MIPIM is absolutely electric with over 20,000 attendees who all are looking to make a deal. Illinois REALTORS® members who traveled to MIPIM saw their commitment pay off with an entirely new clientele list for commercial and residential opportunities.

Facilitating international investment is clearly in NAR’s long-term view, and I am honored to say that Illinois REALTORS® shares that view.

When someone from another country came up to our booth, we were able to point with pride to the many investment opportunities and attributes the state offers.

Chairman/CEO of Intersect Illinois Jim Schultz

In March, I was honored to be a part of the delegation representing Illinois REALTORS® at the MIPIM conference on the shores of the Mediterranean Sea in Cannes, France.

Our objective of creating new relationships for future business opportunities were fulfilled as we were matched and connected with groups representing investors, developers, and company executives seeking new opportunities in the U.S.

It was apparent at this conference that the recent change in leadership in Washington has created a resurgence in foreign investment interest in U.S. real estate. This too, could be driven by continued strong interest in safe-haven investment considerations such as the U.S.

Be that as it may, we met with interested groups from such places as Dubai, London, Paris, Germany, Japan and China, to name a few — all with a strong interest in U.S. real estate investment opportunities.

While the aqua-blue seas and pristine beaches in sunny Cannes were tempting, our opportunity to frolic was limited...
to early morning walks or late afternoon strolls to and from the conference center. Our days were filled with meetings and discussions at the conference center called Palais des Festivals. The name of the venue in and of itself exemplified the outcome of the conference as our delegation, to a person, felt that there was much to “celebrate” in the number of relationships which we developed for future real estate opportunities in Illinois.

Illinois REALTORS® should be applauded for the leadership of Gary Clayton’s team and the members who attended, including officers Doug Carpenter, Matt Difanis, Dan Wagner and Mike Drews. The Illinois REALTORS®’ presence at MIPIM connected Illinois to the world – and, this is something all members should celebrate.

Intersect Illinois is a 501(c)(3) organization created by Illinois Governor Bruce Rauner which is dedicated exclusively to increasing Illinois’ competitiveness for job creation and investment. See http://intersectillinois.org

About the writer: REALTOR® Alex Ruggieri, CCIM, CIPS, CRE, SEC, MBA, is a senior investment advisor with SVN-Ramshaw Real Estate in Champaign. He is currently serving on the Illinois REALTORS® Global Working Group and the Commercial/Industrial/Investment Committee. He is also a member of NAR’s Insurance Committee and is a past member of the Commercial Committee.

He can be reached at alex.ruggieri@svn.com
**Strategy 8**

The Don’t-Wanter is a Key to Many Transactions

There is a basic difference between an exchange and a sale.

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<th>SITUATION</th>
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<td>1. The motivations in a regular sale are hidden within the cash in the transaction. While everyone values cash in a different way, it is still a common denominator. In an exchange, where there is no cash or minimal cash, then the desires of the participants are often very visible.</td>
<td></td>
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<tr>
<td>2. There is another very significant factor in an exchange that is often either visible or just below the surface. The motivation of the participants can be on either the front side of the exchange (what they are receiving) or on the back side (what they are getting out of).</td>
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<td>3. When there is a high degree of motivation on the back side of the exchange, that participant is said to be a Don’t-Wanter. From my experience this is the key to many exchanges. He is highly motivated and brokers will often state that this person is a number eight (on a scale of 10) Don’t-Wanter.</td>
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<th>POSSIBLE SOLUTION</th>
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<td>1. In counseling with people it is important to get at the key reason they are transacting business when you are considering a structured transaction and not a normal sale. If you can uncover the person’s Don’t-Want, why he wants out of the property, you have found the key to the transaction. Now it is a matter of finding the opposite side and putting it together and you will have a completed transaction.</td>
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<td>2. Note the difference in the backside motivation between the following examples:</td>
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<td>a. A person losing his property to a foreclosure scheduled to be complete in 30 days.</td>
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<td>b. A free and clear house rented at a high rate.</td>
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<td>c. A person who has just inherited a motel a thousand miles away in a very bad section of a city and the person has no understanding of how to run same.</td>
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<td>d. A wealthy person owning an industrial building leased for 20 years to Coca Cola.</td>
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<td>3. Numbers 1 &amp; 3 are highly motivated on the backside of the exchange and would be considered as a high number Don’t-Wanter, maybe a 10 on “a” and a seven on “c”. They definitely want out of what they own. The higher the number the easier the deal is to get together</td>
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</table>
What Results Are You Hoping For?

Mark A. Johnson, S.E.C.

When you think of something that needs to be completed, what is the first thing you think about? Do you think about the steps you will take to get started, or do you think of a clear result? My question is, and always will be, how can you think about what needs to happen if you do not have a clear ending or result?

I think we as business people, regrettably, look for the structure or the “what must happen” before we are certain of the desired result. If I know I must drive to Las Vegas and I have a specific date and time to be there, I can then plan on when I should leave and set a path to achieve these results. The same thing happens in the real estate world. In the buying and selling of property, the development of real estate, the purchase of notes, or any other investment or action you wish to take, you must have a clear result. “Why do we own real estate?” If you say, “to make a profit,” then you and I must agree on what a profit is, or I cannot help you. Will your profit be before tax? After tax? Before closing costs? What is a profit? If you say, “I am going to hold this property for five years and sell it for three times net the amount I paid for it,” you have defined your result. You now know that you are going to make a 24% return on your money, it is going to be a net amount, and you that you want to sell it within a specific time frame.

How often do you review your desired results? Once a month? Once a year? How often should you review your desired results? Can your results change? Like the computer, how often do you hit the refresh button? If the market changes for the worse, what just happened to your desired results? If the market improved, what just happened to your desired results? How often will a class of real estate change, but not the market? How well do you keep informed? How well should we keep informed? Do you get the point?

Never assume real estate is a good investment. Never assume that desired results will always remain the same. Never assume that the investment will always be a winner! Always remember that your initial investment is the most important thing in the world, and you should always strive to recover your initial investment!

Set specific dates for certain results. How do you get to them? Perseverance!
S.E.C. Education Foundation News

Paul M. Winger, S.E.C.
2017 S.E.C. Education Foundation President

Fall has arrived, and 2017 is coming to a close. We have been working on our goals for the rest of this year and for 2018 regarding the courses we hope to present. In the next issue of the Observer, I will update you on those courses as soon as they are confirmed.

The Ed Foundation hosted a working luncheon at the Indianapolis meeting so the attendees could receive training on our new Meeting Administration software. I encourage everyone who attended to please follow up and use the site, as what you learned will quickly abate. Those skills are perishable and need to be nurtured with regular use, even if you are just going in and experimenting. Many thanks to Gary Vandenberg, Peter West, and Corey Bishop for an excellent demonstration of the software capabilities.

This has been a productive year for the S.E.C. Education Foundation. We held our first annual Ed Foundation dinner and auction in Indianapolis, and it was very successful. Our fundraising allows us to give grants to worthy causes and to provide scholarships to help young people further their education.

The Society of Exchange Counselors has scheduled the following education program for our meeting in Savannah, Georgia, and I hope you can join us on November 12, 2017, from 9:00 a.m. to 4:00 p.m. for Creative Real Estate Solutions, a formulas course, which will be presented by Ken Vidar, CCIM. Ken’s course is an excellent way to increase your ability to use formulas to create more transactions.

The educational classes for the upcoming S.E.C. meetings are posted on the S.E.C. Observer Upcoming Events web page as we confirm them. We are working to schedule education courses in regions where we will host S.E.C. meetings next year. Our goal is to have an education session locally several months prior to our meetings to expand our presence and identify local people who may be potential guests.

We look forward to expanding our reach to new marketing groups, professional organizations, and individuals who are interested in bringing the best creative real estate education to their regions. Please visit our website, www.secedfoundation.com, to learn more about the courses and programs we sponsor.
VI. Society News Briefs

A. S.E.C. Marketing Conference
November 2017

S.E.C. National Invitational Marketing Session
Savannah, Georgia
November 12-15, 2017

The S.E.C. National Invitational Marketing Session will be held at:

DeSoto Savannah Hotel
15 East Liberty Street
Savannah, GA  31401

Call (912) 232-9000 to make your reservation. Make your hotel reservations early, as we only have a limited number of rooms available. The cutoff date for reservations is October 20, 2017.

Visit www.thedesotosavannah.com to learn about the hotel and www.visitsavannah.com to learn about the area.

Visit www.secounselors.com and click on the Society Marketing Meetings menu tab for more information. Please contact the S.E.C. office (sec@secounselors.com) if you have any questions about the upcoming meeting.
Creative Solutions
Savannah, Georgia
November 12, 2017

The S.E.C. Education Foundation and the Society of Exchange Counselors are pleased to announce that Kenneth M. Vidar, CCIM, will present Creative Solutions from 9:00 a.m. to 4:00 p.m. on November 12, 2017, in Savannah, Georgia.

Some of the highlights and subjects that will be covered include these topics:

- The Art of Restructuring Investments
- Land Leases
- The Creation of Wealth
- Discount Sale/Buyback

Attendees do not have to be licensed or invited to attend; it is open to everyone, and you may register online at www.secounselors.com by accessing the Education Only link on the homepage.

Mark your calendars now! Please visit the S.E.C. Observer at www.secoobserver.com and click the Upcoming Events menu tab to access the calendar of events and view a brochure for the course.
S.E.C. National Invitational Marketing Session  
Costa Mesa, California  
January 21–24, 2018

The S.E.C. National Invitational Marketing Session will be held at the:

Hilton Orange County/Costa Mesa  
3050 Bristol Street  
Costa Mesa, CA  92626

Call (714) 540-7000 to make your reservation. Make your hotel reservations early, as we have a limited number of rooms available. The cutoff date for reservations is December 29, 2017.

Visit [www.hiltonorangecounty.com](http://www.hiltonorangecounty.com) to learn about the hotel and [www.visitheoc.com](http://www.visitheoc.com) to learn about the area.

Visit [www.secounselors.com](http://www.secounselors.com) and click on the Society Marketing Meetings menu tab for more information. Please contact the S.E.C. office (sec@secounselors.com) if you have any questions about the upcoming meeting.
FOR IMMEDIATE RELEASE

Officials join to celebrate groundbreaking for Riverport Landings

Intergenerational development to provide affordable housing, community services to families, seniors and single parent families and young adult foster alumni

(Louisville, Kentucky—) Today, business leaders and elected officials join the development partners in breaking ground on one of the city’s newest and largest intergenerational communities – Riverport Landings. This intergenerational community will be home to families, senior citizens, single parent families and young adult foster alumni enrolled in FSH’s educational program. Situated on a 36-acre site, Riverport Landings includes various retail services and residents of Riverport Landings will have access to a 2.5 acre community park and other shared amenities conveniently located on a shared site.

“I want to congratulate the development team—LDG, Marian, the funders and many more—who have pushed this project forward,” Mayor Greg Fischer said. “This tremendous asset to southwest Louisville will provide stable housing for seniors and families, while spurring commercial development along Cane Run Road, and establishing a community center and a park that will be excellent resources for those living in these units and in the surrounding neighborhoods. I am especially pleased to see private-sector investment in affordable housing, and the recognition that safe and reliable housing leads to more productivity and security for all members of the family. I look forward to seeing this investment progress and returning once it is complete.”

Riverport Landings is a joint venture between Marian Development and LDG Development—two of the nation’s largest developers of affordable housing. Combined, the companies have provided more than 9,000 affordable housing units for seniors, students and families in various cities across the country. Riverport Landings will include three types of affordable housing developments: Riverport Senior Living—a 108 unit senior property; Riverport Family Apartments—a 240 unit affordable family property and Riverport Scholar House—a 64 unit community for low-income single parent families and young adult foster alumni enrolled in FSH’s educational program. The development will also include a community park, retail space and other amenities that residents from all three properties will be able to access.
Press Release

“The need for more affordable housing in Louisville and throughout our country is well documented and is essential to attracting and retaining the diverse workforce needed for communities to grow,” said Jacob Brown, Chris Dischinger and Mark Lechner, principals for Marian Development and LDG Development.

“The addition of Riverport Landings to southwest Louisville not only fills a need for more housing choice, but allows a nationally recognized non-profit—Family Scholar House— to fulfill its mission to end the cycle of poverty and transform our community by empowering families and youth to succeed in education and achieve lifelong self-sufficiency.”

Cathe Dykstra, Chief Possibility Officer and President and CEO of FSH, agrees.

“Partnerships with high quality developers like Marian and LDG drive the expansion of physical sites to fulfill the needs of our families and young adults. We are not a housing program. We are an educational program with a housing component. Our partners allow Family Scholar House to focus on its mission and the housing component helps disadvantaged single parent families and young adult foster alumni transition from poverty and homelessness to financial independence and gratitude. Access to stable, affordable housing means these families and young adults can focus on graduating from college and looking forward to a future that includes self-sufficiency, home ownership and success.”

Funding for this $71,000,000 development was secured through Tax-Exempt Bonds, 4% Low Income Housing Tax Credits, and HOME and AHTF funds provided by Kentucky Housing Corporation, traditional construction and capital loans provided by RedStone Tax Exempt Funding, PNC Bank and U.S. Bank, Louisville Metro Government’s HOME and Louisville CARES programs, FSH’s capital fundraising which includes grants from James Graham Brown Foundation and Frank and Paula Harshaw, and capital contributions from The Ezekiel Foundation. Edwin King, Executive Director of Kentucky Housing Corporation (KHC) believes the mix of funding being used for this project demonstrates the support and need for this type of development within the area.

“KHC wants to engage in innovative solutions to problems related to housing. Part of the solution is leveraging partnerships and resources to achieve this goal and produce impactful outcomes. This mix of funding and partnerships allowed partners to increase the scope of this development and produce a greater number of affordable housing units while adding intrinsic community value to the project by including a community park, retail services and a community service facility.”

Construction of Riverport Landings is underway and is expected to be complete by January 2019.

###
Press Release

ABOUT THE DEVELOPMENT PARTNERS

Riverport Landings is a joint venture developed, owned, and constructed by entities comprised of the principals of LDG Development and Marian Development. Marian Development has successfully completed 16 affordable housing developments producing a total of 1,192 affordable housing units utilizing low income housing tax credits. LDG Development and its principals have closed financing on 26 affordable housing developments utilizing tax-exempt bonds. These developments have created 4,802 units of affordable housing for hard working families and seniors in 5 states.

Since 1998, LDG Development has completed 42 developments in five states producing a total of 6,399 units of affordable housing. Of those developments, 26 are afford housing developments comprised of a total 4,802 units. LDG is focused on creating high quality affordable housing for working class families and seniors. LDG primarily develops new construction utilizing tax exempt bonds and 4% LIHTC’s. LDG has a wealth of experience in a wide breadth of financing sources, including but not limited to: 4% and 9% LIHTC’s; tax exempt bonds; HUD resources such as HOME, CDBG, HAP Contracts, and 221(d)4; TCAP & TCEP (monetized and non-monetized); Disaster Relief Funds; Freddie Mac & Fannie Mae mortgages; and conventional financing. Additionally, LDG has successfully partnered with nonprofits and public housing authorities to expand their mission of providing affordable housing to their clients through the development of new affordable housing units.

Since 2002, Marian Development has successfully completed 16 developments producing a total of 1,192 affordable housing units within budgets, which totaled $132,192,883. In addition to these affordable housing projects, Marian has completed the historic renovation of their own office space as well as three market rate developments, including a student housing project in coordination with Spalding University. These market rate developments produced another 226 units, with combined budgets of $22,916,966. Marian has successfully implemented the structuring and development of multiple financing strategies including Low Income Housing Tax Credits, Historic Tax Credits, Federal Home Loan Bank’s Affordable Housing Program grant and advance funds, Kentucky Housing Corporation’s AHTF and SMAL funds, and various HUD funding sources.

ABOUT THE FUNDING PARTNERS

Riverport Landings have combined project budgets totaling $71,390,614. $35,400,000 tax-exempt bond financing is providing new construction and permanent loan capital. The bonds were structured in three separate issuances. $7,300,000 was issued for the Riverport Scholar House; $8,700,000 was issued for Riverport Senior Apartments and $19,400,000 was issued for Riverport Family Apartments.

Develop Louisville – HOME and Louisville CARES
Kentucky Housing Corporation – HOME and Affordable Housing Trust Fund Dollars, Tax-exempt Bonds and 4% LIHTC’s
PNC Real Estate – 4% LIHTC Equity (Riverport Scholar House & Riverport Senior Living)
J.P. Morgan Chase – 4% LIHTC Equity (Riverport Family Apartments)
RedStone Tax Exempt Funding – Construction and Permanent Loan Capital
US Bank, Community Lending – Construction Loan Capital
Family Scholar House – Capital Fundraising
The Ezekiel Foundation – Capital Contribution

-MORE-
Press Release

ABOUT FAMILY SCHOLAR HOUSE

Family Scholar House will be opening their fifth Louisville campus with the construction of the Riverport Scholar House, as part of Riverport Landings, a multigenerational housing and support services development that brings needed resources to an underserved area of our community.

The Riverport Scholar House campus will add 64 new apartments to the 215 that are already available at the four other Louisville campuses. Half of the apartments will be designated for families enrolled in Family Scholar House programs. The other half will serve as the first housing operated by Family Scholar House for young adults that have exited from foster care and want to pursue post-secondary education in Family Scholar House’s structured environment.

In addition to housing, the Riverport Scholar House campus will include a Family Scholar House educational services center that will serve not only residential families, but also neighbors and residents from the other components of the development. The educational services center will provide space for program staff to provide counseling, academic coaching, and workshops for participants and community members and includes a technology center, art studio, a children’s creative play space, tutoring rooms, community meeting rooms, a clothes closet and food pantry.

Family Scholar House plans to begin housing families and young adults at the new Riverport Scholar House campus in the 2017-18 academic year. In 2015, Family Scholar House provided programs and services for 3,102 low-income, single parents with 4,377 children. In addition to current residents, there are 907 families with 1,372 children receiving services while waiting for available housing.

We offer our special thanks to the James Graham Brown Foundation, and Frank and Paula Harshaw for providing match donation opportunities for the project. Commemorative and naming opportunities are still available.

###
Press Release

GROUNDBREAKING DETAILS

What: Groundbreaking of Riverport Landings, an Intergenerational Community

When: Tuesday, August 8th, 2017
3:30 – 5:30 p.m.
Comments will start promptly at 4 p.m.

Where: 3311 Cathe Dykstra Way, Louisville, KY 40216

Who: Mayor Greg Fischer, Louisville Metro
Congressman John Yarmuth, US House of Representatives
Councilwoman Jessica Green, Metro Council District 1
Edwin King, Kentucky Housing Corporation
Charles (Chuck) Denny, PNC Bank
Cody Z. Langeness, RedStone Tax Exempt Funding
Dan Smith, U.S. Bank, Community Lending
Cathe Dykstra, Family Scholar House
Mason Rummel, James Graham Brown Foundation
Frank Harshaw, Harshaw Trane
Jacob L. Brown, Marian Development
Chris Dischinger, LDG Development
Mark Lechner, LDG Development

Visuals: Groundbreaking by dignitaries

A ceremonial groundbreaking on the current construction site will follow opening remarks.

Refreshments will be provided by the Louisville Dessert Truck.
VII. In the Spotlight

A. John L. Tyler, Jr.

Biography

John L. Tyler, Jr., S.E.C.

Ciao (Italian), Hallo (Afrikaner), Xio Chao (Vietnamese), Bonjour (French), or Heebue (Arapaho Indian).

Chances are John Tyler has used these greetings of “Hello” at some point in his life. John is remarkably well-traveled; in fact, the love of travel and a desire to learn new things and meet new people have been key factors in shaping John’s personal and professional life.

John “Tiny Tim” Tyler Sr. and Dorothy “Dottie” Franklin welcomed their first child, John Tyler Jr. into their prestigious family on July 1, 1947 in North Adams, Massachusetts. While John was born in the Northeast, he actually grew up in the Northwest, as his dad moved the family to Denver when John was just eight months old. The Tyler family has long been a prominent family with ties to President John Tyler, the nation’s tenth president and to the Roosevelt family as well.

John Sr. is a 93-year-old retired banker and real estate developer who served with the 10th Mountain Division during World War II. John Sr. taught his son two key lessons he has used throughout his life. First, he taught John never to quit on anything, no matter how difficult it may be. One of John’s greatest strengths is his ability to doggedly work through problems to create a solution.

As a real estate investor, John Sr. advocated holding real estate for the long term. The second key lesson he taught his son was “Never give up on land,” and John has and John has followed this philosophy throughout his career by holding onto assets in both good and bad times.

Dottie Tyler married John’s father in New York City shortly after WWII ended. Dottie was a homemaker who raised John and his siblings to have impeccable manners. In honor of his mother, John later published a book on manners. John’s deep respect for women came from the love and respect he had for his mother. Dottie also fostered one of John’s greatest talents, the art of conversation. Dottie was the conversationalist of the family, and she imbued the idea into her children that you never know if you are sitting next to a queen or a janitor, so be friendly and make whomever you are talking to feel comfortable
and special. If you have ever had a chance to spend time with John, you know that he is open, friendly, and a great listener.

As a young boy John became intrigued with the idea of helping Native American Indians. His grandfather, an Episcopal minister to the Arapaho Indians in Wyoming, was made a “blood brother” of the tribe. John, who began writing a book about the plight of the Sioux Indians in the fourth grade, decided he would become an attorney to represent Native American causes.

After graduating from Salisbury Preparatory school in Connecticut, John went to Stanford University to pursue his dream of becoming an attorney. He graduated in 1970 with a degree in political science, and the table was set for him to go to law school. However, John’s life took a change when, by pure chance, John met Ilga, a beautiful Latvian girl who was born in Germany, and they were married 11 months later. With a family to care for, John took a job in the insurance industry, and the timing just never worked out for law school.

After spending a dozen years in the insurance business, he founded a small janitorial maintenance company and grew it from just a few employees to over 300. Despite the company’s success, John was not happy being tied to a desk and dealing with the headaches that running this type of business entails.

John missed the ability to travel, meet new people, learn new things, and be intellectually challenged. John sold his company in 1999 and decided to enter the world of real estate full time.

John originally obtained his real estate license in Denver, Colorado, in 1985 while managing his janitorial company.

Selling real estate appealed to him because he could set his own schedule and meet new people every day, and it constantly presented new challenges. Real estate is a thinking person’s game in which no two deals are exactly alike. It allowed him to help others solve their real estate problems. Plus, he was able to take time to travel, and there were no limits to what he could earn.

After several years handling bank receiverships, John met Ted Blank in 2006 at a Mile High Exchangers meeting. Ted invited him to his first S.E.C. meeting in Denver, and John was sold on the organization and what it stood for in the industry. Instead of the heartbreak of helping take away people’s property as a receiver, the S.E.C. group showed him how to help people solve their real estate and investment problems. Transactions were geared to be win-win for all parties, and the agents actually worked together to attain those results.
After that meeting, John shifted the focus of his company, Cherry Creek Partners, LLC, toward 1031 exchanges, commercial investment properties, and oil- and gas-related investments. He began attending regional and national marketing sessions as a way to network with like-minded professionals and to learn everything he could.

John loves the diverse personalities in the Society because they keep the organization fresh and interesting. Despite this diversity, the members always show respect for one another and go out of their way to help one another. In other words, as John put it, the S.E.C. is one large extended family. The members may argue, disagree, and chastise one another, but in the end they love each other and have each other’s backs.

This year John will be celebrating his 69th birthday, and he has no plans of slowing down. He fully expects to be doing deals in the S.E.C. for at least the next 15 years between trips with Ilga to visit his three daughters, six grandsons, and one granddaughter. While John may not be running the Boston Marathon again, as he did in 1979, he stays very active and is working on his golf game a little more regularly.
“Ask These Questions First”

Richard R. Reno, S.E.C.

Editor’s Note: This article first appeared in the April 1975 edition of the Real Estate News Observer.

Many things have been written and said about real estate counseling. Here are some random questions which should be answered prior to exposing the property and the client to the marketplace.

1. Why does the client desire to move his equity and what is the real motivation for selling or exchanging the property?

2. Is the client a buyer and what are the guidelines in using equity for a down payment?

3. What will the client take “in lieu of” his existing equity?

4. Is there a mandatory cash requirement needed in the transaction?

5. The client has an immediate objective. Have I really determined what it is and what is behind the immediate objective motivation?

6. Does the client understand “benefits” (money, appreciation, depreciation, income etc.)?

7. Why would someone want to own the property being offered by my client?

8. Is the client mentally committed to a fixed price for his real estate or is the client oriented toward increasing benefits?

9. Have I determined what items the client can add to the real estate offering to make the entire “package” more attractive?

10. Has the client verbally accepted other properties in our counseling sessions?

11. Have I explored the idea of the client being a user for a business opportunity?

12. Will the client make offers to solve his real estate problems if the offers solve his immediate objectives and lead toward his long range objectives?
13. Is the client capable of a joint venture with his equity or portions of his equity?

14. Is the client under a third party influence?

15. Has the broker done all of the homework needed to move title?

16. Does the client have any geographical limitations?

17. Has the property been offered on the market prior to my listing?

18. Does the client or his real estate offer management problems?

19. Frankly, is the client a realist?

20. Do I really feel I have a client who *does* have a real estate problem?

The above are just a few questions that real estate agents should determine in their counseling sessions prior to offering the property to the marketplace.
“Personal Money Management”

Clifford P. Weaver, S.E.C.

Editor’s Note: This article first appeared in the July 1975 edition of the Real Estate News Observer.

If you are having a problem with cash flow, the reason may be one of the following eight traps in Personal Money Management.

**Too Much House:**
Frankly, it is very easy for the American public to buy a home which can be acquired from “nothing down” to “very little down.” The bright side of the picture is the fact that “little or no capital” is required for the initial down payment. However, the other side is that the monthly principal and interest is high. Few buyers take into consideration the inflationary cost of water, gas, electricity and other utilities. There are five factors to be considered by a potential home buyer:

1. The cost of furnishing each room in the house.
2. The cost of equipping a home for indoor and outdoor maintenance.
3. The tax collector raising property taxes to meet governmental obligations.
4. A simple lawn turning into a botanical garden or tribute to a weed patch, depending on the occupation of the owner.
5. The physical and time-consuming effort required by a working wife.

**Too Much Automobile:**
Most people do not pay cash for automobiles and most “over buy” autos. This means they buy larger autos than actually needed. This trend was curtailed somewhat in 1974 during the energy crunch. However, heavy payments on automobiles is just the tip of the iceberg when considering the cost of gas, insurance and maintenance. The fact is, since World War II, the American public has kept themselves in heavy debt by keeping up with the neighbors and rolling out a new auto every third year, when the loan is finally paid off. Don’t forget how the value of your auto was affected the moment you drove it off the lot.

**The Ego Problem:**
It is a fact: we all like to be liked! However, many people lack a certain amount of individualism and need a checkbook to solve their ego problems. Some are continual buyers of gifts; others buy for themselves. Think of the first person to wear a “Read the Time” watch. Think of the person who was the first to buy an “ecology garbage pulverizer”—the neatest garbage compacter in
town. People buy things to impress friends and business associates in order to maintain their egos, and this is very costly.

**The Expense Account:**
Some people are “blessed” with an expense account—or are they? On the road, they live like millionaires, and then come back to realism. Outside of the mental problems of living in a make-believe world, most fail financially when they attempt to live that way at home. The company or employer is not funding the home overhead. It isn’t uncommon for this person to end up having a fifty dollar luncheon and then going home to a dinner of Hamburger Helper.

**Hobby Time:**
Hobbies can be expensive. Give a man a tennis ball and he might end up with $500 in tennis togs, a $50 racket and a $5000 interest in a “Condo Tennis Club.” Did you ever hear about the potential golfer who pyramided a $1.00 golf ball into a $6500 golf membership? How about initially buying a simple Polaroid “Swinger” camera and then swinging your interest upwards to $2,500 in cameras and camera lenses, together with a good darkroom? Why not take up vacuuming instead; your spouse will love you!

**Being Fashionable:**
This is a potential trap for both men and women. First, there is nothing wrong with being well dressed. But some people attempt to set high fashion standards and set aside a lot of money to maintain that image. This ego trip is costly for many and they do not have their priorities in line. They sacrifice savings and long range benefits for being a pricey fashion plate today.

**It’s A Small World:**
Take your kids to Disneyland and see the Bank of America exhibit called “It’s A Small World.” You’ll see it is a small world, as it is a natural parental wish to want your kids to have everything. The fact is, beyond a certain minimum, your kids could care less. Remember the time you gave a child a big present for his birthday and he played with the gift for ten minutes, and then had fun with the box the gift came in for three hours?

**The Itch and Urge:**
Impulse and spur-of-the-moment buying is one of America’s greatest money management problems. Many will cop out and say “You only live once.” The fact is that Madison Avenue in New York has the urge to splurge planned to produce a lifetime of results for their customers and clients and it costs you, the consumer, money. Have you ever bought an item at the checkout counter while you were waiting to be checked out? It’s planned by the store to make you wait so your impulses will react to buying an item on immediate display. These items are normally priced a little higher than the same item back on the shelves.

Lastly, if you don’t believe any of the above is true, toss away your credit cards and see how you live (it’s not a bad idea anyhow, as you are most likely paying 18% on your unpaid balance).