

# FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

## Real Estate Committee Summary

THURSDAY

SAN JOSÉ, CALIFORNIA

JANUARY 29, 2009

### Present:

Jeffrey Perkins  
Matt Loesch  
David Busse

### ALSO PRESENT:

|                  |                     |                |      |
|------------------|---------------------|----------------|------|
| Russell Crosby   | -Secretary/Director | Patrick Thomas | -SIS |
| Carmen Racy-Choy | -Staff              |                |      |
| Ron Kumar        | -Staff              |                |      |
| Ceara O'Fallon   | -Staff              |                |      |
| Cristin James    | -Staff              |                |      |

## RECOMMENDATIONS

1. Approval of the 2009 Business Plan and Budget for Milpitas Warehouse.

## MEETING SUMMARY

1. **MIG Realty Advisors, Inc. – Leslie Horenburger**  
**Recommendation for approval of the 2009 Business Plan and Budget for Milpitas Warehouse.**

Mr. Kumar stated that MIG Realty Advisors, Inc. now only manages the Milpitas Warehouse for the Federated City Employees' Retirement System. Revenues for the third quarter of 2008 were \$123,092, which was less than budget due to the space being only 50% occupied. Expenses were \$43,380, which was 83.6% over budget due to higher insurance costs for the earthquake and, improved insurance coverage that was added in 2008.

The strategy for 2009 is to focus on an aggressive leasing campaign to capture all viable tenants, either one for the entire un-occupied space or two tenants to split the space. MIG recommends holding the property until it is at least 75% occupied and then reevaluating the disposition opportunities at that time.

The Committee approved this item for recommendation to the Board.

(M.S.C.) Motion carried 3-0-0

2. **Informational: Occupancy Report – Milpitas Warehouse.**

### 3. Discussion and action regarding MIG and the Plan's Real Estate strategy.

The Secretary stated that the new Investment Officer, Ali Amiry, has been investigating potential real estate managers to take over management of the Milpitas Warehouse.

Chair Perkins stated that MIG Realty Advisors has served their purpose in the past, but, now that the Plan has only one local property, there is no reason for having MIG involved. He requested that staff look for real estate managers within Silicon Valley, who would be more familiar with the area, and the local market, allowing them to lease out the space quickly.

Chair Perkins suggested that staff should initiate a search internally for a replacement real estate manager.

**The committee** approved having staff initiate a search for a real estate manager and present the candidates to the committee at a future meeting.

(M.S.C.) Motion carried 3-0-0

**Approved:**



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**RUSSELL U. CROSBY, SECRETARY**  
**BOARD OF ADMINISTRATION**