



Commercial Real Estate Council March 2009

Commercial Real Estate Council Members

Glen W. Kitteringham,
CPP-Chairman

Carlos Villarreal -Vice
Chairman

Sean Ahrens, CPP

John Beardsley

Scott Bickett, CPP

Dennis Byerly, CPP

Louis Caravelli, CPP

Jack Dowling, CPP, PSP

John Harris, CPP, PSP

John Hewitt, CPP

Charles Hutchinson

Keith Kambic, CPP

Timothy O'Brien, CPP

Marianna Perry, CPP

John Petruzzi, CPP

Alan Snow, CPP

William Strother, CPP

Mark Wright

Chairman's Corner-Glen Kitteringham, CPP

As incoming Council Chair, I am looking forward to maintaining the momentum that our previous chairs worked so hard to develop over the past several years. I wish to acknowledge the work and time they have committed to the ongoing development of the council, to its members and to ASIS International. Taking over from Mark Wright will be a challenge and an opportunity which I am looking forward to. Thanks for all your efforts Mark and I am glad you are staying around. The job of providing security for commercial properties, while never easy at the best of times, will be an even greater challenge in the months and years ahead due to the massive change in the world economy. Even 6 months ago, few predicted the melt-down of world stock markets, hundreds of thousands and millions of people being thrown out of work, and major structural changes being forced upon many of the largest companies in the world. Developing a comprehensive security program designed to protect commercial properties suddenly became much more difficult with budgets slashed, employees lost, and many approved capital projects under the microscope. This is one of the reasons; I strongly believe is where the Commercial Real Estate Council can add real value to ASIS members and non-members alike. Many of our 17 council members have years and years of security and life safety experience and have built up a tremendous amount of expertise in a wide number of areas. Our members are sharing their knowledge and experience to a vast audience and for that I thank them. Often, they are working in iconic buildings and setting new standards. Whether it is through local presentations, online training, or to international audiences, through writing and research, book reviews, writing books, curriculum development, or simply returning phone calls from people seeking advice, council members are reaching out to many whom I will benefit from our efforts.

Hurricane Ike; Houston We Have a Problem-Mark Wright



The Storm

Due to the size of the storm and the fact that its eye wall passed within ten miles of downtown, hurricane force winds were blowing for close to four hours between 2 AM and 6 AM on the Saturday morning it made landfall. In the office tower properties owned by Brookfield Properties, we had a volunteer ride out team consisting of property managers, engineers and security personnel. As the storm passed downtown Houston, we were experiencing wind gusts in excess of 108 mph at ground level. At higher elevations the wind speeds were even higher. There is no way to describe the sound of such a prolonged force generated by this great wind storm.

Looking down Louisiana Street in downtown Houston, we could see vortex signature winds whipping the rain between the office towers. Looking out from one building toward another, the rains were blowing so hard that objects such as stone planter boxes had a plume similar to that of a wake behind a speeding boat. We could hear large objects striking the high rise structures above us and almost all buildings in the central business district experienced significant loss of the windows in the lower lobby areas. Throughout the entire Gulf Coast region of Texas, large trees were snapped at the base and blown several hundred feet. Thousands of homes and commercial buildings and homes suffered critical structural damage and many failed completely. Streets throughout the region were covered by debris and fallen vegetation. Most of the traffic signals were completely destroyed.

After the Storm

The intensity and speed of our recovery process was almost as amazing as the storm. All but two of our properties were open for business on the Monday morning after Saturday's landfall. Within four hours after the storm had dropped below tropical storm force, recovery team scouts from BMS Catastrophe Services, our disaster recovery contractor descended on the Central Business District.

Our biggest challenge that first morning after the storm had passed, was to quickly identify the damages to the property. Property managers and engineers walked all the floors in our buildings – a large task when our Houston holdings are comprised of 8.5 million square feet. We were also identifying and closing off hazardous areas.

Engineers and security officers were moving quickly to certify the integrity of building power risers, safety of the water supply, elevators, and other critical building systems. Security personnel were helping to tape off danger zones and directing access for responding recovery crews. All fire alarm systems were inspected and functionally tested, starting with the properties that had significant water intrusions due to breeches in the windows or exterior walls. Communicating with our tenants proved to be very effective, with each property manager using our "Send Word Now" instant messaging system to announce the changing status of the properties. They were also updating the building hotlines every few hours so that tenants could call in for timely building status reports.

Back to Business

For security purposes, the opening of the buildings was a real challenge. We had hundreds of recovery workers checking in to the properties while at the same time we had tenant employees coming to the building who had no power or sanitation services in their homes. The office workers very quickly determined that our buildings would be a good place to bring their families – we had air conditioning, lights and hot meals being served. So it was an interesting if not alarming mix of restoration workers, business people and children lining up for breakfast and lunch that week. Our relationships with police and fire departments of the city and county proved invaluable when the district was cordoned off for the first 24 hours after the storm. We have had no reports of criminal acts or disorderly behavior in or around our properties – even with many of the signals at major intersections knocked out.

Full Recovery

I am very proud of our management team. I am very proud of our city and the way people pulled together. It remained that way even as the stress began to bear on everyone still living without power and water for several weeks. We walked (and some are still walking) a long road to full recovery for this community, but its Central Business District stake-holders led that recovery in an important way. We were able to do so because we had carefully developed and exercised our response and recovery plans for the properties we own.

SECURITY PLANNING WHILE FACING DIFFICULT FINANCIAL TIMES - Scott C. Bickett, CPP

Recently, while working thru cost reductions for a security program, I found myself somewhat at a loss on making a meaningful reduction in cost while maintaining the integrity of the system as a whole. What this conundrum brought me to was a realization that a thorough comparative review of the current program in relation to what the original program was designed to accomplish. What I found was not completely surprising. Throughout the past several years the program had lost portions of its original risk mitigation capabilities while creating a somewhat fractured response to meeting the original security charter. This taken by itself may appear as a cold stop in the reduction of cost associated with the security program, however it provided an excellent platform to take a clean look at what the security plan needs to accomplish in the short term and what are the long term goals of the plan.

Needs Analysis

You should complete a thorough needs analysis keeping in mind the very real possibility that with the downturn in the economy and the increase in real crime that comes along with the may take a few years to work itself out. This in conjunction with the possibility of reduced foot traffic due to increases in unleashed space may lead to entire sections or floors of your facility that may appear deserted possibly inviting persons with nefarious intentions to frequent the area.

Review Current Security Program Assets

Take stock on the positives of your current program, and look at items that may be redundant and can be re-engineered to fit the protection needs in other areas of the program. Is your current program heavily invested in human capital? Do you have technology that you are not currently using or underutilizing? What equipment do you have in inventory that can be utilized to perform more than its current function? This review of current assets may lead to the single largest reduction in cost when coupled with an up to date needs analysis.

The Cost of Change

Each component of your current security program may have ancillary positive effects on the facility as a whole, or unseen net increases in functionality of your current asset. Prior to eliminating or adjusting any security functions make a thorough

review of each component's total impact, and if the need still arises to eliminate the function plan appropriately to meet the identified shortfall.

Practical Tips

There are common steps that security managers historically have taken to meet the need of cost containment while maintaining the program integrity. Some of those are:

- Integrating Crime Prevention thru Environmental Design (CPTED) into the current program. This can be accomplished throughout your facility to assist in creating an atmosphere of safety and security while reducing the needs for continued direct human capital deployment. The possible reduction in human capital in addition to the real possibility in reduced maintenance costs for lighting and cleaning. In addition to these factors, CPTED is used to make the atmosphere more inviting to the general public and prospective tenants, thus making a good case for the costs associated with the integration.

Integrating CPTED is much easier than it sounds. An example of CPTED integration is working with your current electrical contractor to adjust the types of lights currently used to brighten specific locations that could be perceived as areas criminals may lurk by the general population. This coupled with your electrical contractors' recommendation for up to date energy efficient lights may result in the total net impact of reduced electric costs, reduced security deployment needs and the possibility of increased foot traffic by the general public.

- Replacing human capital with technology could be another way to decrease costs within the security program. It is no question that human capital is the highest reoccurring cost portion of a security program. Look to add remote locks, cameras, emergency call boxes, and Segway transportation devices to use as force multipliers so less security personnel can sufficiently protect a larger area.
- Look to share programs if you have more than one asset in a local area. Naming a few that have proven track records are shared supervision, (a single supervisor for more than a single location without exceeding the correct span of control formulas.), combining dispatch and camera monitoring functions for several locations, combine manpower posts at sites that are in close proximity with each other (reduce from 1 overnight roving patrol at each site to 1 overnight roving patrol at several sites) and use of shift overlaps other close locations to mutually support each property.
- Look at contracting out in-house or proprietary security staffing to a qualified security firm. Evaluate the complete costs associated with maintaining a security staff including health benefits, training, paid time off, uniforms and equipment needs, retirement programs and in-house human resources support and compare it to a contract security firm that may be able to provide fixed costs and provide more schedule flexibility.

There remains little doubt that throughout the next several years each of us will be tasked with reducing total operating costs while maintaining and increasing the standard that our department's performance is evaluated against, but with proper planning these tasks are not insurmountable.