

State Director Status Report

September Business Conference, Kansas City, MO • Missouri Association of Realtors

September 19-21, 2018

Denise Briez, BOD, NMCAR

Economic Development Output Group

Proposition D

Made argument for this proposition:

- State gets 70% of the funds and cities/counties get 30%
- It's new funding for State law enforcement & road maintenance
- Decisions are made locally to focus on local priorities
- More info at www.SaferMO.com
- MO realtors supports it, AAA supports it, MO Chamber, Missouri State Troopers, etc. all support this
- Bipartisan political support for this proposition
- 35% of fuel in MO is purchased by drivers passing through, not residents. This fuel tax will be paid by drivers, not by all residents, so it is the people who use the roads who will be paying for the cost of better maintenance.

Campaigning to the public will focus on these funds being ONLY available for roads; state of MO is #9 in effective spending already. Not a record of waste. State budget has been cut and cut, not increased. MO is currently 49th in funding and 7th in number of highways.

There is no current organized opposition at this time, with less than 50 days to vote on Prop D.

Consumers are somewhat against this proposition or not sure about it ... they've seen what happens when taxes are added to the cost of fuel in other states (like California) where the price of gas is typically more than \$2.00/gallon higher than it is in Missouri. Proposition D will increase the cost of every gallon of your gasoline by \$0.10 (\$0.025 per year for 4 years). Many consumers already look for the gas station at \$2.47/gallon when other stations are \$2.54. Why would a consumer choose to increase gasoline fuel cost? The state already has funds for managing roads and funding law enforcement. Why aren't those funds being managed in a way that covers existing needs already?

- Campaign for Prop D will address these issues

Main Street Development and Historic Preservation

Keith Winge, Community Development Coordinator

It has to do with "communities". Building back the heart of our communities, downtown. There's a national organization called the National Main Street Center. It is a non-profit.

Revitalize older traditional districts, not just the Main Street.

It is a branded, registered trademark seen as the "premier downtown revitalization program".

It advocates residents returning to their own communities, self-reliance, unique assets in traditional commercial districts.

The program helps communities figure out priorities and put it into affect. Historic preservation is required as part of the program, which keeps the community charm.

Economic development with historic preservation. Inclusive, to benefit the entire community, not just one building. See examples in Lee Summit, Liberty, Warren Springs, Cape Gerardo, etc.

Successful downtown programs have 4 parts in the community: Physical, economic, social, civic.

Physical: Enhance the district's appearance and preserve historic environment

Social: Marry the unique characteristics, foster pristine image, position as a center for activity.

Economic: Diversify

Civic:

Comprehensive approach: Vision for downtown, market understanding, transformation strategies (what will we focus on?), MS4-point implementation, Outcome measurements & impact.

The "Small business Saturday" program came from this program to promote local entrepreneurial environment. Live and work close together is important to millennials.

Vacancies is a huge issue: programs start at 70% vacancy and improve to 10% using this program and it's network. **One Vacant building costs a community about \$220K per year to a community in lost economic**

activity. Multiply that by each building.

Success requires buy-in/partnership with city-residents-businesses.

Resistance to these programs typically is due to not knowing what the Main Street Program really is. Perception is that it is the same as a chamber of commerce and other local places, which it is not.

Get this program by reaching out to local legislators and share this information, especially the part about how much one vacant building costs a community over \$200K in lost economic value. Do the math on our square alone, count the vacant buildings.

Some municipalities don't have the right people in the right places at the right time and they don't want to spend the money because the program is not free. They cannot see the vision. Historic tax credits help. There are grants to apply for and it costs money to get the grant, which provides SERVICES to get the program started. For example, costs community \$9600 to apply for grant but community gets \$24,000 in services free.

Get active with Economic Development in Neosho

State of MO hired its first Broadband director; he's been here for only a month. The Hawthorne Foundation raises private funds to promote MO to the rest of the world. They see the need for better broadband & improved infrastructure in MO. Exciting times. MO partnership is fully funded through the Hawthorne Foundation. Looking for top 4 priorities to have the most impact in MO - Need quick responses to share with next task force meeting with governor.

MIPIM: Deposit already done for next event in Canne, annual 1 week conference for global investors. We have a MO booth in the NAR pavillion. Registration is about \$1500 through NAR.

Commercial Output Meeting

John Sebree
Staff Liaison, Commercial Output Group

2019 Ideas for next Septemer's meeting needed. In springfield?

Review of 2018 Commercial Economic Develpoment Summit:

Two developers there used historic tax credits for multimillion dollar development projects.

Out-of-box thinking to get projects to come together in Kansas City.

Need better attendance, including real estate students, developers, and surrounding communities, appraisers, tax specialists, etc.

Next year, will try to have the commercial meeting on Wednesday (instead of Tuesday) so all of us attending Weds-Fri can easily attend that meeting without having to spend an extra day/expense traveling.

Most of audience was comprised of developers and commercial realtors.

Recommend using group text to advise of time changes for future meetings.

Purpose of commercial day is education for commercial practitioners. Focused on platforms available for commercial real estate. NAR is selecting a platform. It is down to 6 companies being considered. What is the timetable? So realtors know whether or not to renew their annual commitment to current platforms.

John Sebree said Dave Morris' suggestion to have a media partner like a business journal, so they promote it too.

NAR commercial innovation grant is \$5000; so John did not apply in 2018. Sponsors could help promote to a larger audience. NPR radio was a partner in past with other communities. Suggestion to make a podcast from next meeting to share the knowledge and educate current/future commercial realtors. Try to get Johnny Morris as keynote speaker. Maybe get Branson/Springfield economic development folks to speak about how Johnny's projects have affected their areas.

Use technology for what? Like webinars in addition to "in-person" speakers.

Poll commercial practitioners to see what their needs are. James Elcock says polls have been conducted: showing 1031 exchanges and taxes are important to commercial practitioners. Other interest is How will marijuana

affect commercial real estate? Is it considered a class C tenant?

Reports from institutes, societies, councils, and affiliates

MO is the 12th chapter of the Realtor Land Institute now, which is of value to know, for realtors who sell only land.

New CEO, on day 13 in position, Introduced himself (Dan Sail?).

Report on MIPIM is March 12-15, 2019 in Cannes, France. Largest global commercial expo. 26,000 participants, 4 day program, 360+ speakers, 100 countries attend. NAR has a huge pavilion and MO has a booth for past 4 years. See flyer. \$2020EU's to register or \$1500 USD through NAR. MO realtors fund the booth and attendees can put out their materials for free and use that booth space. Local boards can give \$500 and send materials. Is there a lead distribution plan during this event? If a state association is attending, what is done with leads. This year they had a Japanese client interested in MO land for a dairy farm. Nate Johnson immediately called Donna Jorling who immediately got on it, along with dept of agriculture who gave info.

CIPS: Certified International Property Specialist. New global business council consists of only CIPS realtors. When getting CIPS designation, you automatically become a member of the global business council. Suggested that MIPIM referrals come from CIPS certified list of realtors only? This would encourage realtors to get the CIPS designation too.

CCIM class will be held in Kansas City the first week of October, course is CI104. If you're considering getting the CCIM designation. Prerequisite is taking CI101 first. Offered in St. Louis in October and there is a scholarship to attend, which expires Friday, so apply now. Also look for online courses.

Commercial contract will be revised substantially to look more like the residential contract. It will be more functional for commercial and look pretty too. Making a lease amendment form and a new notice form for extending leases, etc. New focus on commercial, with draft mock ups presented in January 2019. Commercial forms were not receiving much focus in the past; residential was the main focus. Now commercial is slated for focus by our MAR legal team.

Proposition D: Thursday was kickoff of the campaign. Republican politicians in MO all agree with this \$0.025 gas tax, for each of the next 4 years. See more at SaferMO.com.

CCIM is having a global commercial real estate boot camp October 5th & 6th.

New chair of Commercial Output Group was introduced: Jen Enderson. Raised in St. Louis, lives in Kansas City. Focus for 2019 global economic day will be legal panel to discuss leases. Expect to see more commercial leases in 2019. Environment assessment panel for phase I and phase II environmental assessments. Local EDC panel from Springfield to learn to communicate with them and understand what they do/offer.

New vice-chair: Jessica Hubbard. Born in Kansas City, lives in Joplin.

Appraisal Section Meeting

Council of Independent Real Estate Brokers :

Benefits of CIREB (Council of Independent Real Estate Brokers):

- Someone to bounce things off.
- Referrals to each other.
- Pool of resources

MREC audit compliance - A compliance book is available. It will be put online in the toolbox.

Virtual Coffee Tuesday Idea - To have a speaker (current or past independent broker) to be interviewed or speak at a broker meeting, then put the recording up on the database to share with other members.

www.cireb.org

Going to create a reciprocal link with The Landing. Consider this with other websites too!

CIREB is considering the idea of being able to afford a paid staff person to work on projects and keep everyone connected. Right now it is all voluntary.

Jeff Bosch comes from a large office/company background. Now with a local MLS (Maris) focused on broker outreach and 13 associations he works with.

Create a curriculum around "rules of the road for brokers" 6 hour CE credits. Create a toolkit of "best practice" of accounting, tracking transactions, etc. Do this curriculum in conjunction with Professional Development Committee.

Continue to focus on being "legitimized" in the realtor realm.

NEXT MEETING

The next Board of Directors meeting is scheduled for January 25, 2019 at Chateau on the Lake in Branson.

State Director's Report
Fall 2018 Missouri Business Conference
Kansas City, MO

I attended the Leadership Development Output Group meeting. This group mainly consists of Leadership Academy Realtors. Missouri Realtors offers scholarships that Realtors can apply for to attend Leadership Academy. Our Realtor Members can apply! This year's Leadership Academy project was a book of stories designed to orient new Realtors to the real world of real estate. It is a very good book and is available for \$10.00.

Residential Forms – 2018 Change Highlights:

1. Earnest Money deposit date is changed from 10 banking days to 10 days. The regulation has not changed. However, the language change clarifies in all parties' minds the deadline for deposit.
2. Inspections section will be reformatted to cluster the process and the Limitation options separately.
3. Continuation of Inspection Notice has been reformatted to allow for the process to go back & forth using this same form.
4. Counter Offer has been redesigned allowing general terms on Pg 1 with the Rider changes section more generic for use with any Rider. Also adds "Seller Concessions" as an item.
5. ** New Form – A voluntary form has been designed to provide written evidence of the origin of any measurement info and disclaimer that it is up to the Buyer to do their own measurement inspection if they want to verify the square footage/acreage, etc.

Professional Development Output Group – *I will be Vice-Chair in 2019*

Unfortunately, the presenters set up for The Summit used the event as a glorified Sales Presentation. As a result, the event created some ill will among those who attended. This will need to be carefully considered and reworked for the next one scheduled for 2020. A couple of ideas for improvement were classes on Technology and Panel Discussions on current topics in the industry.

Items being worked on –

Broker & Agent "Tool Kits." Resource guides for each group.

How to provide better and more instruction. The idea is to develop an Educators' Bureau of Realtors who will volunteer to be instructors for courses developed by Missouri Realtors. Then, offer classes across the state.

GRI Courses are going well. Nine of the 16 Courses can be delivered in person. So, Missouri Realtors may use the Educators' Bureau discussed above to offer the classes in more locations across the state. This group has a goal of providing a GRI Class at every Business Conference.

It is the general feeling that Missouri Realtors should make a concerted effort to provide a wide range of ongoing training options. It was agreed to provide a Suggestion Box at the next Business Conference for topic ideas for educational webinars & podcasts.

Risk Management Mission Committee – *I served as Chair of this Committee this year.*

At Steve Graham's suggestion, I announced a task force charged with reviewing the Optional Practices available through NAR for handling Professional Standards procedures. This task force will report and propose any changes it recommends for Missouri Realtors Professional Standards to incorporate.

Also, the Columbia Board of Realtors requested \$30,000.00 from the Legal Action Fund to assist them in defending two copyright lawsuits filed by the same builder against two Brokers. The lawsuits claim that Agents had floor plans drawn up of two of this builder's home designs and placed those drawings on the MLS as promotional materials for their listings which were then syndicated to the public. The builder is claiming copyright infringement. The reason this rises to the level of assistance from the Missouri Realtors is the same as taking a photograph of a home. When an improvement is in existence and owned by a property owner, that property owner should have the right to allow Realtors to photograph or draw any aspect of the improvement in order to market the property. And Realtors should also have the right to take – and own – those pictures and drawings for the use of marketing a Seller's property so long as they have permission from the property owner.

- This assistance was approved by the Board Of Directors.

Installation Banquet –

I attended the annual Installation Banquet installing Brenda Oliver as President and the rest of the Executive Officers. As usual, it was an excellent event with incredible food and fellowship. Well worth the \$89.00 ticket.

Board Of Directors Meeting –

Governor Mike Parsons spoke, encouraging all of us to support Proposition D. Missouri Realtors does support this Proposition since good roads and bridges are the engine that drives economic development and jobs. Six thousand miles of roads have been added in the state since the last fuel tax was increased 20 years ago.

The Directors approved sending \$20,000.00 to the national Association of Realtors Relief Fund in recognition of the disasters in Florida, South Carolina & North Carolina.

2019 Business Conferences will be held as follows –

January will be held in Branson.

April will be held in Columbia with the State Conference (visiting Legislators) as part of that Conference.

September will be held in Springfield.

Respectfully Submitted,

Stephen M Kenny

NMCAR State Director

October 17, 2018