

Philadelphia Metropolitan Chapter

Volume 4 Issue 2

A Message from the President

Michael J. Acquaro-Mignogna, MAI



To Our Members,

Middle of the 5th inning ... half time ... intermission ... whatever the analogy you like most, 2013 is half over. The roller-coaster start to the year has leveled off, a bit at least, and the summer months are here. Take a look below and catch up on what's going on

with our Chapter. As always, feel free to contact me with any questions, thoughts, or observations on how we can better support you, the appraisal profession, or our Chapter.

Mike

2nd Quarter Board of Directors Meeting

The second Board of Directors meeting of the year was held on May 15 at Manufacturers' Golf and Country Club in Fort Washington. Secretary and Treasurer reports were given, as were Education, Public Relations and Government Relations committee reports. The April regional meetings were recapped by those who attended. Jim Amarin, a past Appraisal Institute President and current Chair of AI's Strategic Planning Committee, was in town to teach the Advanced Spreadsheet Modeling class. Jim was kind enough to attend our Board meeting, and updated the Board on happenings at the National level.

2nd Quarter General Membership Meeting

On June 20, our Chapter's second general membership meeting of the year was held, also at Manufacturers'. The rain and heat that forced our "picnic" indoors in recent years were nowhere to be found this time around, and members in attendance enjoyed a beautiful afternoon and cookout fare on the terrace overlooking the golf course.

Trip Lukens presented Richard Hideck with his MAI membership certificate. Joseph Sisson was also presented with his MAI membership certificate, by Doug Nickel.



Trip Lukens presents Richard Hideck with his MAI certificate.



Joseph Sisson receives his MAI certificate from Doug Nickel

Chapter elections were also held. The nominating committee's slate of nominees was presented, and the following were elected to 2014 offices by unanimous voice vote of the members in attendance:

- Secretary – Trip Lukens, MAI
- Board of Directors, expiring 2016
 - Martin Anderson, MAI, SRA
 - James Dougherty, SRA
 - Donald Reape, MAI, SREA

In addition, John Crognale, MAI, was elected to fill a vacancy in the Board of Directors caused by the resignation of Meghan Payne (2013 expiration), and by Trip Lukens assuming the Secretary position (2014 expiration).

In town to present the *Lending World in Crisis* seminar, past AI president Leslie Sellers spoke to our membership to round out the evening. Les spoke of the high regard in which our organization and our members are held internationally. He also gave additional background on the Appraisal Institute's 2010 decision to withdraw its sponsorship of the Appraisal Foundation.

Public Relations Update

Our public relations efforts continued with an article and advertisement in the April 12-25 edition of the *Mid-Atlantic Real Estate Journal*. Entitled "Philadelphia's 'Actual Valuation Initiative' falls short on updating tax assessments," the article detailed glaring inconsistencies in the city's new assessments. It cautioned that a decrease in a property's annual taxes might be masking an overassessment. It also advised property owners to hire appraisers, not brokers, to provide valuation services for tax appeal purposes, and AI members specifically.

Villanova University's Real Estate Challenge, for which our Chapter was a sponsor, occurred on April 4 and 5. This is a real estate development case competition for students from top undergraduate real estate programs across the country. Chapter members Joe Pasquarella and Mike Mignogna were among the two dozen judges who listened to student teams present their development strategies for a mixed-use project in Manhattan. The event exposes sponsoring organizations to the next generation of real estate leaders, and now with the Chapter's involvement and participation in the judging process,

exposes these students to real estate appraisal as a potential profession. Further cooperation with Villanova, and perhaps a longer-term, more formalized relationship not unlike what was discussed at LDAC (see below), is being investigated.

Government Relations Committee

As you are probably aware by now, legislation was introduced in the Pennsylvania Senate (SB 869) that would permit licensed salespersons and brokers to complete valuation work for all purposes except first and second mortgages. Although many believe this would only affect the residential arenas of the appraisal profession, rest assured that the brokers have commercial properties in their sights as well.

In preparation for a protracted battle, the leadership of the five AI chapters in Pennsylvania came together to form the Coalition of Pennsylvania Real Estate Appraisers, or CPREA. The CPREA website is now up and running (www.cprea.org) and includes a wealth of background and factual information, what's been done so far, and where we are headed.

Throughout the last few months, your chapter leaders have continued to interface with the other members of the coalition and meet with legislators to educate them about the potential impact of SB869. These efforts appear to be having an effect: the legislation that was predicted to roll through Harrisburg like a freight train has been tabled until the fall, now that legislators have been presented with another side of the issue.

That doesn't mean the fight is over, and additional funding is necessary to achieve our current goals of defeating the proposed PAR legislation and creating a strong Coalition to represent Pennsylvania's appraisers now and in the future. The initial funding by the five AI chapters in the state is only a start. Make sure you visit <http://www.cprea.org/petition-for-responsible-real-estate-valuation/> to sign the Coalition's petition and <http://www.cprea.org/donate-to-support-cprea/> to help provide additional financial support.

2013 LDAC

Submitted by Jim Klementisz, SRA, Treasurer

The annual Appraisal Institute Leadership Development and Advisory Council (LDAC) was held in Washington, DC on May 21-23. LDAC serves as a platform to provide input for the future direction of the Appraisal Institute and is an important way for AI to connect with the nation's lawmakers. LDAC is limited to 100 participants each year, who are nominated by their chapters. This year's representatives from our chapter were Jim Klementisz, Sue Curran and Bob LaGreca.



The meeting started off Tuesday afternoon with an inspiring talk by the keynote speaker, Faith Roland, CEO of Roland Resources, Inc., which specializes in realty and project management needs for public infrastructure projects SR/WA. Faith gave a very dynamic talk about the

qualities of an effective leader. Faith was the 2009 international president for the International Right of Way of Association; after presenting at LDAC in 2009, she was instrumental in starting a Leadership Institute for IRWA modeled on her LDAC experiences.

We were briefed on our two lobbying topics: bills that have been proposed in the House and/or Senate. We were assigned to groups of 3-5 people from the same state or nearby states. In the weeks before LDAC, the teams make appointments with their senators and representatives, and on Wednesday afternoon at LDAC, the teams visit their senators and representatives. This is always a memorable part of the LDAC experience.

This year, the Pennsylvania team consisted of six people, three from the Philadelphia chapter (Jim Klementisz, Sue Curran, and Bob Lagreca), two from Pittsburgh (David Barone and Michael Leahy), and Michele Glower from the Northeastern PA chapter. We met with staff for Senator Casey and Senator Toomey, and we met with Congressman Charlie Dent and Congressman Michael Fitzpatrick in person.



The first issue involved The Financial Institutions Examination Fairness and Reform Act (H.R. 1553 and S. 727), and this was one of the same issues we dealt with last year at LDAC. We stressed that we agreed with the overall goals of the bill in that it seeks to promote consistency of bank examinations and due process. But, as written, the bill would prevent bank examiners from ordering appraisals when a loan is performing, regardless of any safety and soundness issues the examiner might see. Our goal is to have the legislation amended to give the bank examiners authority to have properties reappraised when they suspect changes in the marketplace have altered the safety and/or soundness of the loan, even if the loan is performing. We also asked that the terms "liquidation value" and "performing loan" be more clearly defined.

The second issue involved Senate Bill 526 (S.526), The Rural Heritage Conservation Extension Act. This bill was introduced by Senators Max Baucus (D-MT) and Orrin Hatch (R-UT). Representatives Jim Gerlach (R-PA) and Mike Thompson (D-CA) have pledged to do the same in the House of Representatives. Right now, non-cash donations of land or easements are tax deductible, and the Appraisal Institute is the authority on the proper way to value these conservation easements. The deduction is about to expire, and that will mean fewer of these donations will be made, so there might be less preserved open space as a result. We asked our senators and representatives to support the extension of this deduction by being a co-sponsor of this bill.

In addition to the lobbying function, each LDAC tackles four topics that are of interest to the Strategic Planning committee. The discussions are led by Discussion Leaders (DLs) who are chosen from last year's LDACers. DLs are provided a list of 7-8 possible discussion topics suggested by the Strategic Planning Committee, and they choose which topic discussion they will lead at LDAC.

This year's discussion topics were as follows:

- *Evolve beyond general and residential valuation distinctions.* This group was led by Darrell W. Bullock, MAI, of Sumner, Mississippi. The focus of this discussion

revolved around how the profession can reposition real property valuers without the commercial/residential distinction. Ideas generated in this group included distinguishing ourselves by providing specialized designations in various property types (like office, hotel and residential) as well as the idea of a single designation.

- *Updating the AI value proposition.* This group was led by Michael V. Tankersley, MAI, SRA, of Lewisburg, Tennessee. The consensus by the group as to the overriding value of membership in the Appraisal Institute came down to the quality of our education and the recognition by other professionals of our designation. Promoting the designation is the biggest need moving forward, since the quality of our education is well recognized. Several ideas to promote the designation include a PR campaign, joint education with other professionals and affiliation with universities in an effort to get our advanced courses approved to count towards a master's degree.
- *Achieving peer level acceptance with other professions.* This group was led by Kathryn Sturgis-Bright, MAI, MBA, of Navigant Consulting, Inc. To achieve peer level acceptance with the CPA, CFA, MBA, etc., a general consensus among the group was to make the MAI more like a master's degree. Ideas included getting a university to accredit our courses and allow us to get a degree along with the designation. The university degree would also position us as broader valuation experts who can do more than point-in-time appraisals.
- *Analyst or consultant – opportunities beyond point-in-time valuations and forms.* This last group was led by Jeffrey M. Bowling, MAI, of Atlanta, Georgia. The idea behind this discussion group was investigating how we can expand our services beyond simply writing appraisal reports. Everyone agreed that we are already moving beyond the point-in-time appraisal, so the discussion veered back to two themes presented in other sessions: moving the MAI more towards a university degree program, and improving our PR so that our designations are better recognized by other professions.

To conclude, the overarching theme in LDAC 2013 involved promoting the skills and expertise of our membership to other professional groups and users of our services. The one theme that kept coming up is that AI needs to affiliate with colleges and universities in an effort to have our coursework count towards the requirements of a master's degree program. This would elevate our brand recognition, broaden the work we perform, and attract new professionals to our organization.

On behalf of Sue and Bob, I would like to thank our chapter for giving us the opportunity to participate in LDAC 2013 and discuss issues that are important to the Appraisal Institute's future.

Candidate for Designation Program

The Appraisal Institute's "Candidate for Designation" program officially began January 1, 2013. As we have noted in the past, our chapter has many new Candidates, and we still need

experienced appraisers to serve as advisors to these candidates to make this program successful. Visit AI's website at <http://www.appraisalinstitute.org/> and click on the blue "Become an Advisor" button to sign up!!

New Designees

In addition to the two MAI recipients recognized at our general membership meeting in June, the Chapter recently was notified that Emily Risser received her MAI designation. We look forward to presenting her with her designation certificate at an upcoming Chapter event. Congratulations, Emily!

Upcoming Educational Offerings

The renewal deadline for Pennsylvania appraiser licensing has come and gone, but don't forget that 2013 is also a renewal year for New Jersey and Delaware. You have until the end of October to get your CE hours for Delaware recertification, and the end of December for New Jersey, so check out these seminars:

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| Sep. 12: | 3 Hour Delaware State Regulations |
| Nov. 6: | Business Practices and Ethics |

Three great courses are also being offered by the Chapter for those pursuing their designations:

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| Sep. 18-21: | Gen. Appraiser Income Approach (pt 1) |
| Oct. 23-26: | Gen. Appraiser Income Approach (pt 2) |
| Nov. 11-16: | Advanced Concepts and Case Studies |

Don't wait until the last minute: find out more and sign up for these seminars and courses by visiting <http://aiphilametro.org/education/>.



Or check out the online education offerings provided by the Appraisal Institute:

http://www.appraisalinstitute.org/education/online-education-view_programs.aspx

Career Opportunities

Newly launched is the Appraisal Institute's "[AI Career Center](#)." The Career Center is billed as an expanded employment resource center that includes features for individuals and organizations to facilitate employment connections nationwide. Fees are now involved, so some members are not happy with having to pay for what they think should be a basic benefit of AI membership. If you want to provide National with feedback, check out the Career Center and send an e-mail to aiservice@appraisalinstitute.org.

Those looking for local positions in the appraisal field should always remember to check our Chapter website for postings at <http://aiphilametro.org/jobs-listings/>. To post opportunities on the website, contact Tiffany Lewis with information about the position you have available (contact@aiphilametro.org).



2013 Officers and Directors

The following is a list of Chapter officers and Directors for the remainder of this year. Let us know if you have any comments or suggestions on how we can better serve you, our fellow Chapter members.

President Michael J. Acquaro-Mignogna, MAI
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