



Saint Paul BOMA NEWS

March 2014 Vol. 43, No. 3

BOMA's mission is to provide leadership to the commercial real estate industry through legislative and regulatory advocacy, education, research, and international networking.

In this edition:

Chair's Report.....2
 Upcoming Events3
 CalendarBack

Events at a glance:

Brokers Meeting.....Mar. 5th
 BEC - Part 1.....Mar. 6th
 Gen. Member Meeting.....Mar. 10th
 FMA Class.....Mar. 17th
 Superintendents Group.....Mar. 19th
 SMT Class.....Mar. 19th
 BEC - Part 2.....Mar. 26th
 Board MeetingMar. 26th

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RAMSEY COUNTY - DRIVING ECONOMIC PROSPERITY AND ITS EFFECT ON LAND AND BUSINESSES.

- Our People are our Future.
- Intensity of Land Use Matters.
- New Partnerships can Drive Change.
- We need to build on the Existing Foundation.

Ryan T. O'Connor, Planning and Policy Director for Ramsey County will join us and discuss the Indicators of Economic Prosperity for Ramsey County - wealth, people, land and capital.

Why is Wealth Important? It serves as an indicator of the current strength of a jurisdiction.

People – A highly educated workforce builds a sustainable resilient economy and presents new growth opportunities for business. Ramsey County is the second most populous county in the Region with more than half a million residents.

Land – a diversified and balanced mix of residential and commercial is important for economic growth and sustainability within a community.

Capital – this makes available people and land more productive.

In order to successfully cultivate economic prosperity, we must ensure that everyone in our community can take advantage of opportunities to grow. Generating greater countywide prosperity will require stronger, more aligned institutional partnerships (state, county, city, school, private, nonprofit, etc.).

Following his presentation, Ryan will tie it

all together and let us know what this all this means for the downtown Central Business District and surrounding business community and what the future steps are?

DATE: Monday, March 10th
TIME: 11:40 – 12:00 Networking
 12:00 – 12:30 Lunch
 12:30 – 1:30 Program
LOCATION: The Saint Paul Hotel;
 350 Market Street
Cost: \$34.00 early member registration
 \$39.00 late/walk-in registration
 \$45.00 non member

To register, call 651-291-8888 or visit www.bomastpaul.org. Cancellations must be received Friday, March 7th by 10:00 a.m. Substitutions will be honored. Credit cards are accepted online and through the BOMA Office.

Legislative Update



The February 25th start date for the 2014 legislative session is later than usual this year. With Election Day looming in November, the Governor and legislators are focused on a shortened session that will feature a statewide bonding bill, discussion on raising the minimum wage and the Governor's reform agenda to remove outdated and unnecessary laws in the proposed "Unsession."

Chair's REPORT



I am pleased to share with you that the Saint Paul Downtown Alliance (SPda) is really starting to gain some momentum! As a quick refresher, SPda was launched in late 2013. It is a collaborative initiative designed to drive growth in the CBD. It will leverage the expertise and passion of Greater Saint Paul BOMA members, business leaders, community partners, the public sector,



subject experts, and anyone who has an interest in the long term vitality of downtown Saint Paul.

We are extremely pleased to announce that **Matt Kramer**, President of the Saint Paul Area Chamber of Commerce, has joined the Steering Committee and that the Chamber will be exploring ways to help meet the Alliance's goals.

We have three different task force groups working hard on their respective charges. There is a Research group focused on compiling information – historical and current – from within St. Paul and from other markets to provide context, background and possibilities to consider as we move forward. There is also a group reviewing and offering thoughts on the newly proposed Downtown Bike Loop. Additionally, we have a group which will be addressing downtown Curb Appeal and Cleanliness.

The involvement of interested folks in these groups continues to grow. I would like to thank **Julie Bauch, Julio Fesser, Ken Smith, Joe Spartz** and **Jim Stolpestad** for the leadership they have provided as members of the Steering Committee. I would also like to recognize **Rick Balow, Aaron Barnard,** and **Jim Ivey** who have graciously volunteered their time and energy to participate on the Research Task Force. We anticipate 15 – 20 individuals will be joining the other two task force groups, so the reach and impact of the SPda continues to expand. If you are interested in contributing your time and talents, please contact the BOMA office.

In addition to pursuing short term goals and addressing topical issues, i.e., the bike loop plan, the Steering Committee has begun work on what we are calling a CBD Visioning Process to help engage and inform regarding the long term direction of the City's downtown. We are excited about the road ahead of us!

Finally, on a different topic, I would like to make quick mention that we were very fortunate to have the opportunity to host **Rich Greninger**, BOMA International Board Chair, in our city for a few hours in mid-February! A handful of available Board Members and Committee Chairs made time in their day for lunch with Rich. It was a very informative and insightful conversation, which further strengthened the already strong bond between our local chapter and International.

Pat Skinner, Chair
Greater Saint Paul **BOMA** Board of Directors

- Source Separated Organics (Composting)
- Food Recycling

How do you know which program is right for you building? Learn which programs will help you save the most money and find out what money is available from the City and County to help you get started.

DATE: Wednesday, March 19th
TIME: 11:30am – 12:45pm
LOCATION: Wells Fargo Place
30 East 7th Street, Conference Room
COST: \$15.50 pre-registered, \$17.50 walk-in
EDUCATION: SMA/SMT/RPA/FMA CPD's Available

Register at www.bomastpaul.org or call 651-291-8888.

SECURITY GROUP

No meeting in March.

LEGISLATIVE UPDATE - CON'T FROM PAGE 1

As legislators are gearing up for session, the House has published 280 pre-filed bills and a few committees have held public hearings in a "mini-session." During that time, the committees were allowed to take testimony and discuss the merits of particular legislation but were not allowed to take official action due to the scheduling framework provided in the state constitution. Once session begins, legislators will be working at a fast pace in order to complete their work by May 19.

BUDGET OUTLOOK

Minnesota Management and Budget (MMB) released the November forecast projecting a balance of \$1.086 billion for the 2014-2015 biennium. Under current law, any forecast balance must be used to payback accounting shifts from prior budget agreements. After reimbursing the \$246 million 2011 K-12 school shift and \$15 million to the state airports fund, the state will have a projected balance of \$825 million.

In late February, the next state budget and economic forecast will be released and if the positive trend holds there will be many proposals on how to best utilize the predicted surplus. Currently, there are discussions to repeal sales taxes that were signed into law last session, which include farming equipment repair, commercial warehousing and telecommunication supplies. Another proposal would use surplus dollars for education spending - very popular with legislators in an election year. Governor Dayton has indicated that nearly half of the remaining surplus could go to tax cuts, but he will not propose his supplemental budget until after the February forecast.

BONDING BILL

The second year of the biennial legislative session is traditionally known as the bonding year. Governor Dayton released a \$986 million bonding proposal in the middle of January. The bulk of the Governor's proposal would be spent on higher education projects proposed by the University of Minnesota and Minnesota State Colleges and Universities and local government projects across the state. Republicans will likely focus on the overall size of the bill as the legislative leaders had agreed last session to only spend another \$820 million this session. The bill is seen as a large bargaining chip for Republicans considering the DFL need a super majority to pass the bill in both chambers, and thus need Republican votes.

MINIMUM WAGE

One issue that remains at the capitol is whether or not leaders will raise the state's minimum wage. The consensus is that a minimum wage bill will be passed, but how large an increase and specific language are what legislators will debate at length during session. Last year, the Senate passed a bill raising the minimum wage to \$7.75 and the House passed a version for \$9.50. In the end, the conference committee could not strike a deal before time ran out in the session. The select Committee on Living Wage Jobs, chaired by Rep. Ryan Winkler (DFL-

Golden Valley), held three meetings in the interim to take testimony on this issue and receive updates from several agency officials, community leaders, and citizens.

UNSESSION

Governor Dayton has been traveling the state asking citizens to submit ideas to make state government better, faster and simpler. The Governor has proposed an "Unsession" to focus on eliminating unnecessary or redundant laws, rules and regulations or anything else that requires common sense changes to build a better state government. He has sought ideas from the general public and suggestions from more than 30,000 state employees and has received feedback with hundreds of ideas. The Governor will release his proposals soon and has asked legislative leaders to make this a main focus of the 2014 legislative session

CONCLUSION

Since the session will operate in a condensed schedule, lawmakers will move in a fast pace to meet early policy deadlines. Focus will be on passing the bonding bill and deciding what to do with the projected budget surplus. Overall, the 2014 legislative session will center on issues that will have high public approval and will set a positive tone for campaigning going into election season.

Kathy Hahne - Faegre Baker Daniels

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BOMA Winter Business Meeting Success

BOMA International held the 2014 Winter Business Meeting in Washington D.C. on February 3rd – 5th. Meetings and sessions covering a range of topics were the focus of the first two days. The third day was directed to visits with members of Congress.

A contingent from Greater Saint Paul BOMA and Minneapolis BOMA held a series of individual meetings with representatives of most of Minnesota’s Congressional Delegation. Two key issues were the focus of those meetings: TRIA and Leasehold Depreciation.

TRIA (TERRORISM RISK INSURANCE ACT)

The Terrorism Risk Insurance Program will expire at the end of 2014. This program was made necessary when following 9/11, many owners of commercial properties were advised that their policies would not be renewed or that their policies would exclude terror/war risks. Without adequate insurance, it is difficult, if not impossible, to operate or acquire properties, refinance loans, and to sell commercial-backed securities. Policy holders are already receiving notices from insurers that the terrorism portion of their policy will be at the end of this year.

BOMA believes that the federal government must continue to play a role to ensure that commercial property owners and other businesses can obtain insurance coverage for damage from acts of terrorism. In the absence of federal government support, a dysfunctional insurance system could jeopardize our economic recovery and weaken homeland security.

BOMA is providing leadership to work with Congress to extend TRIA. There are several bills before Congress to extend TRIA for 5-10 years.

LEASEHOLD DEPRECIATION

Beginning on January 1, 2014, leasehold improvements, the build-outs of tenant space, must be depreciated on a 39-year depreciation schedule. Previously, the schedule had been 15 years. BOMA International is seeking to make the prior 15-year schedule permanent. BOMA’s position is that the 15-year schedule more accurately reflects the life expectancy of typical tenant improvements, and a longer depreciation period will weaken demand for build-outs, negatively impacting CRE construction related to leasehold improvements.

As BOMA’s representatives, the Saint Paul and Minneapolis contingent was able to share information on these two critical issues and educate our elected officials on the impact that failure to enact appropriate legislation will have on the CRE industry and the larger economy. It was rewarding to see that most of Minnesota’s Congressional delegation was very supportive on these key issues.

BOMAPAC

BOMAPAC is BOMA International’s political action committee. It enables BOMA International’s advocacy team to raise money to re-elect political candidates for federal office who know and understand – and support – real estate’s issues. To learn more about BOMAPAC, go to www.boma.org and under Industry Issues, read more about BOMAPAC, or call or email Emily Naden at (202) 326-6326 or enaden@boma.org.

Public Funding Available for Contamination Cleanup

The Minnesota Department of Employment and Economic Development (DEED) and the Metropolitan Council invite you to attend an information session on Thursday March 6th in Plymouth to learn about public funding available for cleaning up contamination on real estate redevelopment sites.

The focus of the event will be on competing for funding that can help in the development of new businesses and housing on privately-owned sites with contamination concerns. Participants will learn about financial resources available to cleanup up sites with significant soil or groundwater contamination.

Funding is also available for adaptive reuse of older existing buildings with large amounts of asbestos or lead-based paint. The cleanup funding is awarded through competitive public grant programs and is available to cities, counties and development authorities who partner with private developers on specific projects.

Over \$8M is expected to be available this spring to help deal with

- Petroleum contamination
- Groundwater contamination
- Soil contamination
- Asbestos and hazardous materials

For details go to: <http://www.metrocouncil.org/News-Events/Communities/Events/Free-Brownfield-Resources-Information-Session-Marc.aspx>

Emergency Planning Seminar Series

At some point, all buildings will face a threat that may turn into a crisis. No matter the nature of your business, the size of your building, or the make-up of “tenants”, we will all follow the same process. In this seminar series we will talk through the issues that we all face during an incident and what to do when that incident escalates to a crisis.

Greater Saint Paul BOMA is pleased to offer a 3 part seminar series entitled “Emergency Planning – Managing Your Building Through Crisis”. Part 1 and Part 2 will be held at the First National Bank Building’s Training Room (332 Minnesota Street, downtown St. Paul). Registration and Continental Breakfast will begin at 8:00 am and the program will be held from 8:30-10:30 am. Part 3 will be in partnership with Regions Hospital and held at their location.

Property managers are encouraged to bring security and operations staff along. There will also be valuable information for your tenants as well! This series will focus on “Prepare, Respond, Mitigate, Recover”. Part 1 will focus on the difference between an incident and crisis and preparing and responding when that crisis comes. Part 2 will involve the public sector and bring us back together to review information gathered and how that is put into action in the event of a crisis and how it all works into the city’s master plan. Part 3 will involve a table top event where our plans can be put to the test.

Whether you attend one part or the complete series, you will walk away with valuable information and resources to help you in your preparation planning. Cost - \$35 for BOMA members and Affiliate Members first attendee, \$20 for additional attendees from same company. \$45 for Non BOMA members first attendee, \$25 for additional attendees. **2 Hours of Continuing Education are pending for Part 1 with 6-8 total credits anticipated for the series.** Registration will be taken separately for each seminar.

- Part 1 - Threat vs. Risk/Incident vs. Crisis**
Creating Common Language and Building Relationships
Thursday, March 6th
- Part 2 - Incident Response and Recovery**
Using Tools to Evaluate Your Plans and Ongoing Process
Wednesday, March 26th
- Part 3 - Exercising our Plans**
Table Top Simulation - Thursday, June 19th

For more details or to register call 651-291-8888 or go to www.bomastpaul.org

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BOMA Member Spotlight



TOM HARKINS

Sales Representative,
Alexander's Mobility Service

It is easier for me to tell you about someone else than it is for me to talk about myself. I know, you are thinking, he usually never stops talking and now we want him to talk about himself. So here goes.

I was born and raised in north Minneapolis and am the youngest of 5 (2 older sisters and 2 older brothers). I am the last of the baby boomer generation and grew up in a neighborhood that was filled with policemen, firefighters and city workers', an FBI agent and our city alderman (aka City Council Rep) lived across the street. (We couldn't get away with anything in our neighborhood as a kid). It was a fun filled neighborhood that was full of kids and active families. We were one of the smaller families, since we only had 5 kids. I Graduated from Patrick Henry High School and went on to North Hennepin Community College and then onto Hamline University. My passion was sports as I grew up. Up through high school I played football, wrestled and ran track. (OK I didn't run track, I hate running. I threw the shot put and discus). In college I still played football and wrestled, but decided that the parties after a Rugby game were much more fun, so I played Rugby at Hamline for my spring sport. Even with the fact that my broad mind and narrow waist have changed places, I believe those days are what formed the competitive spirit that I still have today.

While at Hamline, I met Gretchen Rademacher. She became



the love of my life and we married 2 years after we graduated. We celebrated our 25th anniversary this past July. We lived a block off Grand Avenue in St Paul for a couple of

Each month Greater Saint Paul BOMA will highlight a BOMA member. If you would like us to feature you and your company please email denise.jenkins@bomastpaul.org.

years and have now lived the last 21 years in New Brighton (our 5 year fix it up house and we are still there). We have 2 sons, TJ (age 17) and Ryan (age 15). They have kept me busy over the years as a Football and Baseball Coach, Scout Leader (and yes we are very involved in scouts), Confirmation Leader, and just trying to keep up with 2 growing boys.



Both boys attend Irondale High School. Gretchen owns and runs a school that her parents opened 40 years ago in St Paul. The Children's Center Montessori School off Snelling and Minnehaha.

I grew up in the moving business. My father worked in the industry for 43 years before retiring. I learned to drive a tractor trailer at the warehouse before I got my driver license. My father told all us boys to get out of the business and go do something else. But the best thing he taught us was that it is a great way to work and live. He would say, "the stuff is at 'A' and we need to move it to 'B'. It didn't grow here, so pick it up and move it". It's funny how those words still hold true today. Only now it is me saying it to our crews.

I work at Alexander's Mobility Services in Eagan. We are a moving company that moves household goods, commercial office goods and special product items. We move locally, nationally and internationally. Alexander's is headquartered in California and we are one of our 11 offices across the nation. Alexander's is the number one rated agent in all of Atlas Van Lines. We work hard to stay at the top and this company is the best.

I live every day with one simple goal; 'To make someone smile and laugh'. Might be a good joke (or a bad joke) or just a one liner that makes you say, "ok, that's funny". Might be in the middle of their move, or just standing next to them at a restaurant, but don't forget to smile and enjoy every day.



BOMA BITS

- As a result of changes adopted as part of the Revenue Reconciliation Act of 1993. 11.05% of your dues payment to BOMA is not deductible by members as an ordinary and necessary business expense.
- Yoga at Union Depot! Free, weekly Intermediate Yoga classes begin February 4. All classes are taught in the Waiting Room from noon to 1 p.m. by Studio925 CorePower Yoga & Spa. Reservations are not required for attendance. Bring yoga mat, towel and water.
- The BOMA Nominating Committee wants to remind you that there are two Building and one Service Partner Board of Director positions open. If you are interested, please request an application from the BOMA office. All applications must be received by February 28th.
- BOMA is seeking individuals to play an advisory role as we move forward with the development and implementation of our new website. If you have any interest in participating on an advisory group, contact Joe Spartz at 651-291-2521 or joe.spartz@bomastpaul.org.
- SAVE THE DATE: Boma & A Brew**
Thursday, April 3rd at The Liffy, Downtown St. Paul.



EDUCATION OPPORTUNITIES

SMT – Electrical Systems and Illuminations

START DATE: Wednesday Sessions: March 19 - April 30
CLASS TIME: 6:00 – 9:00pm
LOCATION: Ecolab, 370 Wabasha Street, Saint Paul
COST: \$795 for Members, \$895 for Non-Members

To safely operate and maintain a building's electrical equipment, you must thoroughly understand the components of electrical systems and how to measure the electricity your building consumes. This course provides you with a clear understanding of electricity basics, the skills needed to measure electrical consumption, and the ability to recognize, set up, and maintain reliable and effective maintenance and safety systems.

Key topic areas: alternate sources of electricity • electrical safety • electrical circuits • electric meters • cables, terminations, and conduits • maintaining light sources and fixtures • electric motor basics and maintenance

Applies to: SMA® and SMT® designations

FMA – Fundamentals of Facilities Management

START DATE: Monday Sessions: March 17 - May 5
CLASS TIME: 6:00 – 9:00pm
LOCATION: Ecolab, 370 Wabasha Street, Saint Paul
COST: \$795 for Members, \$895 for Non-Members

Successful facilities managers must have business savvy supported by a broad scope of technical knowledge. This course provides the base from which to build a career in facilities management. You will learn how to structure and manage operations and maintenance programs, and how to manage personnel effectively to control workload. You will gain an understanding of the importance of facilities management to business organizations and operations, while also learning strategies for internal marketing.

Please contact Denise Jenkins at 651-291-888 or email at denise.jenkins@bomastpaul.org for more information.

The Design, Operation, and Maintenance of Building Systems – Part 1

This course provides information property and facility managers need to manage the ongoing operation and maintenance of building systems and to maximize building efficiency and cost-effectiveness. It is a component of both the FMA® and RPA® designations.

START DATE: Wednesday Sessions: April 16 – May 28
CLASS TIME: 5:00 - 9:00 PM
LOCATION: Ford Center, Minneapolis

For more information and to register, please visit www.bomampsl.org or call Kristine at 612-338-8627.

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CALENDAR 2014

MARCH

Brokers Meeting March 5th
BEC - Emergency Planning - Part 1 March 6th
General Membership Meeting March 10th
FMA Class March 17th
Superintendents Group..... March 19th
SMT Class..... March 19th
BEC - Emergency Planning - Part 2 March 26th
Board Meeting March 26th

APRIL

Brokers Meeting April 2nd
BOMA & A Brew April 3rd
General Membership Meeting April 14th
Superintendents Group..... April 16th

GREATER SAINT PAUL BOMA
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NEW MEMBERS

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