



Saint Paul BOMA NEWS

June 2014 Vol. 44, No. 6

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

The Changing Commute Alternative Options as Building Amenities



What is the new face and age of the workforce and how are they going to get to their jobs? The changing commute to work could involve several options all in one day! The term “commuting” has taken on a much different meaning and this could be the new “norm”. As property professionals we need to get on the bus, bike and bandwagon and support options and provide amenities to service them. Information and “hands on” demonstrations provided!

- St. Paul Smart Trips
- Nice Ride Bikes
- Hour Car/ZIP Car
- Women on Bikes-St. Paul Bike Loop
- ZAP Twin Cities
- Metro Transit
- Corporate Programs

DATE: Monday, June 9th

Harriet Island Pavilion

TIME: 11:40-12:00 Networking and demonstrations

12:00-12:30 Lunch

12:30-1:30 Presentations and demonstrations

COST: \$25.00

1 hour of Continuing Education for Property professionals has been approved for this meeting

To register, call 651-291-8888 or visit www.bomastpaul.org.

You know Jim. He works in downtown St. Paul and lives along the Green Line LRT. Jim bicycles for exercise. He rides his bike to the LRT station near his home and brings his bike on the train for his commute into downtown St. Paul. During the day, Jim stores his bike in the secure bike room at Union Station and hops on the Nice Ride bike for the short trip to his building and often uses it for rides on the St. Paul Bike Loop over his lunch hour, checking out the latest new restaurant in downtown. When Jim has a meeting in Roseville with a customer, he uses the company account Hour Car or Zip Car to run to the meeting and saves paperwork for everyone. At the end of the day, Jim just hops on his bike and hits the trail for his commute home – making sure he passes the ZAP reader to track his trips and miles.

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Events at a glance:

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BEC Seminar Part 3.....	June 18 th
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Chair's REPORT



One important word for any business... Profitable. After completing the 2013 financial review, for the first time in half a decade, Greater Saint Paul BOMA reported at the annual meeting in April, a year-end profit. Recording a profit not only means the best year financially for BOMA in recent memory, but it also offered the opportunity to put money back into the reserve account.

Managing the organization through the recession of 2008 through 2012 was no easy task. Businesses had to figure out how to do more with less. Greater Saint Paul BOMA was no exception to that model. The Board of Directors set out a simple goal for 2013; become profitable.

Many difficult decisions were made related to staffing, increasing revenues, and cutting expenses. After reaching our low point in 2009, BOMA reduced its net loss each year, but the on-going weak financial performance required us to annually withdraw funds out of our reserves to continue operations. Fortunately past leadership had created a sizable reserve balance.

The Net Operating Income in 2013 of approximately \$17,000 provided the Board of Directors with the opportunity to transfer funds back into the reserve account. It was decided that \$10,000 would be transferred in 2014. We are now working to increase our reserve balance to equal at least six months of operating expenses for the Association. It is exciting to change our goal of becoming profitable to returning the reserves to previous levels and ensure the long term sustainability of BOMA.

As Greater Saint Paul BOMA begins to look outward on the horizon, new goals and a clear vision need to be embraced. The Board of Directors will be attending a strategic planning session in late May that will set new and exciting paths for the future. We will be taking a brutally honest assessment of our past and present, as well as developing a clear direction for our future. More details to follow next month. Stay tuned.

Bill Thurmes, Chair
Greater Saint Paul **BOMA** Board of Directors



Emerging Leader Program Recognition

The end of March marked the completion of the Emerging Leader program. This education series is designed to provide foundation level training on a variety of topics important to commercial real estate industry professionals, such as leasing, project management, building operations and tenant relations. BOMA would like thank the volunteer instructors and all those who worked on this program. Two of the students who had perfect attendance, **Kelly Hecksel** from Frauenshuh and **Holly Olson** from Wilder Foundation, were recognized at the May membership meeting with certificates of completion. Congratulations Kelly & Holly!

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Legislative Update



During the final days of the legislative session (lawmakers have until midnight of 5/18 to approve legislation), lawmakers are continuing to work on the high profile bills of the session — the bonding bill, the second omnibus tax bill and the supplemental budget bill.

BONDING BILL

The House will debate their capital investment bills on Friday, May 16. HF2490 totals \$850 million in general obligation bonds, and HF1068 spends \$125 million in cash remaining from the budget surplus for other capital projects. HF2490 will need a supermajority of 81 votes to pass on the House floor, while HF1068 requires a simple majority.

The Senate released two bonding bill proposals last week. SF2065 allocates \$846 million in general obligation bonds, and SF882 spends an additional \$200 million in one-time cash from the state budget surplus. The bills will be heard on the Senate floor also in the next few days. SF2065 will need a supermajority of 40 votes to pass on the Senate floor, while SF882 requires a simple majority.

SECOND OMNIBUS TAX BILL

The second omnibus tax bill, HF3167, was finalized by the tax conference committee last week. Although the work is effectively done, the bill will remain in Conference Committee in case last minute adjustments are needed. Overall, the bill includes several property tax provisions and specific sales tax exemptions. It also adopts federal tax policies, various tax increment financing provisions for municipalities, and “unsession” provisions to eliminate redundant or unnecessary laws and regulations currently in law. The committee rejected a House provision that would have lowered property taxes on low value commercial properties and their tenants while shifting the burden to high value properties and their tenants.

WOMEN'S ECONOMIC SECURITY ACT

The bill, signed into law by the Governor on Mothers' Day, provides increases in unpaid leave from six to 12 weeks and expands family leave and reasonable accommodations for pregnant and nursing employees. The bill also increases the enforcement of equal pay laws for state contractors, allows victims of domestic violence to qualify for unemployment, and enacts a study of a state retirement savings plan for women who do not have an employer-provided option.

Kathy Hahne - Faegre Baker Daniels

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SUPERINTENDENTS GROUP

The will be no meeting this month. Please plan to attend the BOMA BEC Seminar – Emergency Planning – Managing your Building Through Crisis, Part Three on June 18th

Diversity Collaborative

BOMA is seeking a volunteer to participate on the Commercial Real Estate Diversity Collaborative. This group is comprised of representatives from local commercial real estate associations. The Diversity Collaborative believes in promoting diversity within the commercial real estate industry. There are several committees that are seeking volunteer assistance; Communications, Events, Scholarship Administration and Outreach. If you want to learn more about this initiative or are interested in representing Greater Saint Paul BOMA on one of these committees, contact Joe Spartz at joe.spartz@bomastpaul.org.

Commercial / Industrial Properties Gain a Tax Victory

The 2014 Minnesota House tax bill included a provision to exempt the first \$150,000 of value for commercial and industrial properties. The intent of the provision was to provide tax relief to small business property owners. The overall effect would be that properties valued at greater than \$1.1 Million would pay a net increase in property taxes to make up for the shortfall due to the exemption.

Greater Saint Paul BOMA's Government Affairs Committee opposed this provision and working in cooperation with BOMA MN, sent a letter to Conference Committee members to state our opposition this provision. BOMA presented the argument that this provision will negatively impact small business tenants in properties over \$1.1 Million. The provision was removed from the tax bill.

To see a copy of the letter sent to the Conference Committee, go to the BOMA MN page under Advocacy on the BOMA website www.bomastpaul.org.

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BOMA Member Spotlight



CHARLIE GRAVELLE
Cushman & Wakefield/Northmarq

First, I am honored to be asked to tell a little about myself. Where to start? I grew up in the booming suburb of Plymouth, MN in the 60's

and 70's. How's that for dating oneself? I was the youngest of 5 children with 2 older brothers and sisters. I graduated from Wayzata High School in '79. My oldest sibling and I are 14 years apart. I like to think of myself as a good "mistake"! My older siblings married early so I was an uncle (twice) by age 9. Yep, Uncle Charlie! All said, I had a great childhood. There were tons of neighborhood kids, sports and lifelong friendships that I still have today. I guess I didn't realize it, until I started writing this, but growing up in a developing suburb made an impression on me and my future. I also loved the outdoors and spent my first year and a half of college in Stevens Point, Wisconsin. My father ended up getting sick and that caused me to transfer to the U of M where I became an Urban Studies major (see, I liked how cities developed!). I shared a house with 3 high school buds. We saw the very first event ever at the then Humphrey Dome (an exhibition Twins baseball game) and as it turns out I saw the last event this winter (Vikes vs. Lions) with my oldest son and two of his friends.

I graduated in 1984 but wasn't interested in needing my masters to be a city planner. My sisters' friend suggested Property Management. I woke up and called at 8:01 Monday morning and became an assistant property manager for a then young up and coming company called CSM. I was their first commercial manager. One property I had was a leaky roofed Lakeside building (current home of CBRE's headquarters on 494). There was a guy named Dick Schultz sitting in the corner office for a little company called Best Buy. Yes, electronics and leaky roofs don't mix! I kid

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.

everyone, when I say I've had the opportunity to manage a property with a dirt floor to assisting with property management of Wells Fargo Center (then Norwest Center) in Minneapolis and most everything in between. Some of my favorite times were the years I spent in St. Paul. I had a chance to lease and manage 444 Cedar Street. My favorite assignment was leasing the very first office space to the Minnesota Wild on a Tuesday night and having them take season ticket orders in their space the next Friday at 8 am. I was fortunate to be so close and watch the Wild gradually and successfully captivate a whole community. In particular the support the City of St. Paul provided was a unique experience. I currently work for a great company, Cushman & Wakefield/Northmarq. My career has led me to specialize in the management and development of predominantly medical real estate. Yes, it is a very dynamic and interesting sector of our business.

I have 3 kids who have kept me busy with all their sports and school activities. Each has been fortunate to participate on a state championship team. While that is nice, it's the lifelong lessons, memories, and road trips that we remember. Or getting tapped on the shoulder at 2 am by your fully dressed in hockey gear, son saying he's ready for 6 am practice. Priceless! All three kids Matson (23), Sam (19), and Anna (16) make me very proud! In my spare time I love to golf, fish, travel, and be around my family and friends. Yes, somehow this 50" musky got in the way of my lure last fall!! It was a thrill of a lifetime.

I am very blessed to be part of the Twin Cities commercial real estate industry and know so many truly great people and experienced so much as a result. I feel that St. Paul BOMA has always given so much to me, that I want to continually give back. I guess that's a sign of a great organization! I love being a native Minnesotan. I wouldn't have it any other way. Thank you!



Future of 4th Street



As a part of the 3rd Annual Placemaking Residency, The Future of 4th Street demonstrated the kind of verve and evolution that can lead to a more unified downtown St. Paul. Seeing the kind of vitality that Thursday, May 8th event brought to a usually desolate location was invigorating to be a part of. **Julie Bauch**, Property Manager of 180 E. 5th Street, said:

We received a great response from those who walked the proposed 4th Street greenway. Many comments were made about how refreshing and charming it would be to add walkable green space to downtown; comparisons were made to Nicollet Mall in Minneapolis. I believe establishing the 4th Street greenway would lend credibility to the evolution downtown St. Paul is experiencing, showing that we are cohesive in our efforts to creatively improve living and working conditions for everyone in St. Paul.

The vibrant presence of bicycles, food trucks and pedestrians that replaced the cars and empty sidewalks on 4th Street could be just the start of a series of trial runs. **Paul Bengtson**



from the CapitalRiver Council said, "The 4th Street Event was an experiential education for everyone on the benefits of making streets safer for pedestrians and bicyclists. I think this event will help support the ongoing conversations about bicycles, pedestrians and further activation of the street level in downtown St. Paul."

Obtaining a downtown bike loop and a greenway space for 4th Street would stimulate tourism, inspire placemaking, and support downtown businesses while continuing to improve the safety and mobility of downtown residents and workers alike. The Future of 4th Street featured what could become the next greenway space in downtown St. Paul, and be the first step in considering closing the street to cars permanently.



Record 110 buildings join Kilowatt Crackdown

Greater Saint Paul BOMA and BOMA Greater Minneapolis, together with Xcel Energy, recognized the winners of the Third Annual Kilowatt Crackdown, an energy conservation initiative. Awards were presented at a ceremony on April 3rd, 2014 by Saint Paul Mayor Chris Coleman and Minneapolis Mayor Betsy Hodges.

Well Fargo Place, managed by Unilev Corporation, won two awards. They took home the Kilowatt Cup as the best performer in St. Paul. They also won in the metro-wide category of buildings greater than 500,000 square feet.

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Lund's Grand Opening



On May 15th, Lund's opened their beautiful new 27,000 square foot store in the Penfield Building to a packed house that was full of festivities! From Irish dancers to local dignitaries you could feel the excitement in the air. There was also free coffee and donuts, food sampling, smiling employees eager to serve, and heartfelt words from Mayor Coleman, store manager Mike MacRae, and Tres Lund, CEO of Lunds & Byerly's.. The store is beautifully merchandised with many mouthwatering displays and unique items. Lunds is proud to continue a tradition of offering the finest high quality products and unsurpassed service. Stop by and help welcome them to the downtown community!

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2014 GOLF TOURNAMENT

Join us on Monday, July 21, 2014 for Greater Saint Paul BOMA's 27th Annual Golf Tournament at 3M Tartan Park. Reserve your space now!

The cost of golf includes lunch, 18 holes of golf, carts, hors d'oeuvres, dinner and the chance to win prizes.

DATE: Monday, July 21st
LOCATION: 3M Tartan Park, Lake Elmo
COST: \$185 per person

Register at www.bomastpaul.org

There are sponsorship opportunities available. Please contact Denise at denise.jenkins@bomastpaul.org for details.



BOMA BITS

- For the second year in a row the University Centre at 1919, located along the Energy Innovation Corridor (EIC) in St. Paul's Midway and managed by MetroPlains Management, has earned the U.S. Environmental Protection Agency's (EPA's) prestigious ENERGY STAR, the national symbol for protecting the environment through superior energy efficiency. This signifies that the building performs in the top 5 percent of similar facilities nationwide for energy efficiency.
- Attention Marketing Gurus. BOMA needs your help. A marketing committee is being formed to assess the sponsorship/advertising programs that BOMA currently offers. If you are interested in joining this elite group please contact Rhonda Pape at rhonda.pape@bomastpaul.org.
- The LRT Green Line Grand Opening Event Committee is looking for 6 - 8 volunteers to help with clean up efforts after the opening festivities on Saturday, June 14th in downtown St. Paul. If you are interested in donating a couple hours of your time from about 4:00 pm - 6:00 pm, please contact Shawn Wiski at 651-293-9825, or swiski@spsc.com. Volunteers will receive a Caribou gift card

Emergency Planning— Managing Your Building Through Crisis – BEC Series

Disaster has struck! An F4 Tornado has wound its way through downtown St. Paul leaving destruction in its wake.

Your building is dark, people are injured or worse, fires have broken out throughout downtown, water is spilling out all over the streets and your tenants and/or employees are panicking. What now? Are you ready? What are the first steps when crisis strikes?

This program will briefly review what was covered in Part 1 & Part 2 and then move on to the situational disaster experience. Our panelists will provide an example of a Disaster, a Plan and an Outcome, provide a checklist that you can use in your building, discuss Hazard Vulnerabilities Analysis and use other examples like the Joplin tornado to assist you as they walk you through this experience.

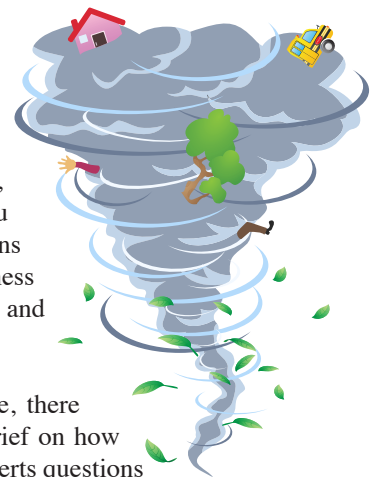
The goals of this table top exercise will be to work yourself through your emergency/crisis plan; to determine a practical application of your emergency/ crisis plan, to gather additional information for your emerging emergency/crisis plan, and to gather information to put together tenant procedures in the event of a crisis/disaster.

What are the responsibilities and roles for your property? How does the Interaction with Public Partners look like when an incident occurs? How can you Prioritize the Elements like Public Safety, Assessing Structural Damage, Utilities, Fire Safety,

and Communications? Finally, once the storm has passed and you move on to Recovery, what happens as it relates to clean up, business continuity, returning to normal, and looking toward the future.

At the conclusion of this exercise, there will be ample opportunity to debrief on how your plans stacked up, ask our experts questions and learn from others as you move forward to ensuring your building is as prepared as it can be for disaster! Property managers, Security managers and Operations managers are encouraged to attend together. This program is a stand alone program, so there is no requirement to attend Part 1 or Part 2 of this series!

BOMA has assembled an impressive line up of presenters for this program on Wednesday, June 18th from 8:30 – 11:30 am at 180 E. 5th Street, St. Paul. 3 CEU's are pending. For more information or to register, go to www.bomastpaul.org



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Membership Meeting June 9th
BEC Seminar – Part 3 June 18th
BOMA Convention June 22-24

JULY

BOMA Office Closed July 4th
27th Annual Golf Tournament July 22nd

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