



# Saint Paul BOMA NEWS

February 2015 Vol. 51, No. 2

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

## Greater MSP - Partnering for Economic Growth & Development



**David Griggs**, Vice President of Business Investment with Greater MSP will join us to provide a look at key wins, economic growth and partnerships developed in 2014 and where that growth came from. He will also provide a look into 2015 and beyond and how our growing economy and an enlarging talented workforce will support our region's current and expanding businesses.

The 16-county Minneapolis-Saint Paul regions consistently ranks among the best places to do business in the United States. Four key attributes that set us apart: a resilient, diverse economy anchored by 19 Fortune 500 companies, a penchant for innovation, a highly educated workforce - one of the best in the nation and an outstanding quality of life. Founded in 2011, Greater MSP is dedicated to providing public and private sector leadership, coordination and engagement to grow the economy of the 16-County Minneapolis Saint Paul region. With its economic

development partners throughout the region, Greater MSP is advancing a coordinated regional economic development strategy, a coordinated regional brand to promote the region's assets, and a coordinated regional business retention, expansion, and recruitment program to stimulate capital investment and job creation in the region.

**DATE:** Monday, February 9, 2015  
**TIME:** 11:40am -12:00 – Networking  
 12:00 – 1:30pm - Program  
**LOCATION:** The Saint Paul Hotel  
 350 Market Street, Saint Paul,  
**COST:** \$39.00 early member registration  
 \$44.00 late/walk-in registration  
 \$48.00 non-member

One hour of Continuing Education is pending approval.

To register, call 651-291-8888 or visit [www.bomastpaul.org](http://www.bomastpaul.org). Cancellations must be received by Friday, February 6th by 10:00am. Substitutions will be honored. Credit cards are accepted online and through the BOMA office.

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### Events at a glance:

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## Scholarship \$\$'s available for SMT/SMA/FMA/RPA designation!!

Free Money! Apply now for a scholarship through BOMI Offered by Greater Saint Paul BOMA. This scholarship is worth \$500 to \$620 in range depending on what program you choose. Submissions are being accepted until March 1st. Completed applications are evaluated in an objective and nondiscrimi-

natory manner by an independent selection committee comprised of experienced industry members. Download the application from the BOMA website at [www.bomastpaul.org](http://www.bomastpaul.org) or call Denise at the BOMA office 651.291.8888.



A new year brings another year of goals and aspirations. Greater Saint Paul BOMA works tirelessly to provide service to our members in three areas; Advocacy, Education, and Networking opportunities. Education and Networking are always very visible as members take advantage of the many opportunities to attend membership meetings, seminars, superintendent and security meetings, and a host of other events throughout the year. BOMA's work with Advocacy is one that may not be as apparent to our members.

As the New Year gets underway the East Metro region's political leadership starts their process of planning for 2015 and beyond. Greater Saint Paul BOMA has always taken an active role advocating for our members and 2015 will be no different than years past. Recently, I attended the East Metro Legislative kick off breakfast with **Joe Spartz** and **Pat Wolf**. Present at the meeting were Saint Paul Mayor Chris Coleman, Saint Paul City Council members, Ramsey County Commissioners, Minnesota State Senators and Representatives, and other East Metro elected officials.

We heard from many speakers about what their goals are and were afforded an opportunity to address the group on behalf of Greater Saint Paul BOMA members. Joe Spartz covered three areas in his presentation to the group. The first area was Commercial/Industrial property tax reform. According to a study conducted by the Minnesota Center for Fiscal Excellence, Saint Paul and Minneapolis ranked in the top five urban areas for property tax rates for properties above \$1,000,000. Secondly, we advocated for additional transportation funding. Joe pointed out the need to stop kicking this can down the road as our roads and bridges continue to deteriorate. And finally, we advocated for sensible building codes. All too often onerous code changes are passed which can negatively affect properties throughout Minnesota. We will be working with BOMA Minnesota to set up a codes coalition to act as a watchdog on this topic and represent building interests.

My thanks to **Joe Spartz** for taking the time to represent Greater Saint Paul BOMA and for the efforts of our Government Affairs Committee as they continually work to serve you through Advocacy on issues important to the commercial real estate industry.

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

## SPRING SMT/FMA COURSES

### SMT - Boilers, Heating Systems and Applied Mathematics

**Start Date:** Wednesday, March 25th  
**Class Time:** 6:00 – 9:00pm  
**Location:** Ecolab, 370 Wabasha Street, Saint Paul  
**Cost:** \$825 for Members,  
\$925 for Non-Members

Building technicians need to understand the inner workings of boilers, burners, controls, fittings, valves and pumps, as well as how they connect and interrelate. This course will teach you how to operate and maintain steam, hot water, warm air, and radiant heating systems. You will also learn the principles of mathematics that are essential to operating these building systems.

**Key topic areas:** heating systems operations • mechanical components of heating systems • heating sources • thermodynamics • steam and hydronic heating • humidification • basic mathematics needed to operate heating systems

### FMA / RPA - Real Estate Investment and Finance

Through this course you will learn to take charge of real estate investments in order to maximize the value of a property. You will develop knowledge about basic financial concepts as they relate to real estate, including valuation, analysis, taxation, depreciation, and life-cycle costing. Similarly, you will learn to evaluate real estate investments and to develop budgets that estimate net operating income. You will study the income capitalization approach and cover property taxation costs and strategies to offset these costs. You will also gain the skills to conduct discounted cash flow analyses and calculate net present value and internal rate of return. This course features exercises that require the basic use of the HP 10bII\* financial calculator.

**Start Date:** Monday, March 23rd  
**Class Time:** 6:00 – 9:00pm  
**Location:** Ecolab, 370 Wabasha Street, Saint Paul  
**Cost:** \$925 for Members,  
\$1,025 for Non-Members

**Key topic areas:** asset valuation and enhancement • costs and taxes • capitalization • site and building analysis • the appraisal process • discounted cash flow measurement • ownership vehicles • the basics of lending and current lending practice

## SUPERINTENDENTS GROUP

### Trends in Green Cleaning Technology

- *Why do we clean?*
- *A history of cleaning products.*
- *Why "Green" cleaning products are trending.*
- *Today's "Green" products - Claims and Truths.*
- *Case studies on Green products.*

**Tom Klaers**, Director of Sales and Marketing has been with Clean Response since 2010 and brings years of sales and marketing experience to the team. Having been trained as an estimator, Tom has eight years of restoration experience in tandem with his expertise in all things eco-friendly, enabling him to provide customers a valuable industry resource.

**DATE:** Wednesday, February 18th  
**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](http://www.bomastpaul.org) or call 651.291.8888.

## SECURITY GROUP

**Commander Dave Mathison** with the Saint Paul Downtown Beat will be speaking on the TAP program. Dave will talk about the role that police will play in these types of situations. He will let us know when we should be calling for police assistance and what we can expect when officers respond to a call. Dan Breen and Mark Sargent will be discussing security's role in the process, limits and liability and the reasonableness when dealing with trespassing.

**Mark Sargent** will also be talking about building visitation within the security group, and getting to know your neighbors. This will involve some dialogue within the group about concerns in the downtown and visions for the future. We will finish up by discussing some goals for the group, networking, communication and information sharing as we move forward.

**DATE:** Tuesday, April 7th  
**TIME:** 12:00 – 1:30 pm  
**LOCATION:** First National Bank Building  
332 Minnesota Street,  
1st Floor Conference Room  
**COST:** \$15.50 pre-registered, \$17.50 walk-in  
**EDUCATION:** 1 ASIS CPD Available

Register at [www.bomastpaul.org](http://www.bomastpaul.org) or call 651.291.8888.

## Congress Passes TRIA Reauthorization

BOMA International and its partners in the Coalition to Insure Against Terrorism scored a huge win for the commercial real estate industry today with the reauthorization of the federal terrorism risk insurance backstop program, known as TRIA. After the 9/11 attacks, the private insurance market failed to adequately support commercial properties in higher risk U.S. markets. TRIA, passed by Congress during the Bush Administration, provided the necessary assurance to commercial properties that there will be adequate insurance coverage in the event of a subsequent terrorist attack. As soon as the 114th Congress convened, both chambers made it a priority to quickly put up for vote H.R. 26, the Terrorism Risk Insurance Program Reauthorization Act of 2015. The Senate passed H.R. 26 by a vote of 93-4, following the House's passage of the same legislation by an equally overwhelming majority of 416-5.

Greater Saint Paul BOMA was actively involved with the passage of TRIA. The Government Affairs Committee tracked this legislation closely. **Joe Spartz** traveled to Washington D.C. in January of 2014 to personally meet with the Minnesota Congressional Delegation on this very important issue.

After learning of the passage of TRIA, Spartz said, "It's great to see BOMA International's and our hard work pay off. TRIA is so important to the entire commercial real estate industry. This is a really big win."

He also commented on how it passed. "I was very pleased to see such strong bi-partisan support," he said. "We struggled last year getting enough votes, so seeing this overwhelming outcome is very satisfying. We should also make note that the entire Minnesota Delegation voted in support, including both senators and all 8 representatives. I also want to mention that Congressman Kline's office has been helpful in this process."

The legislation extends the federal backstop for six years until December 31, 2020, gradually increasing the loss threshold that triggers federal assistance under the program from \$100 million to \$200 million. The 113th Congress had allowed the program to expire on December 31, 2014, despite bipartisan support for the issue. It is now headed to the president's desk for review.



# BOMA International WBM: East Meets West



L to R - Tatiana Talalaeva, Joseph Spartz & Olga Lobacheva

The BOMA International 2015 Winter Business Meeting was a great success. It was held January 16-19, in Scottsdale, Arizona. Almost a thousand participants gathered for this annual event.

**John Oliver**, the BOMA International Chair, and **Henry Chamberlain**, the BOMA International President, emphasized the importance for all BOMA organizations, national and locals, of gaining greater visibility with the C-Suite and ownership. There was also an emphasis on getting creative to grow the overall organization membership.

**Jerry Hersman**, Greater Saint Paul BOMA Board Director, attended the event. He is a member of the BOMA International Nominating Committee. The Nominating Committee is charged with interviewing candidates for key leadership posts, such as the Executive Committee. "There were some incredible candidates that we interviewed," commented Jerry. "It makes you feel great to be associated with so many talented people."

The keynote speaker was **Jason Roberts**, who is known for driving community development in a depressed area of Dal-

las. He organized a series of "Better Block" projects that converted vacant properties into pop-up businesses. Along with temporary streetscaping, the project transformed the south Dallas neighborhood to make it more vibrant.

In attendance at the event were two representatives from BOMA Russia, one of the newest affiliates into the organization. **Tatiana Talalaeva** is from the St. Petersburg office, and **Olga Lobacheva** works at the Moscow office. Much of their local association activities are very similar to Greater Saint Paul BOMA's. They're very engaged in providing education and networking for the commercial real estate industry. One significant difference is advocacy. When asked about advocacy, they smiled and said it was frowned upon in Russia. "The public always questions elected officials motivations if they are meeting privately with business leaders," said Tatiana. "Lobbying, as it is practiced in the U.S., rarely occurs."

The next major BOMA International event is the Every Building Conference & Expo. It will be held in Los Angeles on June 28-30, 2015.

**A Scottish Ramble 2015**

February 15  
11 am to 6 pm  
\$6 | \$4 kids & seniors

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# Security Steering Committee

The BOMA Saint Paul Security Committee conducts programs for building owners and managers on critical security issues; develops, recommends and publishes security policy; and maintains working relationships with the Saint Paul Police Departments, the Saint Paul Fire Department and other agencies involved in the safety and security of Saint Paul office buildings.

## Purpose:

The purpose of the Security Committee is to plan and implement educational programs, seminars and workshops that provide assistance to members on issues concerning safety and security matters. We communicate with members regarding crime trends, prevention and awareness. We also create a liaison between Law enforcement and BOMA members and support BOMA in a coordinated effort through this committee.

## Committee Members:

The committee consists of a Chairman/woman, a Co-Chair position and 4 committee members composed of 75% regular members and 25% Law Enforcement. We invite related groups in the security field to be part of the committee (i.e., police, fire, Health Care, Institutional, training as well as the private sector).

## Meetings:

The Committee meets as needed, but we do attempt to meet at least six (6) times per year.

## Responsibilities:

- We encourage partnerships between members, law enforcement and private security professionals.
- Select and plan safety and security seminars.
- Determine subjects of interest or need in the office building industry that deal with safety and security for inclusion in Saint Paul BOMA newsletter.
- Develop handouts on crime prevention.
- Communicate crime trends throughout the city and work closely with the Saint Paul Police and Metro Transit Department as well as City officials in addressing crime prevention.
- Assist BOMA with fax/email alerts relating to crime trends in the city.
- Discuss and implement collaborative programs Newsletters, information sharing, crime prevention, resource sharing, training, research and guidelines.
- Work with City officials to communicate code changes pertaining to public access and building egress.
- Work with the Fire Department to communicate various new codes to our members.
- Develop an annual budget to be included in the association's budget and approved by the Board.
- Submit committee reports for Board meetings.

Please feel free to contact **Dan Breen** at [Dan.Breen@ecolab.com](mailto:Dan.Breen@ecolab.com) or 651-795-2190 if you have any questions or would like to join. The committee always welcomes visitors.

## BROKERS GROUP

**The February Brokers Group meeting is hosted by Pete Dufour and Meritex Enterprises.**

444 Pine is a two story 20,000 sf building located on the east side of the CDB. It was originally built in 1917 by the Great Northern Railroad and used for their office space. Meritex purchased the building in 1985 and rehabbed it for their office space and have owned it ever since. The building has most recently been occupied by the State of Minnesota. It offers free parking, exterior signage opportunities, on-site management, walking distance to the CBD and great access to 35E, Highway 52 and I-94.

**DATE:** Wednesday, February 4th  
**TIME:** 11:45am – 1:00pm  
**LOCATION:** 444 Pine, Saint Paul, MN  
Parking Availability is on site.

Register by calling Denise at 651.291.8888.

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## BOMA Member Spotlight



**SIMON MAY**  
Vice President  
McCaren Designs

The most common questions I get asked are how did you become an interior landscape and holiday décor designer? Why are you here in Minnesota?

Growing up I had two passions, gardening and rowing. I grew up in Marlow which is west of London in the UK and spent my free time gardening with both my mother and grandfather. My high school had a very strong rowing squad for which I was coxswain and lucky enough to train with Steve Redgrave who went on to win five consecutive Olympic Gold medals between 1984 and 2000. However as I grew, it was difficult to maintain my weight at the optimum 120 lbs. and I wanted to spend more time in my greenhouse rather than traveling to regattas. During school I always wanted to be an architect. However, when it came to leaving high school it was a little daunting to face seven years of training, so my grandfather suggested horticulture, which I studied in Cambridgeshire focusing on commercial crop production with Floristry as an extracurricular study.

Following graduation, I started at a commercial production nursery growing cut flowers and bedding plants. After about a year, I spotted a local landscaper and florist who was looking to hire additional crew members to help with the short term lease and events department. The job came with a truck. My original MINI at the time was falling apart so I thought a new job and free wheels, I have to give this one a shot! Over the following years I worked for different companies in London and then was approached by William Braid who had a young company, Jardinerie Interiors in rural Gloucestershire. He had big ambitions to create a national service provider in the UK. Over the following six years I was part of the team that grew that company from an annual turnover of \$450K to \$5.4 million. I started to attend conferences and come over on buying trips to import trees from Florida to the UK. It soon became my dream to work in America.

Jardinerie was sold to a multi service facilities company in 1998, which is when I left to set up my own company in Birmingham, UK. After a couple of years I sold the business to a company that William Braid acquired several years later. He approached me again, this time to run Plant Designs in London on his behalf. Over the next ten years it grew from a turnover of \$700K to \$2.25 million by organic growth and acquisition of smaller companies to become one of London's leading Interior Landscape and Holiday décor contractors. My trips to America continued, which is how I got to know McRae at McCaren Designs. Our two

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](mailto:denise.jenkins@bomastpaul.org).

companies were of a similar size and we belonged to the National Interiorscape Network, which is an industry networking group where we benchmark against each other and share our challenges and successes. During a trip to Minneapolis for a benchmarking meeting, McRae and I were talking over a glass or two of Bourbon and we bounced round the idea of me fulfilling my dream of coming to America and working at McCaren Designs. After a lengthy visa application process, I joined McCaren Designs in October 2013 as Vice President. Moving to Minneapolis has been a fabulous experience, the Twin Cities is America's best kept secret. As an avid follower of the Arts and Theater, I really couldn't have asked to come to a better place. I love the seasons, the summer and being able to get around the cities either on foot or on a bike is fabulous. I even love the winter too, yes it's cold, but at least the sun is shining. I quickly learned that the only way to deal with the cold is to go out and embrace it. The highlight was hiking around the Ice caves on Lake Superior. I am lucky enough to have traveled the world visiting Australia, China, Sri Lanka and most of Europe. The challenge is to explore America which I am planning to do over the coming years. My favorite architect is Frank Lloyd Wright, so I plan to visit as many of his properties as I can.



## From Collecting Dust To Collecting Cash!

Join us for this informative BEC and learn how our expert panelists turned obsolete properties into awesome cash performing/community enhancing projects by repurposing existing buildings

Wednesday, February 18<sup>th</sup>

180 E. 5th Street 2nd floor conference center

**Time:**

8:00 am – Registration and Breakfast

8:30 - 11:00 am Program

**Cost:**

\$60 for the first attendee from company

\$50 for additional attendees from same company

Our presenters will explore the evolution of an adaptive reuse project and the risks and rewards of repurposing historic buildings, from acquisition to securing tenants. Through case studies, learn about 3 unique approaches for creative reuse of properties.

**Find out:**

- How each developer got involved/started in their development market niche.
- What catches their eye? – What is appealing about a certain building for repurposing?
- How do they see what others don't?
- How each panelists' strategy & process on these projects is unique from others.
- Is there a strong tenant demand out there for these types of properties?
- What types of tenants tend to be interested in these properties?

### Our Presenters

...

Peter Remes | President | First & First, LLC

Melissa Gorman | Managing Director | First & First, LLC

Mark Vaida | Development Manager | First & First, LLC

Rob Kost | Vice President of Commercial | Sherman Associates, Inc.

Anne Stephenson | Assistant General Counsel | Sherman Associates, Inc.

Will Anderson | Associate Project Manager | Sherman Associates, Inc.

Patrick Ostrom | Developer | Dominion

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There are 2.5 hours of CEU's pending for this BEC Register online at [www.bomastpaul.org](http://www.bomastpaul.org) or call 651-291-8888

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## CALENDAR 2015

### FEBRUARY

Brokers Group..... February 4th  
Membership Meeting..... February 9th  
Superintendents Group..... February 18th  
BEC..... February 18th

### MARCH

Brokers Group..... March 4th  
Membership Meeting..... March 9th  
Superintendents Group..... March 18th

## NEW MEMBERS

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