

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

Hut, Hike: The Opening of the Vikings Stadium and the 2018 Super Bowl

Getting Ready for the Impact on the Business/Real Estate Community in the Twin Cities.



Michele Kelm Helgen with the Minnesota Sports Facilities Authority and **Maureen Bausch**, CEO of the 2018 Super Bowl Host Committee will join us to discuss the update on the Vikings Stadium and details for the 2018 Super Bowl that will be held at the new stadium.



Michele will provide an update on stadium construction and share the biggest obstacles encountered so far, along with an update on the surrounding mixed-use real estate development and how it will affect economic growth and downtown and regional property values. She will also discuss the multiple purposes of the stadium for additional events and provide an update on the workforce and business goals set forth in the original plan.

Maureen will provide us with details on the 2018 Super Bowl. How did the twin cities showcase our location as the perfect spot for this massive event? As they begin setting the groundwork for

success and influence on business in the region, what is the forecasted economic impact on Minneapolis/St. Paul and the surrounding region? Maureen will share what is currently in place and what we might expect to see along with the effects on the workforce and lasting businesses.

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

Sponsored By:



One hour of Continuing Education is pending approval.

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

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Legislative Update

Bills are starting to move from Minnesota legislator hands to the committee calendar. The House's introduction calendar on Thursday brought forth a record 102 bills to be included in this year's session.

Taxes

Several bills have been introduced this past week that would reduce the amount of state-wide property tax levied on commercial/industrial properties. There appears to be

Chair's REPORT



If you are not growing you are dying. As it relates to the business world, I am not sure truer words have ever been spoken. Greater Saint Paul BOMA building membership has struggled in recent years and at a Board of Directors' retreat last year it was identified as a top strategic goal for 2015. Fortunately the early returns in 2015 have been very positive. Greater Saint Paul BOMA had nine new building members in January. As great of a start as this is we know we can do more and are calling on our members to assist us in this process. A referral program was launched at our last general membership meeting. It is a great way to expand our footprint, as well as for you to provide a cost savings to your organization. If you would like more details regarding this program, please contact the Greater Saint Paul BOMA office.

The Greater Saint Paul BOMA Board of Directors has partnered with the Saint Paul Youth Initiative group, a coalition of city officials (Saint Paul Police & Office of the Mayor) and youth-serving organizations, led by the YWCA of Saint Paul. The purpose of the group is to address youth issues in downtown Saint Paul.

When the group formed in 2013, the downtown area had been challenged for several summers by juvenile offenses, including disorderly conduct, vandalism and other violations occurring in and around transit hubs and skyways. Relying solely on police action to solve this issue was considered only marginally effective because it focused on responding after the fact. The overall goal of the initiative was to be more proactive by guiding and redirecting youth into a more positive and productive direction, helping them to avoid crime. SPPD reports that

the program has been very effective in those areas where Youth Initiative staff have been active.

After meeting with representatives of the Youth Initiative and SPPD leadership, BOMA Board members felt it was a great fit strategically for us as it improves the quality of life in the downtown area. This is a unique program that has shown some initial promise. Maintaining a safe and comfortable downtown is important for the overall quality of life for the CBD. If we are serious about driving long term growth in the downtown area, we have to get behind these kinds of efforts and see if they can become part of the solution.

We will hear more from this group and how our partnership will be mutually beneficial at our April membership meeting.

Finally, the Board of Directors recently met with **BOMA International Chair John Oliver** and **President and COO Henry Chamberlain**. It was a great opportunity to hear from them about all that BOMA International is doing for its membership on a national level. I was impressed by all that is going on as were they with how well Greater Saint Paul BOMA is doing at the local level.

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



BOMA's Prospective Building Member Referral Program

BOMA members who refer a building prospect (not a current building member) that joins St. Paul BOMA are eligible for an incentive!

The incentive is worth a \$300 credit (\$500 during the initial 6 month introductory period) that can be used to offset any Greater St. Paul BOMA purchases.

Do we have your attention? Check out more details on BOMA's website at www.bomastpaul.org

SUPERINTENDENTS GROUP

Tim Huber, President of Industrial Hygiene Services Corporation will present on indoor air quality complaints and testing methods to help quantify and correct those complaints.

Mr. Huber has nearly 28 years of experience in industrial hygiene, safety, environmental program development and business management experience. He has demonstrated experience in a wide range of environmental, health and safety programs, including: asbestos, lead, indoor air quality, microbiologic investigations and correction, hazardous materials, OSHA compliance, DOT issues, safety management systems, employee training, and total quality concepts related to integration of these programs with specific business objectives and goals.

He is a Certified Hazardous Materials Manager and a Minnesota registered Professional Geologist.

DATE: Wednesday, March 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 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. Dave 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 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 or call 651.291.8888.



Did you know that Greater St. Paul BOMA has over 10 committees? We truly offer something for everyone. Getting involved on a committee is the best way to make the most of your membership. Committees made up of both property professionals and service partners work together to form policy, create events, guide Association communications, grow membership and provide educational programming. Our volunteers are the heart and soul of our organization and we need YOU to get involved! In an effort to educate our members on available committee opportunities, we have created a "Committee Corner" in our newsletter that will highlight a committee each month. Our featured committee for the month of March is the Education Committee.

Time commitment is minimal, but the rewards are plentiful! Go to BOMA's website for a complete listing of all of BOMA's Committees. We would love to have YOU join a committee - new members bring new energy and even more great ideas! What are you waiting for – GET INVOLVED!!

COMMITTEE CORNER

The Education committee is responsible for programming at BOMA's membership meetings, Lunch n' Learns, BEC's (BOMA Essential Course) and seminars that provide continuing education credits for members. Committee members make a special effort to consider what topics will not only be popular, but also help ensure that Greater Saint Paul BOMA provides significant and valuable information to our members. The committee has been hard at work planning some great events for 2015 including programs on new development, investments, re-purposing buildings and even a meeting at the new Saints Stadium! The committee is diverse, and includes property managers and service providers from many different occupations. This diversity creates a broad range of contacts across a large scope of topics and expertise that result in new and fresh subjects and ideas for the benefit of the members. For more information, contact Committee Chair, Rick Hanson at 651-287-8888 rhanson@msspccommercial.net or BOMA Staff member, Rhonda Pape at Rhonda.pape@bomastpaul.org

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bipartisan support for this change, but the success of the proposals will largely depend on the February forecast update. The new forecast will be released on February 27 and will be the basis for the spending and tax issues at the Capitol.

The Senate Tax Committee met on Tuesday to discuss four bills related to property tax refunds and exclusions. SF208 (Latz - DFL, St. Louis Park)/SF319 (Schmit - DFL, Red Wing) (bills have the exact same language) allows for property tax exclusions on certain homestead and commercial/industrial properties that have undergone improvements if the properties are at least 30 years old. Advocates of this legislation testified and alluded to the benefits this financial incentive may have on stimulating local economies and downtown areas in larger outstate towns and cities. Testimony against came from property assessors who cited the difficulty in both process and form of determining market property value of individual improvements. Members of the committee were largely concerned with burden shifting this legislation, disadvantaging those unable to improve their property even with the tax incentive. The bills were laid over for possible inclusion in the omnibus tax bill.

Over in the House, HF381 (Dehn - DFL, Minneapolis), which allows a credit for the significant rehabilitation of historic structures, was heard and also laid over for possible inclusion.

Transportation

The Metropolitan Council testified in front of the House Transportation Policy and Finance Committee on Wednesday, sharing the transit-related portions of the Governor’s budget proposal. Highlights include a \$2.8 billion investment over the next 10 years funded by a 1/2 cent transit-dedicated sales tax in the 7-county metro area. This will allow for an accelerated bolstering of the entire transit system, including an increase of busing routes as well as further expansion of rail transit ways. Governor Dayton believes this investment is necessary to improve transit systems around the state that “... are becoming more antiquated and inadequate.” GOP opinion on the matter can be summarized by Speaker Daudt, “... should we spend a billion on a train when we can’t fill potholes?” This difference in opinion between parties on transit represents what figures to be a session-long battle on statewide transportation funding.

Further Details

Dayton’s Proposal

- **Increases transportation revenues by about \$11 billion over the next 10 years**
- Proposal would levy a 6.5 percent gross receipts tax on fuel at the wholesale level, with a floor of \$2.50 per gallon (tax would be the greater of 6.5% of wholesale gas prices or 6.5% of \$2.50, or about 16 additional cents per gallon)
- Further details on proposed funded areas found in Figure 3

SF 87 (DFL)

- **Increases transportation revenues by approximately \$10.7 billion over ten years.**
- Like Governor Dayton’s proposal, Sen. Dibble’s bill would levy a 6.5 percent gross receipts tax on fuel at the wholesale level, with a floor of \$1.50 per gallon (tax would be the greater of 6.5% of wholesale gas prices or 6.5% of \$1.50, or about 10 additional cents per gallon)
- Proposed Funded Areas
 - o \$800 million in Trunk Highway bonding for Corridors of Commerce
 - o \$200 million in Trunk Highway bonding for the Transportation Economic Development Program.
 - o \$567 million in General Obligation bonding for the following:
 - \$300 million for local bridges
 - \$100 million for local roads
 - \$5 million for at-grade rail crossings (with a requirement that these funds draw a 50% match from the railroads),
 - \$122 million for raid grade separation improvements (with a requirement that these funds draw a 50% match from the railroads),
 - \$10 million for rail service improvements
 - \$10 million for intercity passenger rail projects
 - \$10 million for port development assistance
 - \$10 million for airport development assistance
- SF87 also includes a section on efficiencies, though there is no specified efficiency target required (like the Governor’s 15%)
- Bill provides authorization for a new public-private (P3) partnership pilot program. As part of a P3 arrangement, the legislation would allow for the use of value capture funding mechanisms

HF4 (GOP)

- **Without raising taxes, HF 4 would add about \$750 million in funding for transportation over the next four years.**
- Bill uses \$200 million from the state’s projected \$1 billion budget surplus to address road and bridge needs at the county and local level.
- Would require MnDOT to find savings equal to 15% of its budget through efficiencies and to reinvest those savings, approximately \$65 million, back into projects on the Trunk Highway System.
- Bill would also require MnDOT to spend down 90% of the unreserved portion of the Trunk Highway Fund balance and use those funds to complete Trunk Highway projects, adding about \$500 million in spending over the next four years.
- HF 4 does not provide any additional investment for transit.
- House Republicans suggest this proposal as a way to address pressing transportation concerns while evaluating how much further investment will be needed in the long run



Kathy Hahne
Faegre Baker Daniels

2015 Legislative Transportation Proposals

**Governor Dayton’s Proposal
Senate DFL Proposal – SF87
House GOP Proposal – HF4**

Gov. Dayton	Senate Democrats	House Republicans
Amount of Funding		
<ul style="list-style-type: none"> • \$11B over 10 years 	<ul style="list-style-type: none"> • \$800M in 2016 • \$1.1B annually starting in 2017 	<ul style="list-style-type: none"> • \$750M over four years
Source of Funding		
<ul style="list-style-type: none"> • New 6.5% wholesale gas tax (\$4.4B/10yrs) • Increased vehicle registration and license fees (\$1.45/10yrs) • 1/2 c metro-area sales tax increase for transit projects (\$2.8B/yrs) • MnDOT efficiencies (15% of agency budget - total unspecified) • General fund for Greater MN Transit and bike/pedestrian upgrades (\$145M/10yrs) • Truck Highway bonds (\$2B/10yrs) 	<ul style="list-style-type: none"> • New 6.5% wholesale gas tax (\$580B/yr) • Vehicle registration fee increase (\$125M/yr) • 3/4 c metro-area sales tax increase for transit projects (\$251M/yr) • MnDOT efficiencies (unspecified amount) • Bonding for local bridge/road repair (\$567M) • Motor vehicle lease tax increase for Greater MN transit (\$32M/yr) 	<ul style="list-style-type: none"> • State budget surplus (\$200M) • Trunk Highway Fund (\$223M in 2016-17, \$282M in 2018-2019) Dedicates 90% of “unreserved balance” of the fund • MnDOT efficiencies (\$65M)

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BOMA Member Spotlight



SANDRA SCHADEGG

Harvard

My family roots are in St. Paul. I was born at Midway Hospital on University Avenue (back in the “old days” when it was still a hospital!). My family moved to rural Hastings when I was 12 for my Mother to realize her dream of having horses.

I married young and raised four children, Tammy, Sharon, Jonathan and Melissa. Although I was extremely shy as a child, as I reached my late 20’s I realized my life wasn’t dynamic enough and so I decided that to realize some of my dreams and goals, I needed to overcome my shyness by stepping out of my comfort zone.

Sales really started for me when I started modeling at the age of 28. I learned about the industry through a John Casablanca’s course and then hit the pavement to the agencies in town to try to get into their books. I had to promote myself, so I’m the first product I ever sold and it set me up well for my career today.

I modeled for almost 20 years - print, broadcast commercials, corporate training videos, tele prompting, and runway . It was fun and a great learning experience valuable in creating a better Sense of Self. I took advanced classes on the business side and on-camera training. Working with many people on set helped me gain a great deal of self-confidence and to develop strong skills in communication. As a single mother, however, I needed more economic stability and things like benefits.

I entered the business world in the residential apartment management office for Stuart Management Corp. I was advised by friends in the commercial side of real estate that commercial was where it’s at. . .it’s vibrant, dynamic and had more potential for growth than residential and so I interviewed with CBRE. That led to working for Kim Ihle at Carlson Center as the Common Area Manager. An opportunity came up at Plaza Seven as Assistant Operations Manager so I transferred to the downtown property. I loved the hustle and bustle of downtown but I had found that that the job wasn’t as customer service or sales oriented as I liked, so when an opportunity with Marsden arose, I entered the janitorial field and had a wonderful experience working there.

Two years later, Harvard came along and recruited me as their second hire to help start up and grow the MN branch. Harvard was invited to the Twin Cities market through the award of a 1.8 Million SF customer downtown Mpls, then known as American Express. We built up this branch from that first account to now cleaning 25 Million SF daily in MN – and 5 states back then - to operating in 46 states today and still growing.

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.

The owner of the company, Stan Doobin invited me for a final interview to the company headquarters in New York City. It was 2004, and I was engaged to the man of my dreams. Stan invited my fiancé to come out with me. He didn’t know that my fiancé was a Property Manager, but, as we talked, Stan learned that Dick had worked in the New York City area and knew some of Harvard’s existing customers. As part of a capsule of our marriage, working in the same industry and sharing many colleagues and as a result, a lot of friendships, I couldn’t have asked for a more rewarding career and family life. I love people and the social aspects of sales.

Dick and I have celebrated together the births of our 3 grandchildren, Garrett, Isaac and Julia as well as shared the tragedy of losing our son Sam at the age of 19 this past summer.

We both love to golf and travel. We have done a lot of traveling but still have a lot of places left on our wish list to visit. Other hobbies of mine are gardening, cooking and running.

Two years ago, we bought our future retirement home in Scottsdale. It has been a great gathering place that is already filled with many wonderful meaningful memories, created with friends and family. We both still love our lives and careers in MN, so we’re not sure exactly when Scottsdale will become our home, but, when it does, it will continue to include our families and friends of many years.



SPRING SMT/FMA/RPA 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.

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

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

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



David Griggs, Greater MSP & President Joe Spartz following the February Membership Meeting.

BOMA BITS

Resume’s on file

- A Facilities Manager with more than 18 years of documented success maintaining multisite commercial/retail real estate facility services and maximizing the performance of the properties. Leadership, training and mentoring of employee’s using a team approach, “I believe you lead people and manage the process”. Capital improvement budgeting and execution, Project management, departmental budgeting. Skilled in vendor negotiations for cost valued projects. Proficient in preventive maintenance set up and monitoring with adjustments made in policies and procedures for improvements. Meeting or exceeding commitment deadlines. Proficient in Safety policies and ADA/OSHA/NFPA guidelines.
- Property Management Executive with significant Asset, General, and Operational Management Experience, Long and Short Range Strategic Planning Including Development, Due Diligence, Presentation and Implementation of plans, P&L, Budgeting, Maintenance, Leasing, Team Building and Development, Budget and Personnel Administration, Facilities Management, Security, Marketing, Technical Support, Redevelopment, Construction Management; Encompassing General and Sub-Contractors, City Planners, Utility Companies, Owners, Tenants and Support Staff. Leasing Negotiations Including New Tenants, Renewals, Relocations, Early Terminations/ Buyouts, Dispute Resolution, Amendments and Canvassing, Corporate Staff Collaboration

Please contact the BOMA office for more information regarding these individuals.

Membership Meeting Sponsorships Now Available!



Levels of Meeting Sponsorship

PREMIUM MEETING SPONSOR

\$300/meeting (Max. 2 sponsors/month)

- Front page recognition in the newsletter
- Banner Advertisement on the website registration pages
- Verbal recognition at the membership meeting with company logo on tables and PowerPoint
- Table sponsorship at the meeting

CLASSIC MEETING SPONSOR

\$200/meeting (Max. 3 sponsors/month)

- Banner Advertisement on the website registration pages
- Verbal recognition at the membership meeting with company logo on tables and PowerPoint

Contact Rhonda Pape in the BOMA office for more details and to reserve your spot!

Greater Saint Paul **BOMA**
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Saint Paul MN 55101

CALENDAR 2015

MARCH

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

APRIL

Brokers Group..... April 1st
Security Group..... April 7th
Membership Meeting..... April 13th
Superintendents Group..... April 15th

NEW MEMBERS

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