



# Saint Paul BOMA News

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

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### October

- Membership Meeting Oct. 16<sup>th</sup>
- Superintendents Group Oct. 18<sup>th</sup>

### November

- Brokers Group Nov. 1<sup>st</sup>
- 2<sup>nd</sup> Annual BOMA Gala Nov. 9<sup>th</sup>
- Superintendents Group Nov. 15<sup>th</sup>
- Thanksgiving Nov 23<sup>rd</sup>

## Meeting Sponsors:



## October Membership Meeting

At this meeting, Rob Davis will be presenting highlights for the 2017 Saint Paul BOMA Office Market Report. This will include the changes in the greater downtown Saint Paul area over the last year, which would be the commercial office universe, vacancy, absorption, and market rental rates. Significant lease activity will be reported, as well as other noteworthy changes in the downtown including the major conversion of commercial buildings to residential and issues that go along with a changing market. We will also be providing an update on the residential data based on Maxfield Research survey findings.

Following the market report highlights session we will have a panel discuss new developments and changes in traditional C&I space in St. Paul. The panel includes Pat Wolf, Commercial Real Estate Services, The 428, Tanya Bell, Grand Real Estate Advisers, Osborn370, and Randy McKay, Hempel, Treasure Island Center.

Thanks to Hempel, we will be meeting in the heart of the remodeling process at the Treasure Island Center in downtown St. Paul. Guests please enter on Wabasha across from Walgreen's. We will be on the 3rd floor of the building, and there will be signs pointing you to the meeting space!

## 1 hour of CEU credits has been APPROVED!

Date:	Time:	Location:	Cost:
Monday, October 16 <sup>th</sup> 2017	11:40 – 12:00 Check-in 12:00 – 12:30 Lunch 12:30 – 1:30 Program	Treasure Island Center 400 Wabasha St N, St Paul, MN 55102	\$42.50-member \$48-Non-member

[Click here](#) to register!



## PRESIDENT'S REPORT

Joe Spartz, President  
Greater Saint Paul BOMA

**Gala:** We are only five weeks away from the 2<sup>nd</sup> Annual BOMA Benefit Gala, being held on November 9<sup>th</sup> (See accompanying announcement). This event benefits the St. Paul Community Ambassadors. Last year we raised over \$11,000 for this group. We expect to do even better in November. One key difference is we have a matching grant through the Saint Paul Police Foundation that will double our net income (funds raised less expenses).

What we need now is for individuals to [purchase tickets](#) for the event. We are trying to increase our attendance from last year. We have a exciting evening in store with many prizes, games, great food, and music. Plan to attend! I hope to see you there.



**4<sup>th</sup> Street Market District:** The 4<sup>th</sup> Street Market District continues to make progress. With the completion earlier this year of a feasibility study, area businesses and buildings are working to identify ways to activate the street. The Minnesota Museum of American Art took the lead in hosting the 4<sup>th</sup> Street Market District Block Party on September 28<sup>th</sup>.

The street was closed for one block between Jackson and Robert to demonstrate what the future could look like. There were seating areas, vendors and demonstrations, all of which created a festive atmosphere. In addition, two murals on the Jackson Street Ramp were unveiled. This new artwork, designed by artist Vanghoua Anthony Vue was inspired by St. Paul's vibrant Hmong community. For more information check out [MMAA's site](#).

**Sandra Schadeegg:** As most of you know, Sandra Schadeegg, a current Board member, and St. Paul BOMA fixture for many years with her great work through Harvard Maintenance, is retiring. Her last day is October 13<sup>th</sup> and she will be heading west....and south...going to her home in Scottsdale. We all wish her well, and feel a tad sorry for her, heading out before she can experience one last blizzard. We'll miss you Sandra!

## Superintendents Group

How do you get a 12-million-pound ice rink on the top of a former department store? Learn the answer and more as we tour Treasure Island Center. Join presenters from the Saint Paul Port Authority, Hempel Companies, RJM Construction, and Collaborative Design Group to get a behind the scenes tour.



Please dress accordingly for a construction site: long pants, long sleeves, and closed-toed shoes. Hard hats and vest will be provided by RJM Construction.

**DATE:** Wednesday, October 18<sup>th</sup>  
**TIME:** 11:30am – 12:45pm  
**LOCATION:** Treasure Island Center,  
 400 Wabasha Street  
 \*Please enter through the construction door which is located on 6<sup>th</sup> Street between Cedar and Wabasha Streets.  
**COST:** \$18 pre-registered, \$20 walk-in  
**EDUCATION:** SMA/SMT/RPA/FMA CPD'S

[Click here to register!](#)

## Brokers Group

There will be no meeting in October so that the Brokers can attend the 2017 Market Report release.

## ROW Changes to Street Maintenance Program

With property tax bills now appearing for St. Paul City properties, owners are noticing a significant decrease in street maintenance costs. With the Right of Way (ROW) program being replaced by the Street Maintenance Program, the areas covered were reduced, and thus any related assessment has dropped proportionately. To better understand the details of the Street Maintenance Program and what it involves, visit this [link](#) provided by the City of St. Paul.

Much of the street maintenance costs previously paid for under ROW will now be shifted to the general fund and will be paid for through a substantial increase in property taxes. Expect to see this increase reflected on your 2018 property tax statements issued in November. St. Paul has set up a website where you can get an estimate on how much this increase will be for your property. To use the estimator, go to [www.stpaul.gov/taxestimator](http://www.stpaul.gov/taxestimator)



## BOMA in the News

BOMA International has just published its latest [Media Impact Report](#), which includes press coverage highlights and online analytics from the last few months. As illustrated by the report, BOMA continues to enjoy a consistent presence in the media. Of particular note, BOMA's federal advocacy and codes work received significant coverage, including several substantive articles in *BUILDINGS Magazine*, *The Real Deal* and *Commercial Property Executive*.

## 2<sup>ND</sup> ANNUAL BOMA BENEFIT GALA

# Register Now

The 2<sup>nd</sup> Annual BOMA Benefit Gala in support of the Community Ambassadors is scheduled for November 09, 2017. This event was created to raise funds to support the Community Ambassadors Initiative.

BOMA's Benefit Gala on November 9th will feature:

- Emceed by Angela Davis, WCCO TV
- Free valet parking
- Duo-entre dinner
- Jazz Trio
- Games and prizes, including blackjack
- Cash bar
- Red carpet photos

Evening Attire  
Event

[Click here](#) to register!

# St. Paul Mayoral Candidate Interviews

St. Paul will be electing a new mayor on November 7<sup>th</sup>. While BOMA doesn't endorse candidates, we feel it is important for the community to understand where the leading candidates stand on issues important to the business community. On August 8<sup>th</sup> the BOMA GAC interviewed Melvin Carter, Pat Harris, and Dai Thao, covering a variety of topics. This excerpt article is Part 2 of 3 from those interviews.

## Topic: Business in Saint Paul

### How will you work to help businesses expand in Saint Paul, and make the process easier for them?



Dai Thao: One of the things I want to do is the Mayor's Business Committee. So, I would like to have BOMA, and the large and small businesses come together, so we are all looking at the same set of problems, deficits, and challenges that Saint Paul has. I know that in my conversations with folks in this community that there are a lot of smart people in this community that want to move Saint Paul forward, and out of the Mayor's Business Committee we can create a capital city strategy that has an over-arching road map for us. As part of this, we need to have an equitable economy and opportunity

so that the immigrants, the millennials, the women, and people of color are all within that strategy. Then for the small businesses and mid-sized businesses, I've already led the Open for Business Initiative to help cut some of the red tape for small and mid-sized businesses. What this did was bring PED and DSI together at the start of a project and discuss the timelines and next steps to take and who is responsible for what. The path that they have done previously as a siloed entity has created a lot of repetition, and it was very time consuming. For small and mid-sized businesses and large businesses time is money, and they cannot afford to not have a given timeline, and they need this process to be predictable. So, this initiative with DSI and PED has been very successful.

As Mayor I would like to shift and move from that model to bring Public Works, and Parks and Rec, and then fire and police and all the other departments that need to be at the table to have this streamlined process for businesses and events. Given my IT background, one thing that we would like to make simple is we want to have an online simulation tool where if you want to start a businesses in Saint Paul, you can go there. If you want to open a restaurant, a menu will pop up and ask you what kind of restaurant you want to open, and then at the end of the process you will get a printout of who you need to connect with, the approximate cost, and give them a prediction of how the next 3 months will go or even how long it will take. We need to make the process as easy as possible.

Our vision for the Midway site, we would like to make it an international destination, and soccer is an international sport, and we would like to play into that. (continue to next page)

# St. Paul Mayoral Candidate Interviews (continued)

## Topic: Business in Saint Paul

**How will you work to help businesses expand in Saint Paul, and make the process easier for them?**

**Dai Thao continued:** When we talk about international we want to lift the Irish, German, Jewish, Asian, and East African communities so we can all take ownership of that space, and be involved in that. We want to have an incubator space and program, and work with the small business as we prepare them for expansion and once they are ready, we move them out into the community. While they are doing that, we are working with PED to build a market for the business, create a space, and help them to hire people from within the communities and our youth. These are the types of things that I want to champion.



**Pat Harris:** That's a far reaching question, and really a corner stone of why I am running for mayor and what I am going to do as mayor. All the things that I have campaigned for, like a responsible tax environment, a responsible budget, are tied to this. The driving force is the cost of doing business in Saint Paul and probably the first thing you need to do is make sure that it is affordable to run a business, and make sure that we are paying attention to the current businesses in Saint Paul, and we are reaching out to them. That would clearly change under a Pat Harris Administration. Reaching out to businesses and making sure that we are a responsible tax environment and making sure that the mayor is available is a top priority. I will commit to meeting with two businesses weekly, which could be prospective tenants or ones looking at a lease renewal. I plan on being aggressive about it.

Every candidate for mayor that I have been around has said that we need to streamline the licensing and permit process, and I will of course figure out way to make licensing move along better and quicker. We need to make sure that we are allowing development to proceed, and continue to make sure that the community has some involvement in the process.

Regarding my access to capital plan, and I am proposing a very unique access to capital plan for small business lending in targeted neighborhoods, and we will use the city's long term investment portfolio. We want to revitalize this economy in Saint Paul, and I am proposing shifting up to \$100 million of the city's long term investment portfolio into collateral insured CD's and largely collateralize CD's. I have already met with local banks and we have figured out a nice way of how to do a bid process. Then we can potentially use existing city dollars that are in the sales tax program for small business lending. I think the city needs to get out of the lending business. We are an inefficient lender, and if you looked at the city's portfolio you would probably agree with me. (continue to next page)

# St. Paul Mayoral Candidate Interviews (continued)

## Topic: Business in Saint Paul

**How will you work to help businesses expand in Saint Paul, and make the process easier for them?**

**Pat Harris (continued):** Using some of those dollars to “hair cut” the rate of the front end, and incentivize the lender to lend and to target new small business lending in targeted neighborhoods. So, I want to help target new Americans and people who have difficulty borrowing from banks for doing small business development in targeted neighborhoods.

So, I want to grow business in Saint Paul, and I want to grow jobs in Saint Paul, and I really want to get specific about it immediately. The access to capital is pretty interesting because it can be implemented almost out of the gate, with a community conversation about the targeted neighborhoods. We could get this thing ramped up pretty quick. It’s all about having a mayor’s office that reaches out to the business community, and understands how a business operates, and understands the impact their success has on the health of the city.



**Melvin Carter:** I think it is something that we all have to work together on. You know as we think about making Saint Paul a desirable place, an attractive place not to just bring in business, but to operate in business. I think in a lot of ways we end up thinking a lot about how to recruit businesses here, or how to get somebody here from elsewhere like suburbs and other cities. We need to think a lot more about how to make sure that for the businesses that are here, that they have a really great quality of life, and have a great experience within our city. I believe streamlining the permitting and inspections process is critically important as we think about the predevelopment cost, the development cost, and the time it takes to get a project done and if we can streamline that time and shorten the time. We are reducing the costs for the developer, we are getting people to work sooner and we are getting the property on the tax role sooner. I think that is an economic development strategy in and of itself for the city.

I know some of those employees in inspection and permitting, and I know they work hard, and they even have ideas. I think that there is a culture kind of challenge that we have to change, and that is a leadership challenge. If we tell them that we want to get a lot done, but we have to evaluate our inspectors based on how many citations they write, then they will write citations. So, I think it is about connecting those business owners with those staff people to make sure that they have the opportunity and the support from city hall to work together to create the process that will work in a meaningful way. (continue to next page)

# St. Paul Mayoral Candidate Interviews (continued)

## Topic: Business in Saint Paul

How will you work to help businesses expand in Saint Paul, and make the process easier for them?

**Melvin Carter (continued):** This is the type of work I did at the Saint Paul Promise Neighborhood on behalf of families in the neighborhood. It started with a conversation that I had as we started. I was a young St. Paul City Councilmember talking about transit and economic development, and jobs and housing. People would always say, "What about education?", and I would tell them the city doesn't run schools, and that the schools are a separate legal fiduciary and political entity, and they would roll their eyes and walk away. One mom that did not roll her eyes and walk away said, "I don't need a civics lesson, I need help." And that was one of the things that has always stuck with me, and that is why my work with the Saint Paul Promise Neighborhood has been to streamline the ways that families in our community access help. That is why my work at the state with leading the Children's Cabinet has been around streamlining the way our government works across departments and across agencies, and even have been working in partnership with our local counties and school boards to streamline how people can get help. So, I have led processes like that before, and that is something that I am looking forward to doing again.

## Lights Out Program

Fall bird migration is underway! This is a reminder that Fall Lights Out began August 15<sup>th</sup>. If you are not already, please plan to adjust your interior and exterior lighting.

Our website features more information about [Project Bird Safe](#) overall and [Lights Out](#) specifically including all [participating buildings](#). If you own or manage other buildings please consider [signing on](#).

Also, we have plotted all Lights Out buildings on an interactive [map](#) on our website.

Your participation in Lights Out is part of the light pollution solution! We sincerely appreciate your participation.



## National Debt Program

On September 27<sup>th</sup>, St. Paul BOMA, along with the Minneapolis Regional Chamber of Commerce, the Saint Paul Area Chamber of Commerce, and the St. Paul Port Authority, hosted a national debt program at the McNamara Alumni Center. The purpose of the event was to raise attendees' awareness of this critical issue and what can be done to impact this problem. The program featured a panel that included former Congressman, **Tim Penny**, U of M Economics Dept. Chair, **Chris Phelan** and Concord Coalition's National Political Director, **Phil Smith**. The panel was moderated by **Richard Eisenberg** from TPT. The panel agreed there was no easy solution to the national debt and discussed several key points.



Saint Paul BOMA President Joe Spartz (left) and TPT's Richard Eisenberg (right)

**We can't grow our way out of the debt:** While this seems like an attractive and hopeful fix, it's highly unlikely, given the rate of economic growth in the U.S. over the past three decades. To assume this approach will solve our problem is pie-in-the-sky thinking and will only avoid dealing with this difficult issue.

**Irresponsible tax cuts won't help:** While we would all like to see our taxes reduced and there is a compelling argument to reduce the tax rates on businesses, any tax reform currently being discussed by Congress that doesn't pay for itself will only add to the national debt. Essentially, what this means is that current taxpayers will get a tax reduction that will be paid for by millennials and Gen Z Americans. Not good policy.

**Social Security and Medicare reform are essential:** While most Americans want Social Security and Medicare to be available when they retire, under current projections, both programs aren't sustainable without some changes. Many Americans are resistant to any reform, but given the aging population, and fewer workers available to support those who have retired, maintaining the current policies for these programs will lead to an eventual funding crisis.

**Phil Smith** encouraged attendees to get involved by helping to educate fellow Americans about the challenges we face as a nation with this issue. Maintaining the status quo of borrowing today to avoid dealing with the debt just kicks the can down the road and makes finding a less painful solution that much harder. For resources on what you can do, go to [Concord Coalition](#).

# 2017 Products and Services EXPO

Thank you to all the companies who exhibited at the  
2017 Products and Services Expo.

ABM

All City Elevator

Aspen Waste Systems

Automated Logic

BELFOR Property Restoration

Brin Glass Services

Crawford Merz Construction

Creative Lawn and Landscapes

District Energy

ECSI

Ecolab

EnviroBate

Filtration Systems

Four Seasons Energy Efficient Roofing

G4S

Garage Floor Coating of MN

Gardner Builders

Gephart Electric

Greiner Construction

Harvard Maintenance

Horizon Roofing

Innovative Masonry Restoration

INSPEC

John Dalsin

KONE

Marsden

Modern Heating & Air

Paragon Restoration II

Parsons Electric

Prescription Landscape

RAM Construction Services

Recycle Technologies

Reliable Property Services

Restoration Professionals

Schindler Elevator Corporation

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Siemens Building Technology

Spectrum Sign Systems

Sterling Services

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## New Members

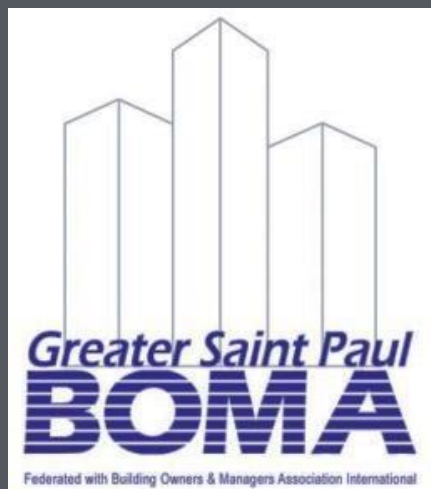
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