



Saint Paul BOMA News

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

MAY 2018

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May

Brokers Group	May 2 nd
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June

Brokers Group	Jun. 6 th
Membership Meeting	Jun. 11 th
Superintendents Group	Jun. 20 th

Meeting Sponsors



ST. PAUL MAYOR MELVIN CARTER TO ADDRESS BOMA MEMBERS

Mayor Melvin Carter took office just a few short months ago and his vision for the city of Saint Paul was set in motion. Mayor Carter is committed to ensuring kids thrive as Saint Paul grows by building safer neighborhoods from the ground up. He will do this by hiring police officers that reflect our city's diversity and making sure officers are trained in de-escalation techniques and connected to social workers, mental health providers and crisis prevention counselors.

Mayor Carter is also committed to the business community by investing in a city that delivers on its promise by ensuring that economic growth reaches all corners of our city – especially the areas that need it most and investing in businesses along cultural corridors across the city. With the changing business climate and commercial vs. residential space in downtown St. Paul, all eyes are on the new administration and how they will balance attracting new development and business while utilizing existing vacant space and strengthening existing business.

In addition to Mayor Carter talking about his plans for Saint Paul, joining him will be **Channon Lemon**, Director of Economic Development for the Saint Paul Chamber of Commerce, **Danette Parr**, Director of Business Development with PED, and **Tonya Bauer**, Director of Strategic Development for the Saint Paul Port Authority. The three of them will be discussing actions being taken to attract, develop and retain employers to Saint Paul.

One Hour of CEU is Pending!!

<u>Date:</u>	<u>Time:</u>	<u>Location:</u>	<u>Cost:</u>
Monday, May 14 th 2018	11:30 – 11:45 Networking 11:45 – 12:15 Lunch 12:15 – 1:15 Program	DoubleTree 411 Minnesota St St. Paul, MN 55101	\$42.50 member \$48.00 non-member

[Click here to register!](#)



CHAIR'S REPORT

Jerry Hersman, Chair
Greater Saint Paul BOMA

Hello fellow GSP BOMA members! As a matter of introduction, I am Jerry Hersman and I am your new Chair of the Greater St. Paul BOMA Board. Sounds impressive, huh? Deep down, please know I am simply another member of this great organization, just like you, who volunteers some extra time to the Chapter. So, who is Jerry Hersman? As the new Chair,

this will be the one article where I spend a bit more time on myself. For BOMA, I have served on the Board of Directors for the past ten years while performing the Secretary/Treasurer duties during four of these years, and the Vice Chair for the past two. A few years back, I served on the Nomination Committee of BOMA International which is the entity that interviews and selects the world organization's top officer candidates. That role provided me great insight into how the HQ operations run - quite impressively, they do!

Professionally, I have worked in the local real estate industry for 35 years having led the corporate real estate programs for four national companies based in the Twin Cities and have been in senior property management roles for the past 15 years. I recently joined Frauenshuh, Inc. where I manage a 22-property, 1 million+ SF medical office building portfolio for a Chicago client. You may know our company a little better as the group that owns Lawson Commons and now manages the 180 E. Fifth building in Lowertown.

Personally, I've been married to a wonderful woman and my soul-mate, Beth, for the past 30 years. We have two sons, Charlie (who is turning 29 and married to Maddy) and Will (who is 26). And not to be left out, I'm a proud Tommie parent.

OK, enough about me. "So, what do you plan on doing as Chair, Jerry?" My main focus will be pretty simple:

- (1) Leave the Chapter in better organizational and financial shape than I inherited. Sounds easy, but truly our Chapter is in pretty darn good shape right now so the emphasis will be on the longer term strategic plan - more to follow in coming months.
- (2) Implement ideas and program improvements that enhance membership value and the member experience.
- (3) Reinvigorate the Chapter committee structure. The committees are our lifeblood where most work gets done and the feeder program for future Chapter leadership. We want - no, NEED - to expose more members to the wonderful opportunities available for all to serve and grow professionally. **(Continued onto next page)**

Chair’s Report Continued

I am grateful to the existing Board members who have committed to an extended run of service so we may continue to leverage their skills and experience. I also ask that you help me welcome two new Directors to our Board - **Clint Blaiser** (right) of Halverson & Blaiser Group, and **Julio Fesser** (left) of Securian Financial Group



Julio Fesser a new member of the BOMA Board as a Director.

who we welcome back for a return gig. At the same time, I need to look backward and express my appreciation to certain people for past service as they departed our Board at the end of March. Shawn Wiski who served eight years, including four as the Secretary/Treasurer and Bill Thurmes who served SO many roles for us over the past eight years that we don't have room to list them here! And last, but certainly not least, a BIG tip-of-the-hat to our departing Board Chair, Julie Bauch! Julie is a highly skilled and connected industry veteran in St. Paul and our Chapter has been blessed to have her leadership benefitting us the past two years - THANK



Clint Blaiser a new member of the BOMA Board as a Director.

YOU MS. BAUCH!

In closing, I look forward to serving you as we go forward together. I invite you to contact me should you have ideas, questions or concerns or just want to talk. I can be reached at jerry.hersman@frauenshuh.com or at my office at 952.540.4455. Thank you!

Annual Membership Meeting



Bill Thurmes

Bill Thurmes was honored with the Volunteer Award to recognize his time he has served as an Officer and a Director of the Board, having served from 2010 - 2018, and the varies committees he has participated on.



Julie Bauch

Julie Bauch was recognized for her outstanding performance as BOMA’s Board Chair from 2016-2018.



Shawn Wiski

Shawn Wiski from Kraus Anderson completed her final term as a Director of the Board, having served from 2010 - 2018.



Brian Field

Brian Field was honored with the Chair’s Award to recognize his 30 years of service on the BOMA Government Affairs Committee.

Superintendents Group

Join us as **Phil Cleminson** with Elevator Consulting Services will talk about new rules and regulations regarding freight elevators. Key points will be the crosshead data plate requirements and lubricator collection pans at the bottom of the main guide rails. The difference between service elevators freight elevators. He will touch on the different Class Loads for freight elevator, A, B, C1, C2, and C3. Also, what code impacts, like passenger elevators, come into play when the owner full upgrade / modernizes.

Philip Cleminson is the Vice President of Sales with the responsibilities of sales, account management, and project management. He has been in the elevator industry for thirty-two years and in the Minnesota market for the past twenty-five years.

Currently Philip is part of the project teams for Ramsey County CHCH, Hennepin County 701 Building, and US Bank – Milwaukee elevator modernization projects.

DATE: Wednesday, May 16th
TIME: 11:30am – 12:45pm
LOCATION: **Golden Rule Building**
 85 East 7th Place
 Saint Paul, MN 55101
COST: \$18 pre-registered,
 \$20 walk-in
EDUCATION: SMA/SMT/RPA/FMA CPD'S

[Click here to register!](#)

Brokers Group



Pat Wolf, Commercial Real Estate Services invites the St. Paul BOMA Brokers to come and check out The 428 building on Wednesday, May 2nd. Parking is available at the Robert Street Ramp, Town Square Ramp or the City Walk Ramp.

The 428 is the repurposing of a historic retail building in downtown St. Paul using health and sustainability guidelines to create workspaces for organizations of all sizes. We've listened to what organizations expect from their space and how it should support the wellbeing of employees and the environment; the 428 is a direct response to those expectations.

Please join us on the first floor of The Golden Rule Building near the new entry way into The 428 for a luncheon followed by a tour of The 428.

DATE: Wednesday, May 2nd
TIME: 11:45am – 1:00pm
LOCATION: **The 428**
 428 Minnesota St.
 St. Paul, MN 55101

[Click here to register.](#)

Commercial Real Estate Day at the Capitol



Minnesota Commercial Real Estate (MNCRE) is planning its third commercial real estate day at the capitol. Commercial real estate

leaders will be meeting with legislators on the morning of May 8th to discuss issues important to the CRE industry. If you are interested in attending & having your voice heard, email sadie.elwood@bomastpaul.org.

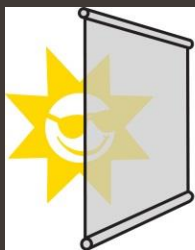
BOMA and A Brew

Don't miss this great opportunity to get to know your fellow BOMA members in an informal social setting! This gathering will take place on May 3rd from 3-5pm (new time) at the Spring Cafe at Como Lakeside Pavilion. Complimentary appetizers will be provided for all in attendance.

This is your chance to say goodbye to Sadie; as this is her last BOMA event! Also you will get a chance to come and meet Savannah the new Marketing and Communications Coordinator! Out with the old and in with the new!

Thank you to our sponsors:

[Click here to register!](#)



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GLASS SERVICE

31st Annual Greater Saint Paul BOMA Golf Tournament

Join us on Monday, July 16th, 2018 for the 31st Annual Golf Tournament at Prestwick Golf Club in Woodbury.

If you are interested in entering a foursome, please contact [Denise](#) at the BOMA office.



Sonnie Elliot Legislative Update



The Governor established his budget priorities in the areas of supplemental spending, taxes and the capital budget in March. The legislature has been working on its own proposals to send to the Governor by the May 21st constitutional deadline for adjournment of the legislative session.

The Governor’s tax proposal enhances the working family credit, establishes a dependent credit, and allows taxpayers to take the standard deduction on the federal return and itemize on their state return. However, his proposal also revisits three contentious items from last session: it reinstates the state general levy inflator and the inflator on tobacco taxes and repeals last session’s estate

tax changes. Leadership in the House and Senate have stated their unwillingness to address provisions in the 2017 Omnibus Tax Bill, as they were part of last year’s budget negotiations.

The House and Senate will be advancing their tax and spending plans in the next weeks of session. Greater St. Paul BOMA will be working hard with elected officials to ensure they do not reinstate the state general tax inflator.

If the legislature and Governor cannot agree to make changes to the tax code in response to the Federal tax changes, the 2018 tax filings will become very complicated. The Department of Revenue is concerned it will need to readjust the software needed to process claims. This means more complications for individuals for the next tax year.

The House, Senate and Governor must compromise before adjournment in order to have a tax bill signed into law. The Governor has stated he will not call a special session to “finish” their work beyond the May 21st deadline.

BOMA BEC Seminar! [Click here](#) to register and to learn more!

Join us for a very special BEC (BOMA Essential Course) as **Tim Flynn**, Senior Commander of the St. Paul Police Department’s Central District shares information on how the security measures put in place throughout the Twin Cities area during Super Bowl 52 measured up? How did we compare to previous host cities and what tips can we provide to future host cities? **Breakfast Sponsorships are still available!**

Thank you to our Program Sponsors:



Date: Wednesday, May 23rd 2018	Time: 8:00 – 8:30 Breakfast 8:30 – 10:00 Program
Location: First National Bank Bldg. Training Center 332 MN St St. Paul, MN 55101	Cost: \$45.00 member \$50.00 late sign up \$55.00 non member

**Education: 1.5 CEU hours
have been APPROVED!**

BOMA Minnesota Opposes Bill Moving MNSCU



Minnesota
STATE COLLEGES
& UNIVERSITIES

A bill is being discussed at the Minnesota Legislature that will require MNSCU's administrative offices to move from its leased space in downtown St. Paul to one of the college campuses. The thought behind this bill is that the

MNSCU office is isolated from the schools, and moving to a campus will help administrators connect better with students and staff. It has also been suggested that the move will save money by replacing leased space for owner occupied.

While the concept appears to have some merit, there are many downsides. In reality, moving the office to one campus will result in greater connection with that one school, but not the other 53 campuses spread throughout the state, so little on this front will actually be achieved. Also, the expense of building out space for 350 employees will take 40-50 years to reach a breakeven point in cost savings. This is a very long time horizon before any financial benefit could be realized for tax payers. Higher education and how learning is delivered may change dramatically in half a century.

However, there is potentially a more pernicious impact this bill could have on the CRE industry. MNSCU currently chooses to use the private sector to take care of its real estate needs for its administrative office. MNSCU has entered into its current lease because this arrangement best meets its space needs relative to the financial resources available. This bill will take away that private sector option. If the private sector provides the best real estate option for MNSCU then it should be allowed to pursue that lease and not have a statute prevent them from making that choice. Even worse, the passage of this bill could set a precedent that eventually forces other public sector tenants into state owned space. If applied more broadly, this political barrier will hurt the CRE industry by driving current tenants into a less preferred real estate option. To add salt to the wound, to pay for the acquisition of additional space, the state may feel a need to raise the taxes on CRE property. Let's hope this isn't the case.

St. Paul BOMA has joined with BOMA MN to oppose this bill. It's bad for the CRE industry and taxpayers. All state agencies and departments should be provided every option available in managing their budgets efficiently without the introduction of artificial constraints that raise costs.

Past BOMA Board Member Michael Edward Julius Passed Away



Mike Julius, age 65, of Minneapolis passed away on April 23rd; survived by admiring wife Mary of 43 years, daughter Kaitlyn, sons Steven (Jessica), and Joseph (Krystal) and grandsons Joseph James and Vincent Michael, his eight siblings, and adored nieces and nephews. Son of Jerome and Thelma, he grew up in Minneapolis on King's Highway, attended Visitation School, and graduated from DeLaSalle High School. A graduate of the University of St. Thomas, he was a football standout. In 1973 he was the

Minnesota Golden Gloves heavyweight champion. In 1975, he was drafted by the Chicago Bears. Married in 1976, he raised three children in Edina. As an active Cornelia parent, he organized events, coached youth sports, and planted hundreds of trees. Mike's passion for real estate led to a 40-year career in the industry; most recently with Hines for 22 years. He served as the St. Paul BOMA president from 1994-95. Mike succeeded due to his work ethic and love of people. Next, to his family, he loved building, landscaping, nature, exploring, and learning. He will be remembered for his rain walks, nature hikes, gregarious personality, mentoring, and dance. His fun-loving attitude and appreciation for the simple things in life were contagious. He truly left the world a better place and we will miss Big Mike so much.

Commercial Building Benchmarking Data Jam by City of Saint Paul-May 17th

Have you ever wondered about those ENERGY STAR scores on buildings? Perhaps you saw the benchmarking presentation at our April luncheon and want to get started on your building. If you have access to your building's characteristics and utility bills, bring them to a free Data Jam training and find out your building's 1-100 score! Benchmarking experts, engineers, utility providers, and representatives from the City will be on hand to help you benchmark and provide you with resources. Bring your bills, leave with a building benchmarked!

**Space is limited at this FREE event,
and registration is required, so
[click here](#) to register today!**



Farewell ☹️



With mixed feelings we say farewell to Sadie Elwood. She has been a key cog on the St. Paul BOMA staff for 2 ½ years. Sadie has been working part time at BOMA while completing her marketing degree. She graduated April 28th and will be starting a internship at Thomson Reuters in late May. While we are excited for Sadie and this great new opportunity she will be taking on, we are sad to lose such a valuable contributor, and friend.

Yes, there were the newsletter deadlines you enforced, the late registrations you handled, the mountain of Gala details you organized, and the red-ink editing you put up with from Joe, but through it all you kept your great sense of humor, and outstanding service ethic to our members. Thank you Sadie for all that you have done for BOMA. We will miss you.

Energy Benchmarking Coming to St. Paul



Kurt Shultz (middle) with St. Paul PED and Chris Duffrin (left) with Center for Energy and Environment presented information to St. Paul BOMA members at the Annual Meeting regarding energy benchmarking. Under a soon to be drafted ordinance, commercial and residential buildings above a specific size will be required to submit energy usage information which will then

be compared to other buildings in a public forum. This energy benchmarking is becoming common place across the country. For more information [click here](#).

BOMA would like to thank Clayton Andrews with Frauenshuh for volunteering his time to participate in a task force in 2017 regarding energy benchmarking. We would also like to thank Mark Miller with Amherst H. Wilder Foundation for agreeing to work with a new committee that will monitor implementation of the benchmarking process.

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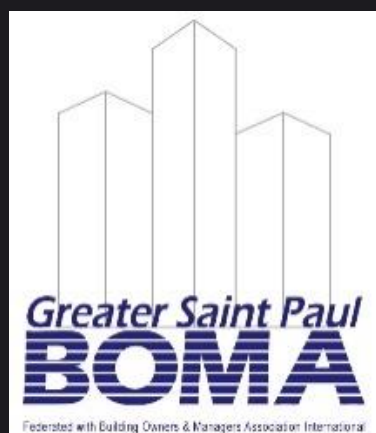
New Member**Joe Wright**

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T: 651-329-4747

Email: joe.wright@identisys.com

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