



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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GREATER > MSP

Minneapolis Saint Paul Regional Economic Development Partnership



In This Issue:

April Membership Meeting
Chair's Report
MN Legislature Recap
Broker's Group
Superintendents
32nd BOMA Golf Tournament
March Membership Meeting
Welcome Michaela!
EER & 2019 BOMA MOB
Distracted Driving Awareness
Month & National Work Zone
Awareness Week
New BOMA Members

April

BEC Seminar	April 2 nd
Broker's Group	April 3 rd
Membership Meeting	April 8 th
Superintendents	April 17 th
Easter (Holiday)	April 21 st

Sponsored by:



April Membership Meeting

New GREATER MSP CEO—Peter Frosch

In 2011, key stakeholders in Minnesota decided to make a significant contribution to growing the local economy by creating a regional approach to economic development, leading to the establishment of GREATER MSP. Since its founding, under Michael Langley's leadership, GREATER MSP has played an important role in the attraction, expansion and retention of area businesses.

With the retirement of Michael Langley, **Peter Frosch** has been named the new CEO of GREATER MSP. Please join us as Peter discusses current GREATER MSP initiatives and outlines what is planned for the future.

Plan to arrive at 11:30am – early start!

One Hour of CEU has been approved!

Date:	Time:	Location:	Cost:
Monday, April, 8th	11:30am- 1:15pm	DoubleTree By Hilton St. Paul Downtown 411 Minnesota Street St. Paul , MN 55101	\$43.50 early registration \$47.50 late/walk-in registration

[**Click here to learn more!**](#)



CHAIR'S REPORT

*If you drive a car, I'll tax the street,
If you try to sit, I'll tax your seat.
If you get too cold I'll tax the heat,
If you take a walk, I'll tax your feet.*

Lyrics from The Beatles song "Taxman"

Taxes, here, taxes there, taxes taxes everywhere! Our Minnesota Legislature is back in session and there is no limit on the desire for increased taxes under discussion. Our new Governor Tim Walz has introduced his initial budget which includes:

- * State of MN - a new 20 cents per gallon gas tax = a 70% increase.
- * Increase the car purchase registration tax as well as the current Car Tab fees.
- * Extend a tax on healthcare providers and medical equipment providers to raise \$100 million.
- * Raise the metro-wide sales tax for transit projects.

Do we have a cash deficit problem to fix? No - the current forecast indicates a cash surplus of about \$1 billion. So, here is this month's trivia question: what is the ONLY state level property tax levied? The answer is...the State of MN C/I Property Tax. So... what is THAT? Over and above the property taxes that a business pays - like any property owner - to the local city, county and school district, it also pays an additional state "Commercial / Industrial" property tax that goes to the state's general fund. This tax was enacted in 2001 AND automatically increases with inflation each year.

That is, until two years ago. My Chair's Report in last month's newsletter addressed the age-old practice of advocacy (lobbying) to voice one's concerns to government. GSP BOMA is part of a network of state-wide industry partners that has lobbied the State politicians to roll-back and decrease these C/I property taxes due. We were somewhat successful and two years ago, our collective effort was able to eliminate the automatic annual inflator on the tax rates part of the levy. Governor Walz has a laundry list of program wants and his budget plan includes the repeal of the cap on the automatic inflator, restoring the annual increases in the taxes on our commercial and industrial properties. The tax doesn't apply to residential real estate, ONLY commercial and industrial properties meaning, OUR industry! Why not residential, too? In part, this is due to the old adage... "people vote, buildings don't". So... a previous political solution to help balance the budget without having to cut expenses to effectively, live within our means.



CHAIR'S REPORT

The overall impact of these various taxes places Minnesota among the highest property taxes in the nation. Commercial and industrial properties account for less than 13% of the total property market value in Minnesota, but we contribute more than 30% of all property taxes collected. According to the Minnesota Chamber of Commerce, our overall property taxes are 2nd highest for rural properties in the country and 6th highest for properties in the metro area resulting in our property taxes being 200% greater than those in some of our neighboring states. The political belief is that businesses are doing well and can afford to pay this level of property taxes. That is a fallacy as the structure of property taxes on the C/I building are passed through to tenants as operating expenses of their occupancy under standard norms of our industry and tenant leases. Bottom line, these tenants are competing with their own industry peers and will look to locate where their cost of business is lowest. Think through that scenario! It's the tenants, not the building owners that pay the collective property taxes.

As our State Legislature continues its process in 2019, I ask that you pay attention to the discussions on the repeal of the cap on the C/I property tax automatic inflator and urge you to contact your local State senators and representatives and voice your concerns about increasing the cost of doing business to our various members. On April 9, our industry group will again convene for our annual "Minnesota Commercial Real Estate Day at the Capitol" to continue to fight the good fight. A healthy metro area requires a healthy base of business operating here and THAT is where the tax revenues can be realized - we all do well when we all do well. This situation impacts all of our BOMA members directly... building owners, managers, and industry service and materials suppliers.

Sincerely,

Greater Saint Paul BOMA
Jerry Hersman, Board Chair



SONNIE ELLIOTT

The Governor and MN legislature have begun working on the next two-year state budget in earnest. Governor Walz has put forward his revised budget recommendations. He reduced his recommendations by \$121 million for a total of \$49.35 billion. The February budget forecast provided for a smaller surplus of \$1 billion, so the Governor produced a budget based on the new projections.

The House has begun the process of drafting its budget recommendations. The House DFL Majority released their budget targets on March 25th. They proposed \$47.8 billion in investments and a \$1.6 billion capital investments bill. The House DFL proposes spending slightly less than the Governor is proposing in the coming biennium.

The Governor and House budget proposals require increased revenue. The Governor proposed to reinstate the automatic inflator on the statewide general levy as a way to increase revenue. This proposal reverses important work BOMA St. Paul was part of in 2017. We were successful in freezing the annual inflationary adjustments that put property tax increases on automatic pilot. The reinstatement of the inflation factor would cost businesses \$53 million in increased property taxes over the next two years.

The House DFL has indicated they will likely consider freezing the rate of the statewide general levy instead. Freezing the rate also is projected to increase the business property tax burden by close to \$50 million in the next two years.

The Senate has said reinstating the state general levy inflation factor is a nonstarter. They have heard legislation to reduce the overall amount of the levy and BOMA St. Paul supports this effort.

Look for the legislature to wrap up the budget recommendations by the beginning of May. They will then work through their differences and send a joint budget to the Governor by May 20th.

Broker's Group

Pat Wolf with Commercial Real Estate Services invites the St. Paul BOMA Brokers to come and check out the 81 On Seventh. Parking will be provided on site.

81 On Seventh is located on the corner of 7th and Minnesota Streets in the heart of downtown Saint Paul. The turn-of-the-century building is fully renovated and currently an open floor plan. Details to watch for include: Douglas fir columns, high tin stamped ceilings, exposed brick accents, and new energy-efficient, copper-trimmed showroom windows.

There will also be two guest speakers, **Kyle Lacek** and **Dan Williamson** with HDR Architects. They will present their interactive workshop: Un-Packing Data-Driven Design.



DATE: Wednesday, April 3rd
TIME: 11:45am – 1:00PM
LOCATION: 81 On Seventh Building
1st Floor
St. Paul, MN

[Click here](#) to register!

Superintendents

Please welcome the City of St. Paul Regional Water Division!

Richard Ekobena is a Professional Engineer. He graduated with a civil engineering degree 20 years ago from University of Minnesota. He has been working at the City of Saint Paul Public Works Sewer Utility for almost 20 years. His current position is Civil Engineer IV, Regulatory & Records Section of the Sewer Utility.

Dolly Ludden is currently the Business Division Manager overseeing of Finance, Customer Service and Billing, Information Services and Meter Operations. She has a BS degree in Corporate Education and a Master of Arts in Public Administration. She has 32 years of service at St. Paul Regional Water services working in a variety of positions.

Jerry Ludden has worked for the St. Paul Regional Water Services for 33 years, He started as a laborer and became a supervisor 24 years ago. For the past 15 years he has supervised Meter Operations. Meter Operations is tasked with monitoring, testing, and maintaining 95,000 accounts throughout the service area. To answer your question Dolly is my wife which makes her the boss 24/7!

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Superintendents

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- Richard will be discussing the sewer credits program, how the credits are calculated, and what water usage qualifies for the credit program.
- Dolly will be talking about St. Paul Regional Water Services new auditing program and how the program can best serve our customers.
- Jerry will discuss the water metering system and some suggestions on ways to use the meters to optimize the water usage at your properties. Jerry will share some interesting stories about people and their high usage. If time allows he will also be able to display the usage history for the people at the meeting.

DATE: Wednesday, April 17th

TIME: 11:30am – 12:45pm

LOCATION: 85 East 7th Place, Conference Room 295

COST: \$18 pre-registered, \$20 walk-in

EDUCATION: SMA/SMT/RPA/FMA CPD's

[Click here](#) to
register!

32nd Annual Greater Saint Paul BOMA Golf Tournament

Join us on Monday, July 15th, 2019 for the 32nd Annual Golf Tournament at Prestwick Golf Club in Woodbury.

The following sponsorships are available:

- Table Registration Sponsorship - \$300
- 11th on the Green Sponsorship - \$400
- Corporate Tent Sponsorship - \$400



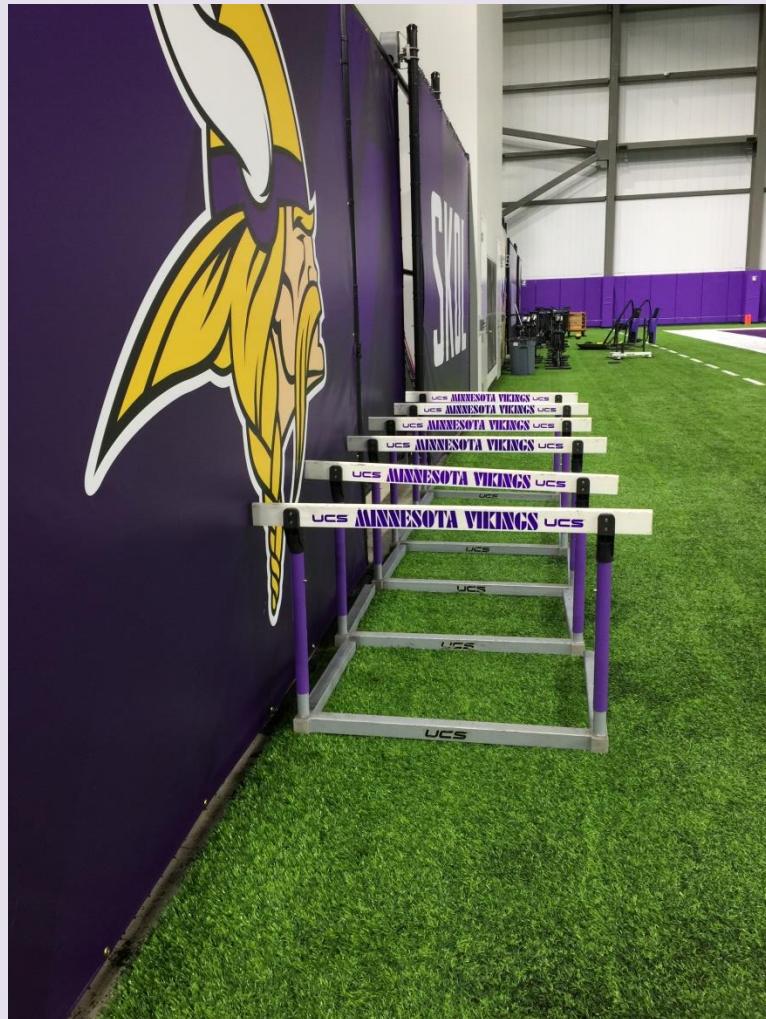
If you are interested in sponsorship or entering a foursome, please contact [Denise](#) at the BOMA office.

Vikings Practice Facility Wows BOMA Members



On March 18th, St. Paul BOMA held its membership meeting at the Vikings new practice facility in Eagan. **Steve Poppen**, Vikings CFO, spoke to the group about the facility and future plans for development.

The main building houses team offices and player training facilities, along with a 100 foot tall, enclosed practice field. A few BOMA members claim they saw the head coach practicing his golf swing in the enclosed field. Adjacent to this building are several outdoor practice fields, along with a 6,500 person stadium, a team museum open to the public, and the Twin Cities Orthopedic Center.



While current development occupies about 33 acres of the former Northwest Airlines corporate office site, MV Eagan Ventures, the development company created by the Wilf family for this project, has plans for the remaining 167 acres. To the east of the current Vikings facilities will be a four star hotel and some office and retail space. To the southeast will be a large tract of green space. To the south is the largest portion, which will be occupied by a 1,000 unit residential development.

Overall, it was an impressive presentation and tour. BOMA thanks **Steve Poppen** and the Minnesota Vikings for their graciousness in hosting our member meeting.

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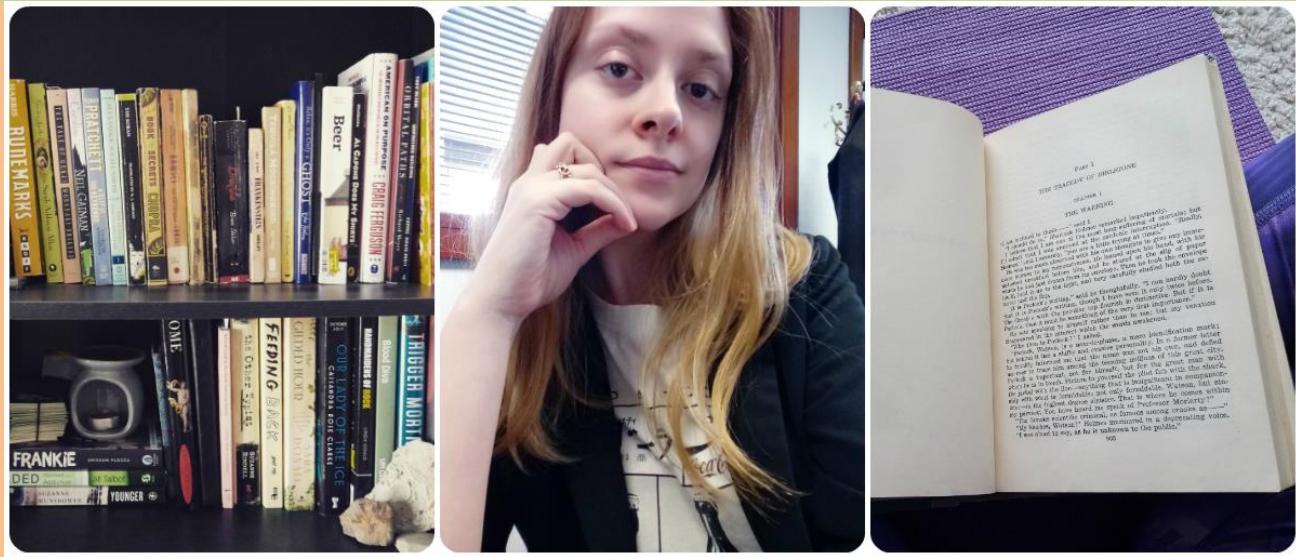
Vikings Practice Facility Photos



To learn more about the MN
Viking's Training Facility,
follow [this link](#).



Welcome Michaela



Greetings and salutations, I'm **Michaela** and I'm the new Marketing and Communications Coordinator with Greater St Paul BOMA. I look forward to getting to know you all and I hope you look forward to all future correspondence from me. Before joining BOMA, I operated within the wonderful world of social media management and event marketing, so keep your eyes peeled for a lot more Twitter and Facebook activity in addition to all the wonderful communication methods you've come to expect.

I have a B.A. in English Linguistics and a seriously nerdy passion for effective communication and narrative. There's almost always a thesaurus tab open on my web browser and sometimes I spend twenty minutes tinkering with an email ensuring that each word conveys the exact message I'm aiming for. Typos and grammatical errors give me anxiety, no joke.

In my personal life, I can often be found in a quiet corner of my apartment curled up with a good book and a pint of beer. When not immersed in the world of escapist fiction, I also run a lifestyle blog and am currently working on a science fiction novel. If you would like a dissertation on the merits of "soft sci-fi", I'm your ticket.

"There is no greater agony than bearing an untold story inside you." — **Maya Angelou**

EER Deadline Extended!

Unlock valuable benefits to improve your building's performance through benchmarking.

Share your data with the 2019 EER surveys.

It's not too late to participate in the BOMA Experience Exchange Report (EER). The deadline for the EER survey has been extended to April 15th, so there is still time to complete it.

This report helps to improve a building's performance through benchmarking. BOMA's survey and report are the preeminent source of comparative data in the marketplace. [Click here](#) to learn more about how you can raise the performance of a building.

2019 BOMA Medical Office Building Conference is Local

INSIGHTS FROM
EVERY ANGLE

[BOMA International](#) organizes and hosts the largest medical office building conference in the U.S. Known as the Medical Office Buildings + Healthcare Real Estate Conference, it will be held in Minneapolis on May 1 – May 3, 2019. This will be a great opportunity for BOMA members to attend a national conference without incurring travel expenses. To learn more about this event, [click here](#).

Distracted Driving Awareness Month

April 1st marks the start of Distracted Driving Awareness Month – a united effort to recognize the dangers of distracted driving and eliminate deaths and injuries that result from it. According to the [National Safety Council](#), at least nine Americans die and over a hundred are injured every day in crashes and collisions that involve distracted driving.

With more and more technology at our fingertips every year - such as cell phones, touch screens, and Bluetooth devices - it's hard not to be distracted. The U.S. Department of Transportation recommends the following steps:

- Turning off electronic devices and placing them out of reach while driving
- Setting a good example for young drivers and talking with them about responsible driving
- Speaking up when you're in the car with a driver who is using a device or offering to take the call/text for them
- Always wearing your seatbelt – not only will it provide the best protection for you in a collision – it's the law

The “*U drive. U text. U pay.*” campaign, now in its fifth year, is a high visibility enforcement campaign that will have officers across the nation looking out for drivers who are texting or using their phone. Avoid being ticketed and stay safe on the road by following the steps listed above and sign the [Pledge to Just Drive – Free from Distraction.](#)

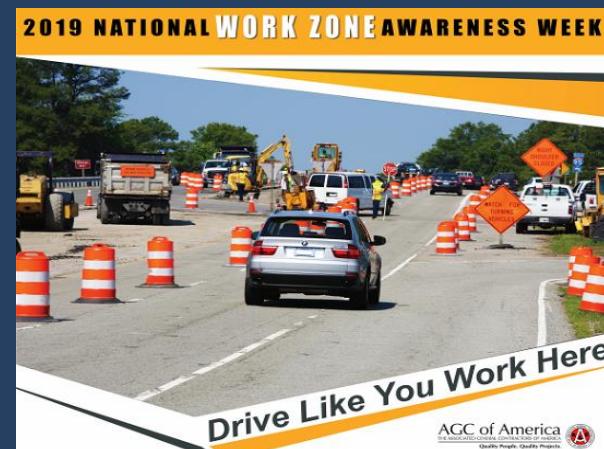
For more information [click here.](#)

National Work Zone Awareness Week

[Drive Like You Work Here](#) is the slogan for 2019’s National Work Zone Awareness Week (NWZAW), which spans from April 8th to the 12th, and exists to encourage safe driving through highway work zones. There are more than a hundred work zone crashes and fatalities every year, with excessive speed accounting for 29% of fatal collisions.

The Federal Highway Administration has shared these safety tips in order to encourage more mindful driving and reduce fatalities:

- Slow Down – look for signs indicating reduced speed
- Move Over – MN move-over laws apply when passing work crews and vehicles
- Obey Road Crews and Signs – pay attention to cones, signs, and road crew in high-vis vests directing traffic flow
- Watch For Sudden Stops – be on the lookout for brake lights from the vehicles ahead of you
- Avoid Distractions – Keep all electronic devices out of reach and keep your eyes on the road
- Plan Ahead – Expect delays and leave early, avoid work zones altogether if you can safely find an alternative route



Speeding and distracted driving endanger everyone, especially in perilous work zones. This year, when encountering road construction, remember to *drive like you work there* and be mindful of those around you for a safe commute.

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