



# 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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## Upcoming Events

**April**

To Be Determined

**May**

To Be Determined

## Unprecedented Times Call for a Long Term Approach

The March membership meeting, with its discussion of the Ford Site, seems oh so long ago. At the time, it was apparent that the coronavirus was spreading, but our region and the nation as a whole hadn't yet received the full brunt of the health crisis tsunami that has engulfed our country today. Make no mistake about it, the water line of this catastrophe will only rise further.

While there is much to be fearful about with COVID-19 and the recession, Saint Paul BOMA is impressed by the resilience and response, locally, to the incredible challenges we are facing. Individuals and groups have stepped up to take on this two-headed threat, with determination and a cooperative spirit. A few examples are:

- The public and private sectors have expanded an existing group (East Team) which had been focused on economic development, to include weekly updates on a coordinated response to the health/economic crisis.
- Pat Wolf, along with Julie Perteet, organized an informal group of property managers for a regular conference call to discuss issues buildings are facing. (Contact Pat Wolf for more info: [patwolf@cres-inc.com](mailto:patwolf@cres-inc.com)).
- The Education Committee and BOMA staff changed the model of seminars/meetings in about one week. This was no small undertaking to incorporate Zoom into the mix. Congrats to all involved for your efforts.

Regarding meetings/seminars going forward, we will rely heavily on webinars, so please respond to the survey on any suggestions for topics that you might find helpful during this crisis.

As for the current state of affairs, we all need to be patient. While it's tempting to relax the social distancing regimen prescribed by public health officials in order to reinvigorate the economy, such an approach would be ill fated. We need to support and follow the guidance of the CDC. No one can accurately predict if we will be past the worst of this pandemic in 3-6 months; I for one certainly hope so. However, it's not inconceivable that we may pass through multiple phases of social distancing before a vaccine is available, or the sheer number of post-infected, immune individuals brings new transmissions to a halt. Until that point, we need to heed the advice of the epidemiologists and play the long game knowing that this will eventually pass.

Play it safe and keep your distance.

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# CHAIR'S REPORT

*It's the final countdown.....*

This Chair's Report is my final - and 24th straight - monthly submission for the past two years serving as head of your GSP BOMA Board of Directors. Normally, this edition would be a nostalgic look back over my term summarizing the highlights and the insider juicy tidbits of what really goes on behind the scenes in BOMA's downtown office. Then, it's *hasta la vista* as I ride off into the St. Paul sunset. But, "normal" flew out the window about three weeks ago, casting all of us into new and unknown dark waters we have little knowledge on how to resolve. A gut punch called the COVID-19 virus has changed our collective worlds in ways no one saw coming.

Imagine, since early March, we have seen over 2,000 US deaths directly related to the virus, 3.3 million US workers file for unemployment - and that is just the first wave - and saw our federal government pass a \$2 TRILLION relief bill - not knowing how much will ultimately be needed to address our needs. We have seen all levels of sports and entertainment immediately cancelled and "Shelter in Place" has taken on a whole new unexpected meaning apart from the Active Shooter drills we have learned over the past few years. And we now see all live GSP BOMA meetings cancelled for at least the next month - this is getting serious! The COVID-19 virus feels like 9/11, the '08-'09 recession, and a 15" blizzard happening simultaneously day after day.

Instead of the BOMA St. Paul office juicy bits I was going to address in this report, how about the back story of those in the real estate industry instead? The downside of the virus is the total disruption to businesses. First employees started getting laid off with closures, followed by vendor staff as businesses slowed down or closed. Then the retail and commercial revenues dried up as the customer flows slowed for all who aren't in the toilet paper industry. Retailers are a hurting bunch right now and looking for rent relief. That relief is requested from our member building owners and managers who are the next rung up the real estate ladder. This group is limited to what they can provide as they, in turn, have their own mortgages, utilities and real estate taxes to pay,

As the first wave of the virus hit after almost all March rents were paid by tenants, we head into April not knowing what rents will come in, let alone if the staff for tenants able to pay are even able to get into the office to process the rent checks. So where do building owners go for relief? To the banks who are now bombarded with such requests. This entire system has quickly spun out of control with no end in sight.

## CHAIR'S REPORT – CON'T.

So, is it ALL doom and gloom? NO! What I see happening daily in our local real estate industry is an incredible and impressive display of care, ingenuity, and best practices on issues never seen before. Our own Pat Wolf has assembled a group of local property managers to meet on-line regularly to discuss matters and pool ideas on the best path to address staff and tenant issues.

The Property Management leadership of my own employer meets for an hour 3-4 times a week to check on staff and family, tenants, operational conditions within our buildings and what updates we can communicate in a prompt and consistent manner to our teams and out to clients. We are identifying construction projects pending to see what work can be stopped or deferred to preserve cash resources - our own version of "flattening the curve".

We are discussing how to best shutter buildings and prepare for safe re-occupancy when that time comes so we are all following proper procedures. We address work-at-home ideas so family needs can be met and expand social distancing at work, at the same time working to prepare for the peak of the problem which is still weeks away. We are working with clients to keep them updated on tenant hot points and communicating new policy from clients to tenants and vendors to maintain safe work conditions for all.

Though we have never lived through an environment like this in the past, we are ALL resilient and WILL come out stronger on the back end - we always have and we always will. Now more than ever, talk to your peers, your staff, your clients, your tenants and tell others your good ideas or simply express what help you need. We are here for each other! Stay safe and stay healthy and I look forward to the time in the near future I am again able to shake all of your hands.

*Jerry Hersman*  
Chair, GSP BOMA

# COVID-19 Links and Resources



Like communities across our nation, the City of Saint Paul has been closely monitoring the unfolding of the situation around the spread of coronavirus (COVID-19). The City is working diligently in responding to the unique needs of our residents, business owners, and key partners and is coordinating closely with public health officials. Learn more about the City's response at [stpaul.gov/coronavirus](http://stpaul.gov/coronavirus).



SUBSCRIBE TO  
COVID-19 UPDATES



**Greater Saint Paul BOMA has put together a resource page for COVID-19 with links to resources, information, and documents relating to CRE professionals and buildings.**

[Click Here for More](#)


## Some Levity

*"The hills are alive ...."*

With the sound of a pandemic! This clever parody advises the Von Trapp children to stay inside to stop the spread of the coronavirus!

[Watch it here!](#)

Chris Mann also entertains us with his take on this Adele classic: Hello (From the Inside) – [complete with hilariously composed music video](#).



## **Vote On 2020/2021 Board Members**

*With the cancelation of the annual meeting, St. Paul BOMA still intends to hold the election of the 2020/2021 Board of Directors. This will be done electronically. Watch for an email notice next week from the BOMA Office which will prompt you to open a link to a secure document that will allow you to vote anonymously.*



## **Urgent: Alternative Care Sites Needed**

The metro area has an urgent need for physical locations to potentially serve as alternate care sites for hospital patients as a result of the pandemic. Ramsey County was able to locate one potential site so far at Bandana Square – but it is nowhere large enough for the total need. The urgency of identifying **Alternative Care Sites** was highlighted and elevated March 28th by the State Emergency Manager echoing the priority of the Governor.

The 7-county metro region has a goal of 1,000 beds. ACS is designed to provide care to non-critical patients outside of existing hospitals. This will help ensure the most critically ill receive higher level care in fully staffed and supported permanent facilities.

Real estate, community development, and/or property management professionals are encouraged to locate vacant sites that are “hospital-like” or could serve in a medical capacity. Sites might include closed nursing homes and other places with individual rooms (convention center/flat space warehouses are **not** desired).

Basic guidelines:

- Proximity to existing, permanent medical hospital (10 mile/30 min)
- Readily available (10 mile/30 min) HazWaste disposal, linen/laundry, pharmacy
- Does not need to be fully ADA compliant; only to extent of existing facility
- State or City Owned Property Preferred...eases leasing and permitting.
- Built/Renovated after 1990 to mitigate lead paint/asbestos.
- Already has redundant power or emergency power
- Building already Sprinklered and meets Fire Code
- Should be Single Rooms with attached Bathrooms if possible
- Meet Modern Power 3-Phase, 3-Wire

This is an urgent need, and real estate/property managers should contact **Kari Collins:**  
[Kari.Collins@CO.RAMSEY.MN.US](mailto:Kari.Collins@CO.RAMSEY.MN.US)





# Coronavirus Webinar

On Monday March 30<sup>th</sup>, Greater Saint Paul BOMA hosted its first live webinar for members to learn from and interact with experts regarding the COVID-19 pandemic. Speakers **Jocelyn Ancheta** and **Caleb Johnson** from Ramsey County Public Health presented an update on the current situation with coronavirus cases in Minnesota and reiterated the importance of social distancing and hand washing to slow the spread of transmission.

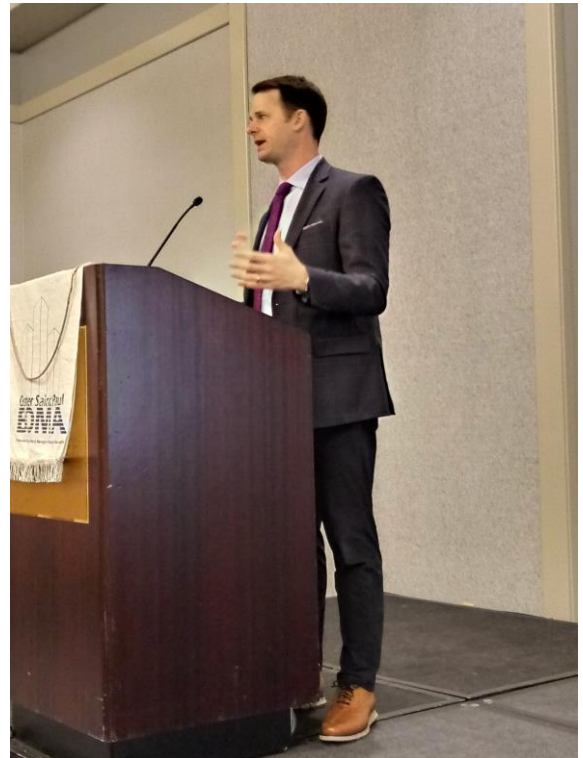
**Rick Schute**, Director of Saint Paul's Emergency Management Department also shared some of his insight on how Saint Paul is handling building closures and what steps his department is taking to mitigate the worst case scenario for Minnesota.

Viewers were encouraged to chime in with questions and comments of their own. Property managers shared their experiences with shuttering their buildings and reducing on-site staff, and also expressed concerns about the skyways, police presence, and rent abatement from tenants.

Did you miss this webinar? [Watch it for free here.](#)

# March Meeting Summary

by Joe Spartz



## A Community of the Future

When Ford decided to close the assembly plant in the Highland Park neighborhood, there was angst over the loss of good paying jobs, and concerns about the potential negative impact on the tax rolls. But there were those in the development industry, like Ryan Companies, who sensed a significant opportunity. By following a formula of patience and perseverance, they are about to embark on a journey that will create an amazing 21st century community in the southwest corner of St. Paul.

Ryan has tracked this site since the plant closing in 2011, seeing it as a unique chance to develop a remarkable parcel of land within a city, a circumstance that doesn't occur often. The company responded to Ford's RFP in 2017 and was selected as the developer in 2018. Ryan purchased 122 acres of the 135 acre site from Ford, closing on the deal in December of 2019.

Prior to the final purchase, Ryan focused on a high level of community engagement. The company wanted to stay true to the master plan approved by the St. Paul City Council, but also knew it needed to listen to residents, near the site, and throughout the city. It held a series of meetings and conducted surveys to collect feedback from community leaders and citizens, and with this information, tweaked the master plan to take concerns and suggestions into consideration.

## March Meeting Summary (con't.)

Ryan's new plan reduces the overall housing density of the site by a few hundred residents, from a maximum of 4,000 to 3,800. The housing will be comprised of 2,250 multi-family units, 750 affordable units, 280 row homes, 35 single-family homes, 85 condos and 400 senior rental units. The single-family homes will be located along East River Road in the southwest corner of the site. As you move east from these houses, further into the development, density of housing will increase.

The new plan also reduces the total commercial space from a maximum of 400,000 sf to 265,000. Likewise, retail was shrunk from 300,000 sf to 150,000. According to Tony Barranco, Senior Vice President of Real Estate Development, slimming down elements of the site, like commercial and retail, better fit the long term site vision that Ryan is embracing.

The site design calls for a small plaza adjacent to Ford Parkway that will act as an entrance to the development. A larger plaza to the south, the size of Mears Park in downtown St. Paul, will serve as an open space for events. Connecting the two will be a retail promenade lined with a variety of shops, bars and restaurants. While some stores will be scattered about the site, most will be concentrated to the north.

A key feature of the site calls for a central, storm-water greenway, running from north to south, ending in a pond. Circumnavigating it will be limited to bikes and pedestrians, providing valuable green space for local residents, workers and visitors alike. "When completed, this tree-lined waterway will be unlike any other in the Twin Cities," says Barranco.

One concern expressed during the engagement process was the fate of several local baseball fields. These ball fields had been the early stomping grounds of the likes of Paul Molitor, Dave Winfield, Jack Morris and Joe Mauer. Ryan agreed to keep the baseball fields given their historical significance to the area.

When fully developed, the Ford site should carry a market value of around \$1.3B. This compares to about \$30M-\$40M for the old Ford plant. This uptick in property value will result in the site generating about \$18M in property taxes vs. about \$1M for the truck plant, a sizeable improvement for city coffers.

So what is the timeline on this exciting project? Barranco expects site grading to start soon and infrastructure to follow thereafter. Some of the first buildings could start going in as early as the spring of 2021. Complete site build out will take 15-20 years.

[Click Here to see Program Slides](#)



# Complete Your Office EER Survey

## There's Still Time to Complete This Year's Office EER Survey!

This month has brought many unexpected challenges, so BOMA International has been working hard to make things as easy as possible for property professionals on all fronts. **With that in mind, we have extended the deadline to submit to the Office EER survey to Monday, April 20.**

Participating in the survey can be done from any computer and only takes a few minutes—and it comes with big benefits: a deep discount on and priority access to your subscription to the 2020 Office EER, along with a free top-level Market Snapshot. You also fulfill a prerequisite for applying for, maintaining or renewing your building's [BOMA 360 designation](#).

Thanks to this year's survey being nearly 20% shorter than last year's, you'll be done in as little as 30 minutes, and you can save your answers as you go. Spend just a little bit of time now and you won't miss out on submitter benefits later in the year. You'll be glad you did.

Filling out the Office EER survey is easy to cross off your to-do list. Complete your survey today at [eer.boma.org](http://eer.boma.org).



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