

**MARCH 2020**

**VOL. 6, NO. 3**

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## Upcoming Events

### March

Brokers Group – March 4  
Membership Meeting – March 9  
MnCRE Morning at the Capitol – March 26

### April

Annual Meeting – April 13

Newsletter sponsored by:



In November of 2019, the City of Saint Paul and Ryan Companies announced a redevelopment proposal for the Ford Site - a 21<sup>st</sup> Century Community will emerge on the 135 acres of land situated along the Mississippi River. The vision for the site is a connected, livable, mixed-use neighborhood that looks to the future with clean technologies and high-quality design for energy, buildings and infrastructure. This site will be woven into the existing community, and support walking, biking and transit, and provide services, jobs and activities that every generation can enjoy.

The proposal includes an investment of \$92 million for new public parks and infrastructure, realized in part through \$32 million in private infrastructure investment in addition to the private investment required to develop the numerous individual projects and \$53 million in tax increment financing (TIF).

**Tony Barranco**, Senior Vice President, Real Estate Development for Ryan Companies will join us on Monday, March 9<sup>th</sup> at the Double Tree Hotel in downtown St. Paul with more details on how this 21<sup>st</sup> Century Community is about to unfold.

**ONE HOUR OF CEU APPROVED**

*Click Here*

**TO REGISTER!**

**Date:**  
Monday,  
March 9th

**Time:**  
11:40 – 1:30 pm

**Location:**  
DoubleTree by  
Hilton St Paul



# CHAIR'S REPORT

(Minnesota BOMA Delegation pictured with Rep. Angie Craig)



In early February, I had the honor to represent GSP BOMA at the annual BOMA International Winter Business Meetings in Washington DC. The 3-day event is the opportunity for organizational leadership and various industry and program committees to connect and continue their work on a variety of initiatives and topics as well as for "corporate" to reconnect with the Chapters.

And what an exciting time to have been in DC! The evening of Day 2 was the annual State of the Union address by President Trump followed by the Day 3 historical impeachment vote. Our main luncheon keynote speaker was Bob Woodward of Woodward and Bernstein fame - reporters for the Washington Post that broke the Watergate story open leading to Richard Nixon's resignation in 1974. Woodward provided us great insight on the current state of politics in DC and his perspective on "Trump vs. the Democrats". He also shared inside details of his past discussions with Gerald Ford and the real story behind his pardon of Nixon - one of the more interesting discussions I have heard!

# CHAIR'S REPORT – CON'T.



One main focus of BOMA International is advocacy and Day 3 of the meetings was our visit to Capitol Hill to meet with our state legislators. Together with the Minnesota Congressional Delegation, we were able to visit with staff of 7 of our 8 Minnesota Congressional Reps as well as both U.S. Senators Tina Smith and Amy Klobuchar. The purpose of our meetings was to remind the office staff who BOMA International is, what current legislation is important to the real estate industry and the need for their support, and that BOMA St. Paul and Minneapolis are happy to be a resource to their offices should they have questions on bills coming across their boss's desk for a vote. One surprise outcome of the discussions was our shared interest in Workforce Development and the need to transition new workers as a key element of keeping our industry and economy strong.

The three key issues our BOMA contingent focused on in the conversations with Congressional Members were,

- [Correcting the QIP error from tax reform](#)
- [Making 179D permanent, the Energy Efficient Commercial Building Tax Deduction](#)
- [Passing the "Energy Savings & Industrial Competitiveness Act" for BOMA to have a stronger role in the codes development process, relating to energy efficiency](#)

With advocacy as a focus and our own Minnesota legislature again in session we now turn our attention to State issues. On March 26, we will have our own annual "Minnesota Commercial Real Estate Day at the Capitol" event where a large number of industry representatives will spend time at the Capitol meeting with State Reps and Senators of both parties communicating our agenda of industry issues of concern. These experiences are truly living examples of democracy in action and GSP BOMA is honored to represent our members' needs on these matters.

*Jerry Hersman,*  
GSP BOMA Chair



# MN Legislature

**With Sonnie Elliott & Donovan Hurd**

The Minnesota Legislature started on February 11, 2020. There is no lack of ideas from lawmakers both good and bad. Thus far the House of Representatives has introduced 3767 bills and a like number have been introduced in the Senate. And there are still over two months left in the legislative session—they adjourn May 18, 2020.

The primary objective for the 2020 legislative session is to pass a capital investment bill, commonly known as the bonding bill. The House Capital Investment Committee has been hearing overviews from commissioners regarding Governor Walz's recommendations. The Department of Administration testified on its request to update the Real Estate Strategic Plan; the first update of the plan in 20 years. The last plan no longer provides relevant guidance related to building locations, agency co-location opportunities, lease vs. own strategies, and other factors.

In addition to the bonding bill, there may be surplus budget funds to spend. The Senate Republicans recently released their legislative priorities for the session. The cornerstone of their proposal is tax relief. They propose to use the projected billion budget surplus for income tax cuts, eliminating social security taxes, and fully conforming to Section 179 expensing. The House DFL has put forward a spending priority for early education. The Governor is waiting until after the February forecast (Feb. 27) to release his supplemental spending and tax bills in March.

Among the issues we are working on for St. Paul BOMA members is one you may be familiar with already. It is creating a voluntary salt applicator certification program run by the State of Minnesota through the Minnesota Pollution Control Agency (MPCA). The bill's purpose is to encourage private sector applicators to receive best practices training and education to help reduce the amount of salt used in snow and ice removal. In exchange for receiving the certification training, the snow removal professionals and their customer would receive liability protection. However, concerns have been raised regarding the strength and impact of the liability protections.

We will keep you informed as we work through tax issues, building code requirements, new building permit fees and other important issues for St. Paul BOMA and its members.

# MN Legislature

With Sonnie Elliott & Donovan Hurd

**The legislature is considering bills in the following areas.**

[HF3222](#) (Rep. Becker-Finn) State Building Code; baby diaper changing station installation in public restrooms required

[SF3105](#) (Sen. Hoffman) Adult-size changing facilities in restrooms accessible to the public requirement

[HF3003](#) (Rep. Noor) Automatic sprinkler system installation in certain existing high-rise buildings required

[SF1667](#) (Sen. Ruud) Certified salt applicator program establishment

[HF3702](#) (Rep. Hornstein) State building construction materials; funding provided for study to examine costs and benefits of requiring environmental assessments of building materials used in state buildings to be included in bids, and money appropriated.

[SF3318](#) (Sen. Clausen) Security system companies licensing and background checks for installers requirement

[HF1095](#) (Elkins) Procedure for creating municipal street improvement districts established

Contact the BOMA office if you have concerns or need additional information on these proposed bills.



## February Meeting Recap

by Michaela Osiecki

2/10/2020 – Monday's membership meeting tackled the complex topic of Minnesota's changing workforce demographics. **Dr. Steve Hine** of the Minnesota Department of Employment and Economic Development (DEED) and **B Kyle**, President of the Saint Paul Area Chamber of Commerce spoke on the impact of aging workers and how this affects Minnesota and also specifically Saint Paul.

The 70's and 80's were the prime working years for the Baby Boomers and women were entering the workforce at rates never before seen. All that changed in 2001, when Boomers began to reach retirement age and the number of workers entering the labor force noticeably dropped. Minnesota had a 40k annual increase in workers from 1976 to 2000 and the average per year since then has dropped to 15k, with local demographers projecting a continued decline.

Although projections indicate an average as low as 5k per year entering the workforce in the next decade, **Hine** shared some good news: 70% of the labor growth in the past eleven years has been attributed to immigrants. Without them, that 15k per year growth would have been closer to 5k. In recent years, however, that number has dropped off to land closer to 3k immigrants entering the workforce each year, a number that **Hine** says is worrisome.

An even more significant shift is present when comparing the number of minorities entering the workforce versus white non-Hispanic workers: 130% of the labor force growth is because of people of color. **Hine** highlights the fact Minnesota is losing white workers while gaining minorities, but the rate of growth in workers overall is still very low.



One explanation for this demographic shift is that foreign born workers entering the workforce between 2013 and 2017 are largely in their prime working age while native born (white non-Hispanic) workers are reaching retirement age. 2017 brought a slight turnaround, with more people entering Minnesota than leaving it, but that has since dropped and with international migration decreasing overall the rate of workers entering the MN labor force continues to drop.

**Hine** predicts this trend will continue into the foreseeable future, because even though foreign born residents in Minnesota are younger and more likely to be part of the labor force they are also more likely to face setbacks such as lack of education, language barriers, and the absence of a professional and social network. Finding solutions to these problems and breaking down barriers to help integrate minorities into the workforce may be the solution to attracting new business and growing Minnesota's economy.

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## February Meeting Recap

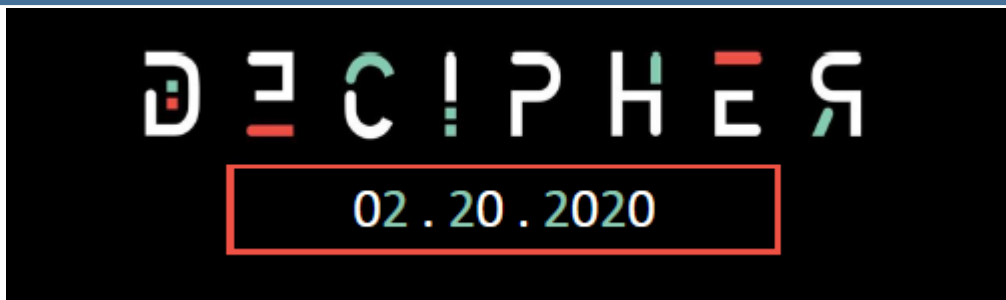


As **B Kyle** confirms, Minnesota's population growth has been driven particularly by people of color and one of the Saint Paul Area Chamber of Commerce's (SPACC) priorities is to support a diverse economy and workforce. She highlighted some of the strengths of SPACC – such as a community brand that supports diversity and community partners committed to doing better. There are, of course, opportunities where more focus could be placed and some of those included tackling racial inequalities and empowering professionals of color, while also looking at land development opportunities – like the Ford Site and Riversedge – to determine how those projects affect the future of Saint Paul.

The final slide of **Kyle's** presentation included some questions that everyone should be asking themselves: What can we do to change the narrative and attract more business to Saint Paul? Do we know the difference between diversity and inclusion; and are we practicing the latter? Are we doing what is meaningful and not just expedient?

During the Q & A, Pat Wolf commented that Saint Paul can sometimes be its own worst enemy when those who live and work here don't believe in what can be done to revitalize and change the city. Both speakers reiterated that a change in attitude about shifting demographics and eliminating barriers will give Saint Paul's economy the best chance to thrive.





## Decipher Event 2.20.20: Puzzle Solved

-- by Joe Spartz

We're all problem solvers. We do it every day, be it at home or on the job. Some problems are simple while others are complex. It's part of being human in today's ever changing world. And we each go about it a little differently given our skill sets and preferences. Some of us excel with numeric reasoning while others are more comfortable with language or visual based puzzles.

This range of problems was on display at the Decipher social event, organized by the St. Paul BOMA Special Events Committee that was held on 02.20.20. Trapped Puzzle Rooms, an outside vendor, provided the organized entertainment. It was essentially a table top exercise that required teams of participants to work through a series of puzzles to complete the game. Problems needed to be solved that then provided the combination to a lock which secured a chest. Opening it gave access to additional problems that helped to unlock compartments in the chest, leading to a final solution for the game.



What I found to be most interesting was the range of skills demonstrated by the group I was in. It was easy to get focused on trying to solve the problem in front of you, but stepping back and observing, it was intriguing to see how participants each contributed differently to the overall solution, probably driven by individual skills and preferences. Combining together the ideas and input from the individuals allowed the group to succeed. It was team work in action.

Continued on next page



The reaction of attendees to the event was very positive. Julie Bauch had this to say. "The room was full of laughter, conversation and good energy. It was a great new twist to old fashioned networking. A very enjoyable evening overall." This same sentiment was echoed by Julie Perteet. "Lots of fun and a great team building event!" My own personal take was, after attending over a dozen BOMA social events in the past seven years, this was the best.

I asked Simon May, the Chair of the Special Events Committee, why they chose this activity? "We have a very creative Special Events team and we wanted to try something completely different to attract and engage the Property Managers, Engineers and Vendors alike. We felt a puzzle activity like this would do that, plus provide a great means to get participants interacting with each other in a fun relaxed, albeit a little competitive environment." Based on attendee feedback, I would say the committee hit a home run.



The evening wouldn't have been possible without the efforts of the Special Events Committee. Kudos to Simon May (McCaren Designs), April Pomeroy (CenturyLink), Mike Soukup (ServiceMaster), Heidi Lohmann (Sun Control of MN), Joe Aho (Veritiv), Nancy Roland (Grazzini Brothers), Thomas Polson (Soulo Communications) and Maria Redman (Innovative Office Solutions). What a talented and hardworking committee this is. St. Paul BOMA appreciates all your efforts.

Also, a note of appreciation to Pat Wolf for hosting the event in her 81 On Seventh building. The space was perfect for the exercise. And lastly, there were numerous compliments on the food. Thanks to Rhonda Pape and TST Catering for providing the beverages and appetizers.



One last note, the Special Events Committee used this event to create a fundraising opportunity for a good cause. Joel Franklin from the Community Ambassadors was invited and Simon May encouraged individuals to contribute to the initiative. By the end of the evening, we had raised \$200 in support of the Ambassadors. Joel really appreciates BOMA members support.

I was proud of the Decipher event that was organized by the Special Events Committee. I strongly encourage building managers and personnel to take the opportunity to attend these well planned and executed events. I guarantee, you'll enjoy yourself and will be glad you made the time to participate.







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# MnCRE Morning at the Capitol



In March, St. Paul BOMA will be hosting the MN Commercial Real Estate (MnCRE) Morning at the Capitol along with our colleagues from NAIOP, MSCA, BOMA Minneapolis, and MNCAR at the Minnesota Capitol. All Saint Paul BOMA members are invited to attend. The MnCRE coalition was created to unify our efforts to educate legislators about the commercial real estate industry and advocate for reducing business taxes. The first MnCRE Day at the Capitol was held in 2016.

The coalition supported St. Paul BOMA's efforts to remove the automatic inflator on the state general levy. In 2017, the state removed the inflator and last year lowered the levy amount another \$50M. Participating in the MnCRE Morning at the Capitol is a good way to continue advocating for business tax relief and other St. Paul BOMA priorities ahead of the 2020 November election when all 201 House and Senate will be up for re-election.

## Details of the event are as follows:

Date: March 26<sup>th</sup>, 2020

Time: 8:00 - 10:00 – Registration from 8:00 to 8:30

Location: MN State Capitol, 75 Rev. Dr. Martin Luther King Jr. Blvd

L'Etoile du Nord Vault Room located on the basement floor of the Capitol below the Rotunda ([Find Parking Here](#))

Cost: Free for BOMA members

We encourage everyone to take advantage this chance to share our message with our commercial real estate colleagues! MnCRE Morning at the Capitol is an easy way to meet with numerous legislators and educate them on the impacts of your business on the local economy.





By Michaela Osiecki

Discover the new taste of  
**LOWERTOWN**

PLEASE RE-ENTER HERE

**DONE!**

## Health, Wealth and Social Change @ Station 81

On Friday, February 7, 2020 Union Depot's newest restaurant celebrated two months since its grand opening with an exclusive food-tasting event. The attendees at the Station 81 event were able to sample some of the menu's mainstays - like chicken wings and tacos – but also got to taste a few items curated just for them.

Just up the stairs, located to the left of the Lowertown Bike Shop, guests could peer over the railing for a bird's eye view of Station 81's fully equipped bar and observe the coming and going of Union Depot's travelers. Nestled back on the far wall of the restaurant's second floor, buffet style tables beckoned with an array of mouth-watering samples.

Three types of corn tortilla tacos – beef, brussel sprouts, and walleye – sat beside two chicken wing flavors. It was hard to choose a favorite between the dry rub and the buffalo sauce...but any joint that nails its chicken wings is doing something right.

Passing the temptation to either hydrate or caffeinate – a conservative coffee bar and a lemon water carafe separated the two food tables – the promise of a full meal beckoned. After grabbing a plate and loading it up with a delicious garden salad, guests were faced with several options: Pork Loin with Apple Chutney or Cornmeal Crusted Walleye? Brussel Sprouts tossed with an Apple Cider Vinaigrette and Maple Syrup or a hearty Mac & Cheese? The correct answer, of course, was all of the above.

Continued on next page

## Health, Wealth and Social Change @ Station 81



This RSVP-only celebration was led by **Jean Krueger** and **Commissioner Rafael Ortega** of Ramsey County, and Appetite for Change (AFC), the community-led non-profit organization behind Station 81. AFC's **CFO Aaron Palm** spoke to the crowd, commenting that he is looking forward to providing affordable cuisine in the beautiful, historic setting for years to come. After those opening remarks, **Saint Paul Mayor Melvin Carter** took the mic to share his excitement for the new eatery.

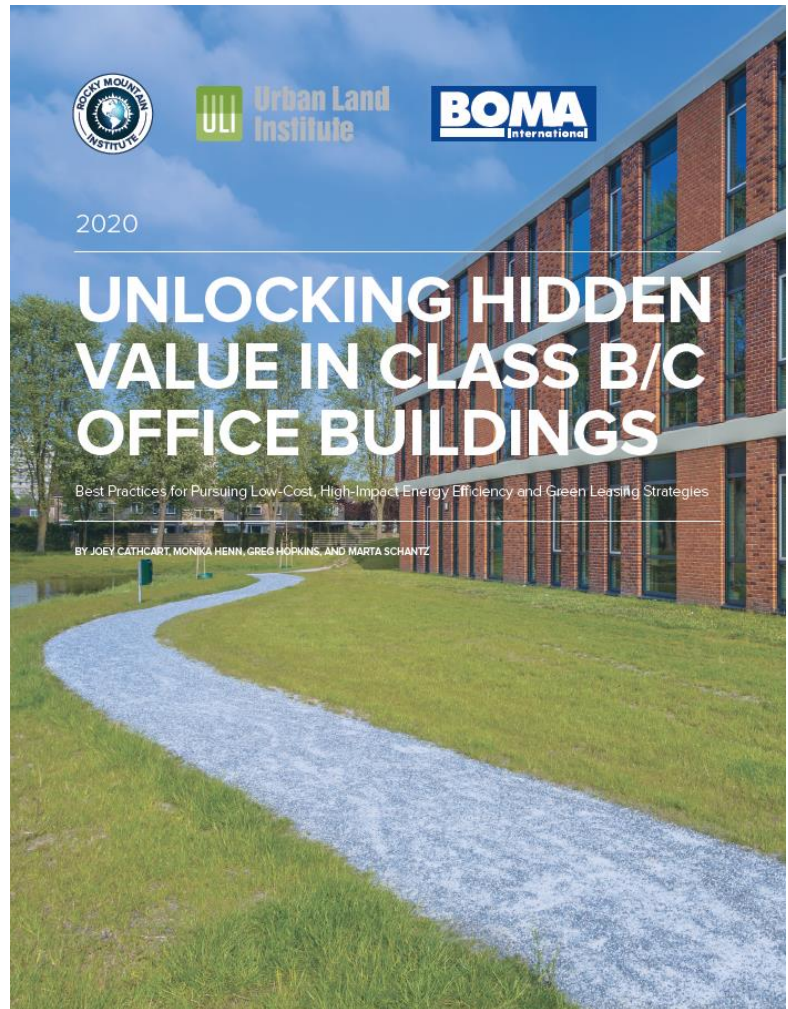
Appetite for Change is based in North Minneapolis and runs several "food justice minded" and sustainable ventures, including: Breaking Bread Café and Catering, Kindred Kitchen, and West Broadway Farmers Market. For more information on Appetite for Change and their mission, [click here](#).

STATION  
= 81 =  
DRINK & EATERY





[Click Here to  
Download  
Full Report!](#)



***Unlocking Hidden Value in Class B/C Office Buildings: Best Practices for Pursuing Low-Cost, High-Impact Energy Efficiency and Green Leasing Strategies*** is the first study of its kind, offering guidance and strategies for implementing energy efficiency and green leasing measures specifically tailored to the owners and operators of Class B and C office buildings.

**BROKERS GROUP**

**Kori DeJong** with Wellington Management would like to invite the St. Paul Brokers Group to come and check out the 867 Pierce Butler Building on March 4<sup>th</sup> at 11:45am. Parking available on-site. Come and check out this unique building.

- Conveniently located between St. Paul and Minneapolis
- First time on the market in 13+ years
- Cool office space available with an open air deck
- Warehouse space – 22' clear, 2 loading docks
- ADA accessible

DATE: Wednesday, March 4th

TIME: 11:45am – 1:00pm

LOCATION: 867 Pierce Butler

**SUPERINTENDENTS GROUP**

**No Meeting Scheduled.**





## Spring Education Courses



### SMA/RPA/FMA – Environmental, Health & Safety Issues

*Environmental Health and Safety Issues* presents best practices for developing and managing an effective environmental health and safety program. You will learn about the regulatory process and how it affects facilities. Compliance with laws and regulations is a key focus. The course will prepare you to conduct site assessments, analyze risk, and cooperate with compliance audits. The course also guides learners through the planning process to mitigate the risk from any workplace emergency, specifically addressing hazardous materials, air quality, water pollution, asbestos and lead hazards, and tank management. The management of and response to specific indoor environmental quality complaints is also addressed.

Upon successful completion of this course, learners will be able to:

- Develop and manage an effective environmental health and safety program, integrating sustainable best practices wherever appropriate
- Ensure that your facilities are in compliance with Federal, state, and local regulatory mandates
- Assess environmental risk factors and prepare for compliance audits
- Address emergency environmental health situations through proper planning and incident response
- Maintain health and safety records in accordance with industry best practices
- Manage indoor environmental quality complaints related to air, water, mold, radon, asbestos, and other environmental hazards
- Execute appropriate record keeping, reporting, and other requirements associated with aboveground and underground storage tank regulations
- Design and implement a waste management program, including recycling and disposal of all forms of waste including landfills waste, hazardous waste, universal, electronic, and tenant-generated waste

Key topic areas: regulatory overview, including OSHA and EPA regulations • hazard communication and emergency response • asbestos and lead management • office and industrial ergonomics • indoor air quality, air emissions, and pollution control • storage tanks, hazardous waste, and site assessment • audits, record keeping, and legal issues

**Start Date:** Mondays, March 23<sup>rd</sup> – May 4<sup>th</sup> 6:00 PM – 9:00 PM

**Cost:** \$975 Members / \$1,075 Non-members

**Location:** Town Square Tower, 445 Mn Street, Conf. Center off of Lobby skyway



## Spring Education Courses



### **SMT – Boilers, Heating Systems and Applied Mathematics**

*Boilers, Heating Systems, and Applied Mathematics* provides information for you to learn about the critical factors involved in boilers and heating systems. It provides a thorough review of mathematical skills, thermodynamics, and energy sources. You will learn the skills necessary to identify, operate, and maintain boilers, boiler components and pumps, boiler controls, steam heating systems, hydronic heating systems, and warm air and radiant heating systems.

- Upon successful completion of this course, learners will be able to:
- Understand the different boiler types, their components and control systems, and their operation and maintenance
- Recognize, set up, and maintain a reliable and effective heating system
- Calculate ratios, proportions, and percentages
- Convert units of measure

Key topic areas: heating systems operations • mechanical components of heating systems • thermodynamics as applied to heating systems • basic mathematics needed to operate heating systems

**State Date:** Wednesdays, March 25<sup>th</sup> – May 6<sup>th</sup> \* 6:00 PM – 9:00 PM

**Cost:** \$855 Members / \$955 Non-members

**Location:** Town Square Tower, 445 Mn Street Conf. Center off of Lobby Skyway

If you are interested in a class, please contact Denise at the BOMA office 651.291.8888.

# BOMA Corner



St. Paul BOMA's Board and the St. Paul City Council met on February 19<sup>th</sup>. This annual luncheon is a great opportunity for both groups to better understand issues important to both the City and the commercial real estate industry.

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*Wishing You A  
Long And  
Happy  
Retirement,  
Brian Field!*



Long time BOMA member Brian Field will be retiring at the end of March following a 21 year career with Frauenshuh, including 18 years at Infor Commons. Brian initially joined BOMA in 1978 while with Oxford Development working on the Town Square project. Over the years, Brian has been involved with the management and/or leasing of more than twelve different properties in downtown St. Paul including the First National Bank Building and Pioneer-Endicott Buildings. Brian has been a member of the Government Affairs Committee for more than 30 years, serving as co-chair with Pat Wolf for the past several years. Brian also served as chair of the Town Square Advisory Committee for BOMA. He will miss the numerous contacts and friends in the BOMA family.

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## Greater Saint Paul BOMA

First National Bank Building  
332 Minnesota Street, W2950

St. Paul, MN 55101

Phone: 651-842-4023

Fax: 651-291-1031

[www.bomastpaul.org](http://www.bomastpaul.org)



## New Members

### Jessica Enfield

Metropolitan Mechanical Contractors,  
Inc.

7450 Flying Cloud Drive

Eden Prairie, MN 55344

T: 952-941-7010

Email: [jessica.enfield@metromech.us](mailto:jessica.enfield@metromech.us)

### Anne Archibald

Advanced Masonry Restoration  
2956 Yorkton Blvd.

Saint Paul, MN 55117

Direct: 612-475-2713

Email:

[aarchibald@advancedmasonry.com](mailto:aarchibald@advancedmasonry.com)

### Kathy Gordley

River Park Lofts

FirstService Residential

406 Wacouta Street

Saint Paul, MN 55101

T: 651-717-4900

Email: [kathy.gordley@fsresidential.com](mailto:kathy.gordley@fsresidential.com)

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