

Saint Paul BOMA News

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

December 2022 Vol. 8, No. 12



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Newsletter sponsored by:

Protecting St. Paul - Public & Private Partnerships in a New Era

Meet New Police Chief Axel Henry and Learn About His Vision and Priorities

Chief Axel Henry, Chief Butch Inks and BOMA President Tina Gassman will provide information on current programs and additional ways the public and private sector can work together for a better St. Paul. This event will be held at Twin Cities Public Television (TPT). Networking begins at 11:30 AM and a steak lunch begins at 12:00 noon.

We will culminate this holiday event with a very special recognition of all our public servants. Please join us and bring your staff members!

Date: Monday, December 12th **Time:** Networking – 11:30 AM Lunch – 12:00 noon Program – 12:30 PM

Location: Twin Cities Public T.V. - 172 East Fourth

Street, Saint Paul, MN 55101

Cost: Members – \$50.00 | Non-Members – \$65.00



Register Here

CHAIR'S REPORT – Heide Kempf-Schwarze



As I sat to write what will be my final Chair's Report of 2022, I find myself marveling at how another year has elapsed. Through today, 979 days have gone by since the statewide COVID shutdown turned the world as we know it on its head. And as much as I love a good challenge and opportunities to grow professionally, I am relieved to see some trends emerge and a pathway towards a new normal in commercial real estate.

Last month I attended the **St. Paul Summit** program hosted by the **Minnesota Real Estate Journal** that spoke to this. Since the events of 2020, there is an expectation that organizations commit to environmental, social and governance (ESG) initiatives. Property managers will be tasked with implementing ESG strategies and providing supporting documentation to owners and tenants. There is an emphasis on diversity, equity and inclusion across all facets of commercial real estate that aligns with the GSP BOMA strategic objective to work towards diversifying our industry. Watch for programming and other opportunities to engage in this work with us.

I hope you will join us on December 12th for our **Annual First Responders Luncheon**. This marks the return to an in-person event after a two-year COVID pause. While I am grateful that we were able to continue to show our appreciation at drive-up events at Station 8, this opportunity to connect in a non-emergency setting with our community guardians is one that I look forward to each year. We will be joined by the newly appointed Chief of Police, **Axel Henry**, to hear firsthand what his priorities are as he takes the helm of the Saint Paul Police Department.

~ Heide





State Building Code

October 2022

The State Building Code is a collection of state laws and rules that apply a uniform set of standards to the construction and modification of buildings in order to enhance safety, energy efficiency, and accessibility.

What is the State Building Code?

Under Minnesota Statutes, section 326B.121, the State Building Code, or the code, is the "standard that applies statewide for the construction, reconstruction, alteration, repair, and use of buildings and other structures." It is the same throughout Minnesota and supersedes any county or municipal rules.

While there is a single State Building Code, it is composed of many smaller codes each focused on a particular technical area or type of structure, such as plumbing, electrical, elevators, accessibility, energy, or residences. A list of all of these codes is available on the Department of Labor and Industry website, http://www.dli.mn.gov/business/codes-and-laws/2020-minnesota-state-building-codes.

Most of the language of the code comes directly from national and international standards, such as the International Building Code, that are incorporated in whole or in part into the State Building Code via rulemaking.

Who administers and enforces the building code?

The code is administered by the state Department of Labor and Industry's (DLI) Construction Codes and Licensing Division (CCLD) in conjunction with cities, townships, and counties throughout the state.

For public buildings, state-licensed facilities, and places of public accommodation, state officials at DLI enforce the code or delegate enforcement to local building officials. For definitions of these types of buildings see Minnesota Statutes, sections 326B.103, subdivisions 11 and 13, and 326B.108.

For other types of buildings in counties and municipalities where the code has been formally adopted, enforcement is done by local building officials. For details on code enforcement in a specific area, see DLI's code enforcement database, http://workplace.doli.state.mn.us/jurisdiction/.

For other types of buildings in jurisdictions that have not formally adopted the code, there may be no government entity actively monitoring code enforcement. Nevertheless, the code still applies to buildings in these areas. Further, compliance may be required by contracts with lending institutions or insurance providers.

How is the code changed?

The code is modified regularly by DLI, after consultation with committees of technical experts, in conjunction with semi-annual updates to national and international standards. The code may also be amended by the legislature.

How can the legislature affect the code?

The legislature can write laws that alter the code, either by adding new regulations or by changing how the existing codes will apply within Minnesota. For instance, because of legislative action, state law directs that the code cover several broad areas including elevators, electricity, plumbing, accessibility, manufactured homes, prefabricated homes, and industrialized and modular buildings.

Examples of recent legislative changes to the code include laws related to fire sprinklers, smoke detection, automatic garage door openers, radon control, and window fall prevention.

Does the code apply to agricultural buildings?

Agricultural buildings generally are not covered by the code. Agricultural buildings are those used only for agricultural purposes and situated on agricultural land. For more detailed information on exempt agricultural buildings, see Minnesota Statutes, sections 326B.103, subdivision 3, and 273.13, subdivision 23.

Does the State Building Code include the State Fire Code?

The State Fire Code is a separate set of standards. The Minnesota Department of Public Safety (DPS) and the State Fire Marshal administer the State Fire Code. For additional information about the State Fire Code see the DPS website, https://dps.mn.gov/divisions/sfm/fire-code/Pages/default.aspx.

Where can people find a copy of the building code?

The DLI website provides free digital copies of all parts of the State Building Code, as well as links for purchasing code books and for access to helpful fact sheets, http://www.dli.mn.gov/business/codes-and-laws/2020-minnesota-state-building-codes.

Who can answer code questions?

For questions about how the code might apply to a specific situation, the best sources for interpretation are local building officials or the CCLD.

Contact information for local officials can be found in the DLI database, http://workplace.doli.state.mn.us/jurisdiction/.

The CCLD's list of contact numbers by topic of question may be found on the DLI website, http://www.dli.mn.gov/about-department/our-areas-service/phone-and-email-directory.



Election Results and the Impact on BOMA's Policy Priorities for 2023



Late last month the three Minnesota chapters of BOMA – Duluth, Minneapolis, and St. Paul – met to discuss election results and our policy priorities for the coming year. The BOMA Board of Directors voted on and adopted the following policy priorities for 2023.

Taxes

We support tax policy which fosters economic growth and makes Minnesota a competitive marketplace in the global economy to do business. We aim to eliminate statewide property tax, make taxes fair across the industry, protect private data on tax appeals, and prevent unfair tax targeting.

Public Safety

We support a multi-faceted approach to policing which includes diversionary pathways but also hold accountable repeat and violent offenders to keep our community safe. We will look for tougher sentencing for chronic and violent offenders, targeted diversion of resources to meet needs, and support officer recruitment and retention.

Workforce Development

We support providing greater access to careers within the commercial real estate industry which recognizes and includes students from diverse backgrounds. We support providing training grants for building engineer students, CRE life science innovation grants, and creating a pathway for high school career mentorship for CRE.

Energy & Sustainability

We support achievable measures that are cost-effective and maintain reliability of service. We will look to maintain market-driven electric vehicle policies, support national code making process over a piecemeal approach, prevent one-size-fits-all approach to sustainability, and recognize efficiencies achieved by market demands.

Election Results and the Impact on BOMA's Policy Priorities for 2023



Election Results

As **Sonnie Elliott** with Taft Advisors stated, election night brought surprising results, even for political insiders. Traditionally in a mid-term year, the party in the White House loses a significant number of seats. With both President **Joe Biden** and Governor **Tim Walz** in office, the probable result was that of the pendulum swinging back to the Republicans. Instead, DFL incumbents won all statewide offices. Walz won the Governor's race, the Minnesota House remains in DFL control, the Minnesota Senate flipped to DFL control, and all constitutional officers remain democrats. The last time the DFL controlled the Office of the Governor, the Minnesota House of Representatives, and the Minnesota Senate was in 2013, a decade ago. And with so many newcomers to the Minnesota House and Senate, progress will be slow (for better or worse), and leadership will steer the ship.

Potential Roadblocks

Our priorities regarding taxes will undoubtedly be the most difficult to realize. The new House Tax Chair, **Aisha Gomez**, DFL (Minneapolis) is from the more progressive side of the House DFL caucus, first elected in 2018. She has advocated for bills to increase taxes on businesses and upper income households in past sessions. Rep. Gomez has been chief author of some concerning bills in the past, including the following

- Creation of 5th tier for individual income tax with rate of 14% for incomes > \$500,000 married filing joint and > \$250,000 single filers. HF2678
- Elimination of single sales factor for corporate income tax, reinstating 3 factor formula, HF2558
- Estate tax lowering threshold to \$1 million, HF2555
- Imposing gift tax, HF2554
- Business property tax increase on state levy, HF1410
- 2% wealth tax imposed on assets > \$30 million including pass-through entities, HF1021.

Election Results and the Impact on BOMA's Policy Priorities for 2023



On the slightly brighter side, Senator **Ann Rest**, DFL (New Hope) is the new Senate Tax Chair. According to Elliott, Rest has been a former tax chair and is long-time member of the tax committee with extensive experience in tax policy. We have worked very well with Senator Rest in the past, and she is a pragmatic and thoughtful legislator.

Our energy and sustainability goals will not be in alignment with the DFL leadership, but they will fall into a far more neutral category than our tax policies.

Bright Spots

Our two other priorities – public safety and workforce development – should align nicely with DFL objectives and will likely be where we find our biggest wins. Further, The St. Paul Area Chamber's top priority is public safety and is perfectly in step with our goals. With several organizations getting behind this objective, we are far more likely to see success.

Tina Gassman President





First Responders Appreciation Luncheon



Protecting St. Paul - Public & Private Partnerships in a New Era Meet New Police Chief Axel Henry and Learn About His Vision and Priorities

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Register Here

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Denise Jenkins Celebrates 24 Years with BOMA



We would like to take a moment to show our love and appreciation for our member services director, **Denise Jenkins.** This year Denise celebrates her 24th year at BOMA and we can't thank her enough for all the amazing things she does for BOMA and our members. Denise is always working hard behind the scenes to ensure everything runs smoothly and she is truly a blessing.

Thank you, Denise!

December Superintendent's Meeting Maintaining and Protecting Your Concrete Floors

Concrete needs coating to protect it from chemical and physical attack. It makes floors more resistant to chemicals (including water), AND it makes floor more resistant to abrasion and wear from foot and equipment traffic. Concrete coatings also protect sensitive products or processes from damaging dust. They improve appearance, ease of maintenance, slip resistance and light reflectance of the floor.

Chad Hanson is Owner, President and General Manager of **SwedeBro** which he founded with his father in 1999. Chad has participated in every aspect of the business from installing to estimating and project management. He has been trained by various manufacturers on various concrete floor coatings systems during his tenure.

DATE: Wednesday, December 21st

TIME: 11:30 AM - 12:45 PM

LOCATION: Golden Rule Building - 85 East Seventh Place, Room 295

COST: \$25

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

Register Here

2022 ENERGY STAR Certification

ENERGY STAR certified buildings save energy, save money, and help protect the environment by generating fewer greenhouse gas emissions than typical buildings. To be certified as ENERGY STAR, a building must meet strict energy performance standards set by EPA.

We'd like to congratulate some our members for receiving an ENERGY STAR certification for 2021!

Cushman & Wakefield - 400 & 401 Securian Travelers - Travelers Frauenshuh, Inc. - Infor Commons MetroPlains Management - Spruce Tree Centre

Apply Here

Reminder that the deadline for submitting applications for your building(s) to earn 2022 ENERGY STAR certification is December 9, 2022.



Community First Public Safety Framework

Last month we had the honor of having **Brooke Blakey**, director of the Office of Neighborhood Safety, **John Bandemer**, Director of Safety Strategies for the Downtown Alliance, **Laura Bolduan**, Commander, Downtown Beat for the St Paul Police Dept., **Joel Franklin**, JD, Director of Community Ambassadors Initiative, and **Todd Vandervort**, Security and Operations Leader at Travelers Insurance together to talk more about the Community First Public Safety (CFPS) Framework.

The CFPS framework's goal is to reimagine public safety for Saint Paul by building a compelling violence reduction strategy informed by community engagement, research and analysis of real-time data, and collaboration of cross-sector partners.

Community Engagement

It is imperative to get the community engaged to gain feedback on what's truly going on. These are the people we want to keep safe, who spend most of their day in Saint Paul, and are truly impacted by these changes. The Downtown Alliance Street Team and Community Ambassadors Initiative have done an incredible job of walking the streets and interacting with the public. The Downtown Alliance's Street Team is your friendly neighborhood presence that work to keep the area clean and activate public spaces. The Community Ambassadors Initiative focuses on youth intervention and provide resources for education, work readiness, and much more.

Having these teams of ambassadors create trust and cohesion between the community and these larger organizations. It has been shown that residents who are financially stable and connected to community are less likely to commit a crime or be victimized by criminal activity.

Law Enforcement

The law enforcement strategy has also changed quite a bit. We know we cannot arrest ourselves out of all our problems so the approach to criminal activity has evolved. Instead of sending out emergency responders to every case, the Saint Paul Police Department (SPPD) is working to partner with a variety of cross-sector partners to respond to each case accordingly. Having a larger group of responders (social workers, public health workers, and housing counselors) decriminalizing behaviors will help narrow down the root cause of why people are acting out, provide resources to those individuals, and begin healing the community.

Community First Public Safety Framework

Activating Public Spaces

Public spaces were created to be an asset for those in the community, but some of these places have been transformed into negative areas that people avoid. These public spaces (ie. parks, playgrounds, etc.) were intended to be used to create life in the city and give people designated places for fun and relaxation.

Reactivating these spaces can mean providing additional streetlights, cameras, Ambassadors, Street Teams or officers patrolling the area, and reaching out to businesses and buildings nearby to help monitor the areas in question to get accurate, real-time data. All these measures are actively being done around Saint Paul to improve the safety and security of these spaces. This doesn't only pertain to specific parks or playgrounds, but are also being applied to the streets, sidewalks, and transit stations in between. Improving and maintaining our city enhances everyone's quality of life and limits undesirable activities.

Making measurable, data-driven changes to increase the safety of Saint Paul cannot happen overnight. We need all the different communities to come together to continue to improve life here. BOMA members can also make a difference by reaching out to our guest speakers directly or by contacting **Tina Gassman** (tina.gassman@bomastpaul.org) with any questions or concerns. As president of GSP BOMA, Tina regularly meets with the Security Committee maintaining relationships with Saint Paul Police Departments, the Saint Paul Fire Department and other agencies involved in the safety and security of Saint Paul office buildings.

You can also keep up with quarterly updates on the CFPS dashboard HERE.



Brooke Blakey



John Bandemer



Laura Bolduan



Joel Franklin



Todd Vandervort

BOMI Course Offerings - January

Energy Management (SMT)

Start Date: Wednesdays, January 25th - March 8th * 6:00 PM - 9:00 PM

Cost: \$872/member rate - \$972/non-member rate

Location: Town Square Tower, 445 Minnesota Street, Conf Center off of Lobby

Skyway

Energy Management and Controls includes a number of key concepts and discussions that teach fundamental maintenance and energy management control aspects that will enable you to run your building operations in a cost-efficient manner. You will develop an understanding of the operation of heating, cooling, humidification, and dehumidification control applications, and learn about variable air volume design and building pressurization control devices. You will also develop the skills and knowledge to perform a cost-benefit analysis of HVAC, electric, and lighting systems and to create an energy management program for your facility.

Facilities Planning & Project Management (SMA, RPA, FMA)

Start Date: Mondays, January 23rd - March 6th * 6:00 PM - 9:00 PM

Cost: \$994/member rate - \$1,094/non-member rate

Location: Town Square Tower, 445 Minnesota Street, Conf Center off of Lobby

Skyway

Facilities Planning and Project Management stresses that technical skills are important, but strategy, leadership, and direction will contribute more to the success of your facilities projects than logistical prowess. You will learn to develop strategic facilities plans, plan facilities projects, and effectively implement and evaluate projects.

If you are interested in a class, please contact Denise at 651.291.8888 / denise.jenkins@bomastpaul.org

Full Class Descriptions

GSP BOMA 2023 Education Calendar

Tentative Programing – 14.5 Hours CEU | Locations and Speakers TBA | All Subject to Change

January General Membership Meeting

Date: Monday, January 9th

Topic: Post-Pandemic Sustainability Trends

Impacting Property Managers

CEU: 1.0 hour

Commercial Real Estate Day at the Capitol

Date: Wednesday, January 25th, 2023

Topic: Legislative Priorities for MN Commercial Real Estate

CEU: 1.0 hour

February General Membership Meeting

Date: Monday, February

Topic: Tour of Amazon Facility in Woodbury

CEU: 1.0 hour

Q1 Breakfast Seminar

Date: Tuesday, February 28th

Topic: Construction Costs & Supply Chain Issues

CEU: 1.5 hours

March General Membership Meeting

Date: Monday, March 13th Topic: State of the City

CEU: 1.0 hour

April General Membership Meeting

Date: Monday, April 10th

Topic: Annual Meeting - Highlighting New Developments

CEU: 1.0 hour

May General Membership Meeting

Date: Monday, May 8th Topic: DEI in Design

CEU: 1.0 hour



FEB







GSP BOMA 2023 Education Calendar

Tentative Programing – 14.5 Hours CEU | Locations and Speakers TBA | All Subject to Change

Q2 Luncheon Seminar

Date: Thursday, May 25th

Topic: Elevator Code Changes

CEU: 1.5 hours



June General Membership Meeting

Date: Monday, June 12th

Topic: East Metro (outside STP city limits) Focus

CEU: 1.0 hour



Q3 Breakfast Seminar

Date: Monday, August 7th (breakfast program)

Topic: Skyways: Ordinances, Rights and Responsibilities

CEU: 1.5 hours



September Tradeshow + Expo

Date: TBD

Education Topic: TBD

CEU: 1.0 hour



October General Membership Meeting

Date: Monday, October 9th

Topic: Market Report

CEU: 1.0 hour



November General Membership Meeting

Date: Monday, November 13th

Topic: Industrial Real Estate Focus

CEU: 1.0 hour



December General Membership Meeting

Date: Monday, December 11th

Topic: First Responders Appreciation

CEU: 1.0 hour



Share Your Member Adventures

We would like to highlight the travels and excursions that our members embark on!

Everyone's traveled somewhere cool, and we want to highlight those amazing experiences. The "Member Adventures" section is a space to share stories and pictures from your favorite destinations. Whether it's an epic hike, an exquisite meal, a hole in the wall taco joint, or a stunning view from thousands of feet in the air, we want to see it!

If you would like to submit your story & photos, please email stpaulboma@bomastpaul.org.

Service Provider Articles

Every month, we feature articles written by our service provider members. This month we have an article about energy efficiency project financing by **Kevin Zickert**, **Energy Smart Program Coordinator**, **CEM**, **CBO**



ENERGY SMART

If you are interested in submitting an article for a future edition of the newsletter, please email stpaulboma@bomastpaul.org.

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What is the Incremental Expense of Your Next Energy Efficiency Project?



Capital investments are often contingent on a few parameters that must align in the Venn-diagram of decision making - budget, timeframe (life expectancy of equipment), and competitive bidding. These can pose challenges for successfully implementing energy efficiency measures (EEM) at your facility. Beyond these, here are additional considerations to help stakeholders justify the investment in high efficiency, high performance equipment.

1. The cost of energy is increasing

The cost of energy is increasing due to a combination of increased demand, an increase in extreme weather events, and rate increases as utilities build and maintain infrastructure for power generation and distribution. At the end of the day, we can expect the price of energy to continue to increase, making it cost prohibitive to not invest in EEMs. Unlike other recurring bills that are fixed, such as rent, energy consumption and expenses can be managed and reduced through EEM investments.

Benchmarking your facility's energy use and bills, month-to-month, season-to-season, year-after-year, establishes a necessary baseline to review building performance and how your EEMs are stabilizing or reducing energy use and billing, over time.

2. Purchase the highest efficiency equipment you can afford

The cost of operating equipment over its lifespan will far exceed the one-time upfront cost of purchasing the equipment. It's cost prohibitive to purchase anything other than the highest efficiency model you can afford. Effectively, you're losing money if you do not invest in your next EEM. Mechanical systems have a conservative operational life expectancy of 15 to 20 years. Therefore, your facility will be operating at this performance for that timeframe. It is imperative to pair high efficiency equipment with automation components and operational setpoints to optimize performance.

What is the Incremental Expense of Your Next Energy Efficiency Project?



3. Making the case for cost competitiveness between standard and high efficiency equipment

So, what is the incremental expense of efficiency?

Incremental cost can be defined as: the differential in expense between one option versus another, typically when upgrading to a higher end model/system.

Typically, the low bid wins the job, which means you're already planning to invest that amount of capital into the project for a baseline / standard efficiency scope of work. Consider how your facility can optimize performance for the next generation of the building and its occupants. Ask your contractor and design team to package a high efficiency solution to evaluate the incremental expense. Incentives such as utility rebates, grant funding, and tax deductions can be leveraged in combination with energy cost savings to offset the incremental expense, making your next EEM as cost competitive as baseline efficiency projects.

If you're interested in completing an energy assessment and curating an energy action plan, contact Energy Smart here.

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Greater Saint Paul BOMA

Osborn370 370 Wabasha Street North, Suite 690 St. Paul, MN 55102 Phone: 651-842-4023

www.bomastpaul.org www.bomasaintpaul.org









New Member



MN Waste Wise Foundation

Rob Friend 380 Saint Peter St, Suite 1050 St. Paul, MN 55102 651-292-3915

rfriend@mnchamber.com



Twin Cities Elevator

952-223-7148

Steven Fedel 8400 Normandale Lake Blvd, Suite 920 Bloomington, MN 55437

steve@twincitieselevator.com



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