

Year in Review

BOMA Greater Minneapolis intercedes daily on behalf of our members on a variety of legislative, regulatory and policy issues at the state and local level. The following are some of the highlights of our work on your behalf over the past year.

Success on Elevator Codes Appeal -

BOMA negotiated a favorable clarification from the Minnesota Department of Labor and Industry Elevator Inspection Department regarding minimum Fire Service Operation requirements for existing elevator installations. The interpretation allows building owners to retain and upgrade existing elevator control systems, subject to certain parameters, without triggering a comprehensive modernization or upgrade and without requiring the larger scope of work required under the Alteration section of the code, a very significant cost savings in many situations.

Opposition to Fiscal Disparities Use -

BOMA partnered with allies in a successful effort to defeat a proposal in the 2008 Senate Tax Bill that would have allowed Mall of America (MOA) to withhold payment to the metro region's fiscal disparities pool from its planned expansion in order to finance a parking ramp to serve the mall's phase II expansion. This would have established a dangerous precedent, most certainly resulting in a host of other requests for development subsidies from the pool. Our coalition clearly contributed to the public awareness of our position with both daily newspapers formally supporting it.

Republican National Convention - Well in advance and throughout the RNC in September 2008, BOMA led efforts to assure that expected protests and disruptions during the convention did not result in property damage or personal injuries at BOMA member properties. Working closely with Minneapolis Police Department and the SafeZone Collaborative, we assured that already good communications between police and private security forces were even further enhanced, and that members had access to shared best practices information prior to the event and high quality real time information during it. By all accounts, the preparations paid off and the disruptions that occurred or were threatened were dealt with quickly and efficiently. Following the convention, SafeZone presented BOMA and Award of Excellence for its "Significant Contribution and Partnership during the Republican National Convention".

Legislative Mandate for Electric Vehicle Recharging - A proposal to require all new parking facilities be fitted with charging stations for electric vehicles was introduced in both the House and the Senate. After discussions with the authors, the mandate was eliminated from the bill. Although BOMA supports the promotion of electric vehicles, the authors were persuaded that requirements of this nature are premature to be considered at this time.

High Speed Rail Initiative - The Minnesota Senate responded to an \$8 billion component of the Federal Stimulus package targeting construction of high speed rail service in the U.S. by adding \$500,000 in the Senate bonding bill for studying plans for a high speed line from Chicago to the Twin Cities. But when a last minute amendment to the bill specified that the route under study would end in St. Paul rather than proceed on to

Minneapolis, BOMA joined in a letter to all Hennepin County legislators objecting to the amendment and succeeded in having it removed on the Senate floor prior to passage of the bonding bill.

Transportation Investments - Continuing BOMA's leadership on transportation funding issues, we testified before the Hennepin County Board in support of the County authorizing the adoption of a ¼% sales tax dedicated to transit capital improvements in the metro area. Authorization to enact the tax was included in a major transportation funding bill passed in the 2007 legislative session, which we also supported. Traffic congestion imposes huge costs on businesses and commuters and is an impediment to regional growth and vitality, and BOMA supports adequate investments in transportation infrastructure, balanced between roads and high quality mass transit, to meet these challenges.

Minneapolis Park Dedication Fees -

Minneapolis recently joined many other cities in the metro area in enacting a Park Dedication Fee ordinance, requiring that developers contribute a portion of the land on the site or a payment of equivalent value in lieu of land dedication. BOMA expressed concern that it is already more expensive to develop projects downtown and it would be difficult to invest those fees in close enough proximity to provide direct benefit. Through BOMA's efforts, a number of more favorable provisions were accepted by the City Council including a lower cost formula for calculating fees, tighter definition of "nexus" to assure direct benefit to developments that pay the fees and flexibility to credit the development for plazas and public open space provided by the developer within the project.

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Minneapolis Commercial Building Fee Ordinances - In response to objections raised by BOMA and others, a proposed Building Registration Fee ordinance designed to fund cyclical fire inspections of all commercial buildings had its fee schedule reduced to a maximum of \$910 annually applying only to buildings over 2 million square feet, originally proposed to be set at 150,000 square feet. On a Vacant Building Registration proposal, BOMA objected to a provision that would define as "Vacant" any commercial property with vacant ground floor storefront space of 30% or greater and subject it to a \$6000 annual fee. BOMA successfully pushed to exempt properties within the recently approved Downtown Improvement District if the owner agrees to comply with guidelines established by the District for marketing and maintaining appearance of first floor street-facing property.

Southwest Corridor LRT – BOMA has actively engaged in study of routing alternatives for Southwest Corridor LRT, including the corridor's project manager meeting with BOMA's Government Affairs Council, providing testimony at the Hennepin County Regional Rail Authority, and promoting alliances with the Minneapolis Downtown Council and the Minneapolis and TwinWest Chambers. We favor routing through Golden Triangle in Eden Prairie and Kenilworth Corridor in Minneapolis, and specifically oppose entering downtown on Nicollet Mall or 11th and 12th Streets.

Bloomington Fence Standards – Jerry Sand of Kraus-Anderson represented BOMA on a Bloomington city task force that assisted the Planning staff in reviewing and updating its ordinance governing fence standards. This is another of a series of opportunities the City has afforded BOMA to provide input on zoning and regulatory changes that may impact commercial property, and it was determined that the concepts presented to the group did not appear to present any negative impact.

Electric Rate Case Intervention - Greater Minneapolis BOMA elected to participate formally and support financially a Rate Case Intervention at the Minnesota Public Utilities Commission on the electric rate increase request by Xcel Energy at the PUC. Xcel imposed an interim increase of about 6% to be adjusted when the final outcome of the case is determined by PUC in late 2009. The intervention is being led by the

Minnesota Chamber which has a long history of success in intervening on behalf of business customers in the past, and BOMA has frequently participated to assure issues specific to commercial office properties are addressed.

Downtown Improvement District – BOMA played a key role as a neutral partner in studying and providing input on feasibility of a special services district that would include most of the Minneapolis CBD. Our involvement was to ensure that management concept and policies, and level and cost of services would be totally under control by property owners and businesses that would pay the assessment and that an overwhelming majority of owners agreed to the concept in advance. After a series of information meetings in mid 2008, and it appeared that objections were very limited, BOMA formally issued a conditional statement of support for the DID, and those conditions were all included in the final agreement adopted by the City.

Sustainable Building 2030 Advisory Group – The Center for Sustainable Building Research at the University of Minnesota invited BOMA to provide representation on an advisory group overseeing a project called Sustainable Building 2030 that emerged from recommendations of the Minnesota Climate Change Advisory Group in 2007. The project's legislative mandate is "to establish cost-effective energy efficiency performance standards for new and substantially reconstructed commercial, industrial and institutional buildings that can significantly reduce carbon dioxide emissions by lowering energy use" in those buildings. The standards will become the required energy use for state-bonded projects through the Minnesota Sustainable Buildings Guidelines, and are intended to set benchmarks for voluntary incentive programs.

Construction Codes Advisory Council – BOMA Executive Director Kent Warden was appointed to this 19 member body by the Minnesota Commissioner of Labor and Industry. The Council was created in statute to recommend ways to eliminate inconsistencies and streamline regulations relating to construction and to review and comment on proposed laws and rules and promote coordination among jurisdictions in the administration and enforcement of construction codes.

BOMA Minnesota Legislative Agenda – At its annual business meeting and legislative forum in November, the BOMA Minnesota Coalition met in St. Paul to discuss the 2009 legislative outlook with BOMA's lobbyists and special guest Tom Hanson, Commissioner of Minnesota Management and Budget and Governor Tim Pawlenty's principal financial advisor. Priorities set out by the coalition included preserving property tax reform, monitoring transportation funding and energy conservation/ sustainability initiatives and seeking change to State lease policies. The coalition includes three representatives from our Government Affairs Council which also adopted these priorities as part of its legislative agenda.

Role of BOMA Government Affairs Council – The 15 member Council is comprised of senior industry executives, with Executive Committee members as ex officio, and charged with guiding BOMA's legislative agenda and advising the BOMA Board on policies and priorities. They meet monthly with BOMA staff and lobbyists to oversee strategies and results, and frequently invite legislators and policy leaders as guests for discussion of our priority issues. Recent past guests include House Speaker Kelliher, Rep. Zellers, DEED Commissioner McElroy, Labor and Industry Commissioner Sviggum, Minneapolis City Council President Johnson, County Commissioner McLaughlin, SW Corridor LRT Project Manager Walker, Downtown Council CEO Grabarski, and Minnesota Chamber and Citizens League policy staff.

Grassroots Advocacy – In March 2009, groups of members from Greater Minneapolis BOMA took our issues directly to lawmakers at the State Capitol and to Capitol Hill in Washington D.C. during Business Day at the Capitol in St. Paul and BOMA International's National Issues Conference in Washington. The main message to State Legislators was to resolve the budget deficit without raising business taxes and specifically the statewide C/I property tax. In Washington, the group from Minneapolis had appointments with staff members of Amy Klobuchar, Jim Oberstar, Betty McCollum, Keith Ellison, John Kline and Eric Paulsen, where we advocated for BOMA's federal legislative priorities of leasehold improvement depreciation and capital gains treatment, energy policy and opposition to card check legislation.