BOMA Greater Minneapolis

Providing Advocacy and Education for Commercial Real Estate Professionals

May 2006

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Combined General & Suburban Meeting

Taking Care of Business

Breakfast program

Your company's bottom line and often its operations, are being impacted every year by the decisions being made at the Capitol, in State office buildings, and in the courts. The Chamber is one of BOMA's advocacy partners on issues that affect our businesses. **David Olson**, President of the Chamber, will give us an update on the latest developments at the Capitol, tell us about the politics influencing those decisions, give us a status report on utility rate cases in the courts, and tell us about the Chamber's work to enhance the global competitiveness of Minnesota companies.

Thursday, May 18, 2006
7:30 a.m. sign-in and networking
8:00 breakfast & program

Location: Golden Valley Country Club, 7001 Golden Valley Road

1 CEU pending approval
Cost: $34.00 ($28.50 if you register by noon on Monday, May 15.) Nonmembers: $42.00.

Register using your American Express, MasterCard, or Visa online at www.bomampls.org or by sending email to events@bomampls.org. Cancellations must be received 24 hours in advance. Substitutions always honored.

BOMA Spring Seminar – 4 CEUs pending approval

A Practical Approach to Intelligent Buildings

Enhancing the Tenant Experience

This is one of the hottest topics in real estate today! What is an intelligent building and what are the advantages to improving your building's IQ? Today, "smart systems" are installed throughout a building. Anything with a microprocessor qualifies! They gather information, make decisions, and perform reporting. When designed properly, they share information with each other, reduce expenses, improve the indoor environment, and provide a wealth of knowledge to building engineers, managers and tenants. Creative use of smart technology can even enable the building to express tenant branding. This technology is rapidly changing, making systems integration not only possible but expected, with positive results for tenants, owners, and managers. Greater Minneapolis BOMA and St. Paul BOMA invite you to attend this 4-hour symposium to learn how you can implement this technology in a practical and economical way in your building.

Thursday, May 25, 2006
7:30 a.m. sign-in and continental breakfast, 8:00-noon program.

Location: Great Lakes Ballroom at the Mall of America

Cost: $125.00 for BOMA members, $160 for nonmembers

Register using your American Express, MasterCard, or Visa online at www.bomampls.org or by sending email to events@bomampls.org. Cancellations must be received 48 hours in advance. Substitutions always honored.

President's Message

By Tina Hoye, CRE

I am honored to have been selected as President for Greater Minneapolis BOMA for the upcoming year. I am looking forward to working with the Board of Directors and the membership to further BOMA's mission of education and advocacy for the real estate industry.

I hope that during my term we can strengthen our membership and increase member participation in the organization. There are so many opportunities to get involved, there is bound to be one to fit everyone's interests. Perhaps it is participation in a committee. That is a great way to contribute to the organization and benefit from closer association with other members. If schedule commitments are tight, there are many one-time events that are fun and beneficial such as the recent Resource Fair, service projects for PPL, a BOMA education class or the golf tournament and other social events.

Another area of focus this year will be BOMA's advocacy efforts at the State and local level. BOMA is well respected by government and elected officials and other organizations due to our non-partisan focus on issues specific to our industry. As government becomes more and more unpredictable, staying vigilant on issues such as property taxes, transportation and building codes is critical

Finally, there are many people to thank. I would like to thank Kevin Fossum for his leadership this past year. Kevin's thoughtful and inclusive leadership style served the organization well. Thank you also to Steve Herron, Scott Emmack and Matt Karl who have completed one or more terms on the Board. We appreciate your dedicated service.

Welcome and congratulations to our new board members: Deb Kolar, Marc Krohn and Julie Samuelson! Thank you for agreeing to devote your time to this great organization. Thank you also to Steve Herron and the nominating committee for your work.

Last but not least, thanks to David Sternberg, Bob Traeger and Jim Durda who have agreed to serve on the Executive Committee this year.

- *Tina*

BOMA Greater Minneapolis

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Kevin D. Fossum, RPA, Wells Real Estate Funds

Connie L. Kalin, RPA, FMA, Trammell Crow Co.

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BOMA MINNEAPOLIS BULLETIN
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About Tina Hoye

Don't be surprised if some time in the coming year your phone rings and it's Tina Hoye, BOMA's new President. She may be asking which of BOMA's committees or projects you'd like to work on. One of her goals is to engage more members in the association so that membership becomes more meaningful to them. "We have so many talented, knowledgeable, well-connected members out there and we need to be really deliberate in our efforts to reach out to them." Tina says she's not shy about picking up the phone to call people herself. Involving members more in BOMA's advocacy issues is particularly important to her. The intent would be both to strengthen our already powerful advocacy work as well as to keep members more informed about the many issues BOMA works on daily on their behalves.

Tina and those in her firm of Nelson, Tietz & Hoye, are Professional Members of BOMA but when asked if she thought her perspective of BOMA membership is different because of that, she replied that BOMA's goals and the goals of her business are the same. Both want buildings managed professionally – which benefits her tenant clients – and the education and advocacy BOMA supports that professionalism.

One of the things she appreciates most about her job as a broker is that it's very project-based, with clear beginnings and a sense of accomplishment at each closing. She also has the opportunity to learn about the many different kinds of businesses run by her clients.

Besides serving as BOMA's President, Tina serves as Treasurer for the Minnesota Organization on Adolescent Pregnancy Prevention and Parenting (MOAPPP).

Her family includes her husband , a 16-year-old son and a 13-year-old daughter. She enjoys golf, travel, reading, biking and any kind of needlework.

Introducing BOMA's New Board Members

The following members were elected to BOMA's Board of Directors at our Annual Meeting on April 20, 2006.

Deborah L. Kolar is a Senior Property Manager with Ryan Companies US Inc.

Marc A. Krohn, RPA, CPM, is a Senior Property Manager with Zeller Realty Group.

Julie J. Samuelson, RPA, is a Portfolio Manager with Cushman & Wakefield of Minnesota, Inc.

Your Dues At Work

By Kent Warden, RPA
BOMA Executive Director

BOMA Intervenes in Minneapolis Proposal to Take Over Downtown Waste Collection

At an April 18 public hearing before the Transportation and Public Works Committee of the Minneapolis City Council, BOMA Board members Jim Durda and Brian Burg and Executive Director Kent Warden provided testimony in opposition to a proposed resolution to "consider expansion of organized (solid waste and recycling) collection to include residential properties with more than four units, commercial properties and properties in the downtown core …." The City has historically provided such service only to single family and smaller multi-family residences. City staff told the committee that this initiative would curtail unsanitary situations where outside waste containers are not properly covered or are allowed to overflow, and would give the City more control over hours of pick-up and noise during night time hours. Council Member Lisa Goodman, who represents most of downtown and who had proposed the resolution, testified that sanitation issues are not generally associated with downtown property but noise issues are, and this needs to be dealt with due to the growing downtown residential population. BOMA's testimony centered on the complexity of waste collection and recycling services for large commercial versus residential property, and owners' desire to control cost and quality of service to meet their unique needs. It would be far preferable to continue to allow owners the freedom to choose their own contractors and work with the contractors and the city to deal with the noise issue. A representative of the National Solid Waste Management Association, representing the larger waste haulers in the area, pledged that it would be their intent to do so. In conclusion, with consent of Council Member Goodman, the committee postponed action on the resolution indefinitely, and directed staff to monitor the issues raised.

Preliminary *Access Minneapolis* Transportation Plan Unveiled

For more than a year, the City of Minneapolis and its transportation consultants have been engaged in a comprehensive planning process to look at transportation infrastructure, policies and services city-wide to recommend solutions for accommodating growth for the next ten years and beyond. Dubbed "Access Minneapolis," work has been done with input from a Project Steering Committee on which BOMA is represented and which also includes other business and community representatives as well as Met Council, Metro Transit, MNDOT and Hennepin County staff. Now with some of the concepts reaching consensus and the study nearing conclusion, the City is hosting a series of public workshops to invite broader community input. Specific to downtown transportation alternatives, BOMA member input was invited at workshops sponsored by the Minneapolis Downtown Council and the TMO. Concepts being tested for downtown include concentrating more transit on fewer streets – a north-south pair of Marquette and 2nd Avenue, and east-west pair of 4th and 8th Streets – and stopping peak express buses at the north and south end of downtown and transferring passengers to a low or no cost shuttle service on Nicollet Mall. The shuttle would continue to provide a high level of service throughout the day. The plan is expected to be finalized and approved by the City Council later in 2006, and implemented as funding by the city or partner agencies permits.

Rethinking Downtown Security

In the wake of the recent shooting of an innocent bystander in the downtown Minneapolis entertainment district on a late Friday night, BOMA and other business organizations began to undertake a serious re-evaluation of the adequacy of security measures implemented by the Downtown Security Collaborative. We have been meeting with City and police officials to assure the continuity of positive measures, and to determine additional steps needed to ensure that the reputation of Minneapolis is preserved as a safe place to work, live and visit. The State of Minnesota has stepped forward with additional funding to deal with immediate challenges, and discussions continue with the State as well as Hennepin County and Metro Transit for a stable long term plan for stepped up police presence. We maintain that the strategy must also include tougher enforcement against bad behavior on the streets before it erupts into violence, as well as greater consequences at the judicial level so the offenders are not right back on the streets. ■

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Legislative Update

By Douglas M. Carnival
McGrann Shea Anderson Carnival Straughn & Lamb, Chartered

The Legislature is now beginning to take final action on the most important bills of the session. Prior to a mandatory May 22 adjournment, bills dealing with capital investment, the next biennial budget, taxes, the language of the transportation constitutional amendment, and new stadiums will be voted upon.

Transportation During the 2005 session, the Legislature passed a bill which will place on the November 2006 ballot a constitutional amendment dedicating 100% of the Motor Vehicle Sales Tax (MVST) to highways and transit. However, since the ballot language was confusing, an effort is being made during this legislative session to clarify the language to simply ask whether the Minnesota Constitution should be amended so that all revenue from the existing MVST be dedicated to highways and public transit. Further, language would be added to Minnesota statutes which would establish the 60%-40% apportionment between highways and transit. We are supporting these changes to increase the chances that the ballot question will be approved in November.

Taxes As in past years, the Senate Tax Committee has passed a bill on to the Senate Floor which targets businesses. Provisions of the Omnibus Tax bill would change the state property tax raising an additional $44 million in FY 2007, $11 million in FY 2008, and $173 million in FY 2009. As we know from past years, the Chair of the Senate Tax Committee has felt that property tax reform enacted over the last few years has benefited businesses more than homeowners.
BOMA has been actively attempting to discourage passage of these property tax increases. During Business Day at the Capitol, a number of BOMA members met with various legislators encouraging them to resist raising statewide property taxes. BOMA also expressed these concerns to key Tax Committee members. We pointed out that we have recently seen an economic recovery in the metropolitan area and occupancy rates in our buildings improving along with it. As a result, "C/I values and property taxes have begun to soar – by an average of more than 17% last year and almost 20% this year on downtown class A buildings…These properties are now experiencing huge tax increases due to higher assessed values and cannot afford the added burden of structural changes to the rates." The letters closed by urging the senators to give the economy a chance to work and restore equilibrium to the tax base on its own without increasing the statewide property tax further. We will be advocating this position to Senate members when the tax bill reaches the Senate Floor.

No comparable tax increase measures have been introduced or considered in the House of Representatives. The Governor and House Leadership have been committed to maintaining the property tax relief which was achieved a number of years ago, so we do not feel the Senate position will prevail.

Stadiums The House of Representatives recently passed a bill authorizing the use of some state revenue to help support the building of a new University of Minnesota football stadium. Since the Senate has backed this proposal for some time, we anticipate that this measure will ultimately receive Senate approval and be sent on to the Governor for his signature.
A new ballpark for the Minnesota Twins is still a question mark, but there is reason for optimism at the time of this writing, as House Leadership has convinced Tax Committee Chair Phil Krinke (R -- Shoreview) to hold hearings on the Hennepin County proposal. The debate in the House centers around whether the bill should require a referendum in Hennepin County before the sales tax can be increased to fund the stadium. Speaker Steve Sviggum (R – Kenyon) has indicated that he believes that the bill will pass the House Floor if it is successfully reported out of the Tax Committee. The Senate is prepared to proceed forward and authorize a new Twins ballpark without a referendum. The Governor has indicated that he would prefer a referendum but would sign a bill which does not have one. This is as good a position as the Twins have been in since they began seeking a new ballpark 10 years ago.

We'd like to thank our members who attended BOMA's meetings during the Business Day at the Capitol recently. We had good sessions with Senator Linda Scheid (DFL – Brooklyn Park), Senator Don Betzold (DFL – Fridley), Senator Geoff Michel (R – Edina), and Representative Ron Erhardt (R – Edina). Each was very receptive to the positions BOMA was advancing and thanked us for our interest and input. We encourage all BOMA members to join us next year for this worthwhile and valuable session. ■

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TOBY Awards Workshop

Greater Minneapolis BOMA knows we have the caliber of managers and buildings necessary to win one of BOMA International's "The Office Building of the Year" (TOBY) Awards! We've invited the Chair of BOMA International's TOBY Awards Committee, Murray Greene, to tell us more about the entry process and to share winning strategies with those who may be interested in competing. We invite you to join us and bring your management team to learn how you could be a winner.

Thursday, May 4, 2006

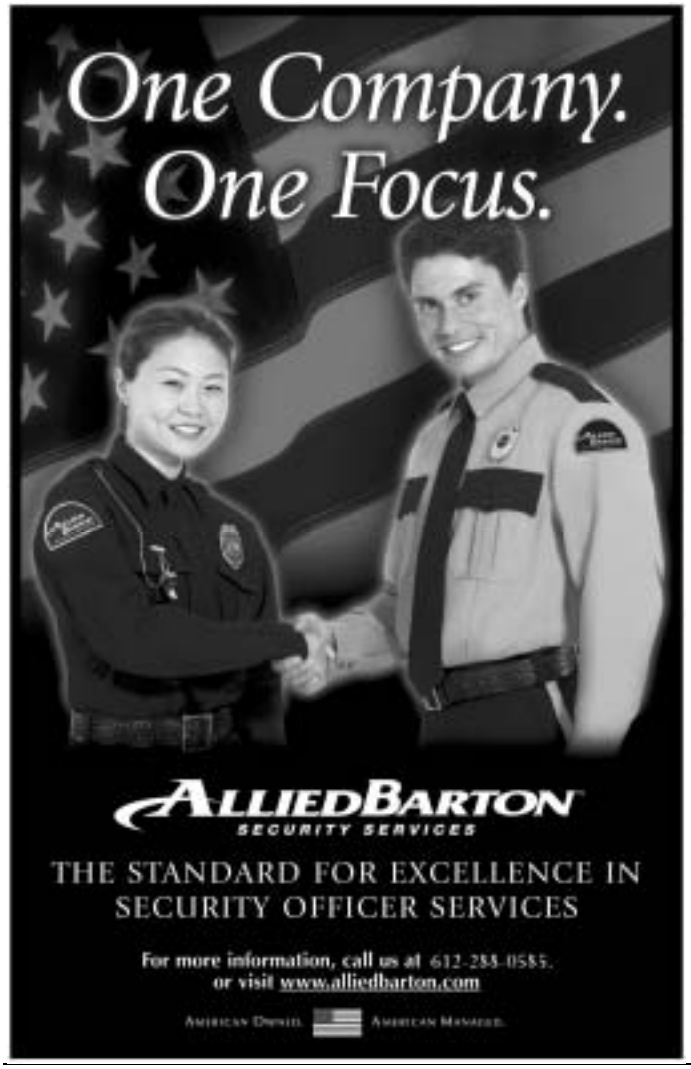
8:00 - 10:30 a.m. continental breakfast and workshop

WHERE: Windows on Minnesota, 50th floor of the IDS Center

COST: $25.00

2 CEUs pending approval.

REGISTER using your American Express, MasterCard or Visa online at www.bomampls.org or by sending email to Events@bomampls.org. Cancellations must be received 24 hours in advance. Substitutions always honored.



Medical Buildings Special Interest Group Meeting

Preparing for a Pandemic

How would a pandemic affect your medical building? (Or your office building? All BOMA members are welcome to attend this meeting.) Your medical tenants, their patients and visitors, your management staff, contractors, and operations would all be impacted. This kind of crisis probably calls for a different kind of preparedness plan than the one you may have on your shelf right now. This month's meeting will help you better understand the risk and prepare to deal with it. We'll talk about human influenza, avian influenza, how they're transmitted, prevention methods, tenant communications, and federal preparedness guidelines.

Wednesday, May 17, 2006 7:30 – 9:00 a.m.

WHERE: 7700 France Avenue South in Edina.

COST: $10.00 **1.5 CEUs** pending approval

REGISTER using your American Express, MasterCard or Visa online at www.bomampls.org or by sending email to Events@bomampls.org. Cancellations must be received 24 hours in advance. Substitutions always honored.

2006 Resource Fair

BOMA's Service Providers Council would like to thank all participants of the second annual Resource Fair held on March 8th. With 307 total attendees, the attendance was slightly higher than last year's Fair and the Council was able to document an impressive 2,987 "interactions" between attendees and exhibitors based on the number of signatures on the event programs. While only a few of these interactions likely resulted directly in sales of products or services, marketing professionals certainly would recognize the value of this kind of visibility. BOMA members got to learn more about each other and at least one exhibitor even reported making a sale to a fellow exhibitor.

In addition to what Service Provider Council President Jim Oelhafen calls "resourceful networking opportunities," the Resource Fair also provided the following benefits:

- 1 hour of Continuing Education credit to attendees;
- Over 160 free "incentive" lunches;
- Non-dues revenue for Greater Minneapolis BOMA (ultimately helping to keep dues lower); and
- Many valuable prizes.

As the Service Providers Council begins planning to make next year's event even more successful we welcome your comments and suggestions.

Annual Meeting Scored Big

Attendance at our Annual Meeting on April 20, 2006 was a **record breaker** with 231 people coming to hear Zygi Wilf, owner of the Vikings talk about his investment in Minnesota, his football team, and his proposed sports complex in Blaine.

Thanks to the generosity of our members, **Project for Pride in Living** also scored big. Mr. Wilf brought four NFL footballs signed by himself and Brad Johnson to be raffled off by members of our Special Events Committee. Annette Salazar from Wells Real Estate Funds was particularly good at encouraging her colleagues to pull out their wallets to buy raffle tickets for a good cause. We like having her on our team! Together we raised **$1000** to be donated to our charity partner, Project for Pride in Living. Yay Team!

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May *

5	Superintendents Assn. Meeting
11	Board of Directors Meeting
17	Medical Buildings SIG Meeting
18	General & Suburban BREAKFAST Meeting
29	Memorial Day (BOMA office closed)

* Note that this year's golf tournament has been re-scheduled to August 7th.

June

8	Board of Directors Meeting

July

4	Independence Day (BOMA office closed)
13	Board of Directors Meeting

Superintendents Meetings

As always, BOMA Superintendents Association suspends meetings during the summer months, however our Program Committee will be meeting in June to plan the topics and speakers to be scheduled beginning in September.

The committee will be seeking relevant content and engaging speakers.

Those companies who are BOMA members will be considered first as potential speakers before we consider nonmember companies as presenters.

Do you have a suggestion for a topic or speaker? Email it to the Superintendents Association Program Committee Chair, John Quellhorst at johnq@wexfordfinancial.com.

Property Managers,

are your building engineers members of BOMA's Superintendents Association? Their monthly luncheon meetings can prove to be an extraordinary value as they learn about the latest building enhancements that can improve the efficiency and cost savings at your properties. Membership is just $65 a year. Contact the BOMA office for applications.