

*Saint Paul*  
**BOMA**  
MARKET REPORT



Minnesota's Sesquicentennial  
1858-2008

*Years*



October 13, 2008



*Dick Zehring*

**Dear Members of the Greater Saint Paul Building Owners and Managers Association (BOMA):**

**F**or the last 14 years, Saint Paul BOMA has proudly published the Saint Paul Office Market Report to share accurate, timely office market information and analysis in one convenient resource. This is part of BOMA's ongoing commitment to comprehensive, analytical reporting on the current state of Saint Paul's Central Business District in comparison to years past.

I believe it is one of the most, if not the most, reliable such reports because of the great care and effort BOMA exercises in contacting and verifying every source of information, knowing that this report is read by public and elected officials, bankers, lenders, and investors all over the country, as well as by local and regional brokers, building owners, and managers.

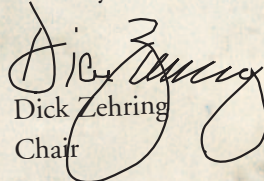
The 2008 report reveals increases in occupancy over the past year and provides updates on the overall inventory, lease activity, rental rates, and more.

This report also provides historical perspectives leading up to some of Saint Paul's most interesting current events, including the sesquicentennial celebration and the recent Republican National Convention. We have a wonderful and enviable history in St. Paul. Above all, it's a great place to do business.

Thank you to the many building owners, managers, and leasing agents who provided information, and to the Marketing and Leasing Committee, co-chaired by Pat Wolf and Eric Rapp, who oversaw the preparation of the 2008 report. And, a special welcome to Matt Anfang, our new president of Greater Saint Paul BOMA.

Finally, thank you to the Capital City Partnership, which helps make this annual report what it is.

Sincerely,

  
Dick Zehring  
Chair

1858

1858 Minnesota became the  
thirty-second state on May 11.

2008

# Introduction

*What the past tells us about our present and future*

## Saint Paul true to its roots in commerce, civic activism, innovation, and transportation

One of the mainstays of Saint Paul BOMA's annual report has been the contention that our city is different than many. While most office market surveys only discuss competitive office space, we include Owner-occupied, Government, and Medical Office space in our report. These categories all contribute to the dynamics of the Saint Paul market, and without them it would be difficult to understand our market and the changes it undergoes each year.

Variety is at the heart of Saint Paul's identity. The natural geography of Saint Paul is the main reason why it developed into a trade and transportation center. Its role as a key city in the budding Minnesota Territory helped it become the territorial (and later the state) capital. From these roots grew a commercial and innovation hub that gives the city a distinctive identity still today – 150 years following statehood.

## 150 years of progress

Minnesota became the 32<sup>nd</sup> state in the Union on May 11, 1858. Saint Paul was named its capital city.

The city was bustling with activity. More than 1,000 steamboats came to Saint Paul in 1858 with settlers, their belongings, and cargo of all kinds. Ox carts were lined up on city streets ready to transport the newly arrived goods to the frontier. Nearly 10,000 inhabitants called Saint Paul home, and the number of residents and businesses was steadily growing.

Other than the river and its stone bluffs, Saint Paul in 2008 bears little *visual* resemblance to its 1858 self. The first agent of change was the coming of the railroads in 1862. Downtown's first high-rise was built in 1888, the state Capitol in 1905, and Saint Paul's Cathedral in 1915. Travelers, Securion (Minnesota Life), and Ecolab – downtown's best-known Fortune 1,000 companies today – were formed in 1864, 1880 and 1923. The city's longest-running event – the Winter Carnival – began in 1886.

But in terms of *spirit*, Saint Paul remains true to many of its historic attributes. The city now – and the business community's vision for tomorrow – are rooted in commerce, government, innovation and transportation.

## Strong identity for the future

This year's report on the downtown Saint Paul office market shows improvement in office space occupancy. Meanwhile, we have the success of hosting the Republican National Convention, the news of continued operations at the Ford plant, and much to look forward to on the horizon.

A decade from now, most people won't recall downtown's vacancy/occupancy statistics from 2008, but they will look back on what was being planned at this time and which goals were accomplished. What new companies will call our city home? Will passenger trains be coming and going out of Union Depot? Who will be Saint Paul's new Walter H. Deubner (inventor of the paper shopping bag, 1912) or Richard Drew (inventor of Scotch® tape, 1930)?

The success of our business and civic activities – and the way people look at Saint Paul – will depend in part on answers to questions like these.



Although Congress and President Buchanan admitted Minnesota to the Union on May 11, 1858, the news did not reach Saint Paul until nearly two weeks later. Minnesota had no telegraph lines or railroads, so a telegram was sent to Prairie du Chien, Wisconsin, and carried up the Mississippi River by steamboat to Saint Paul.



1858

1862

The first railroad in Minnesota opened between Saint Paul and Minneapolis.



## Highlights of this Office Market Survey

- The Saint Paul Central Business District has **17,102,737 total square feet of Competitive, Government, and Owner-occupied office space**. This is a net decrease of 170,663 square feet, or 1%, since 2007, but an increase of more than 2.62 million square feet, or 15%, over the total universe in 1995, when BOMA compiled its first report.
- The most significant decrease in office space comes from the removal of two buildings with 175,096 combined square feet from the inventory:
  - Mears Park Center (132,958 square feet) is being converted into residential space.
  - 360 Cedar (42,138 square feet) is not being marketed, as the site could potentially become part of the Central Corridor transit project.
- **Overall occupancy increased from 89% in 2007 to 90% in 2008, due in part to the removal of Mears Park Center and 360 Cedar from the office market, which led to a smaller universe.**
- In Competitive office space, the Class A and Class B occupancy rates increased. Class A rose from 87.2% occupied in 2007 to 90.5% in 2008, and Class B increased from 77.6% occupied in 2007 to 80.2% in 2008. Class C occupancy decreased from 66.3% to 63.0%.
- **Absorption was 63,814 square feet for the total universe.** Since 1995, the Saint Paul Central Business District has absorbed a net total of 1,851,201 square feet.
- **The Saint Paul Central Business District has 8.57 million square feet in Competitive office space.** Of that amount, 24.9% is Class A space, 61.1% is Class B space, and 14.0% is Class C space.
- From 1995 to 2007:
  - Class A office space has increased from 5 to 6 buildings and 1.47 million square feet to 2.13 million square feet. This is an increase from 17% to 24.9% of the Competitive space total in the Saint Paul Central Business District.
  - Class B office space has increased from 4.93 million square feet and 32 buildings in 1995 to 5.24 million square feet and 32 buildings today. Class B space has increased from 57.5% of the Competitive space total in 1995 to 61.1% of the total in 2008.
  - Class C space has decreased from 24 to 17 buildings and 2.16 million square feet to 1.20 million square feet. Class C space has declined from 25% of the Competitive space total in 1995 to 14% today.
- Space available for sublease increased from 39,254 square feet in 2007 to 68,974 in 2008.
- The 2008 median gross rental rate per rentable square foot is \$23.03 for Class A space, \$17.00 for Class B space, and \$15.00 for Class C space. These changes represent a \$0.58 increase for Class A space, \$0.20 decrease for Class B space, and no change in Class C space.

Saint Paul Fact

★ **Three downtown Saint Paul high-rises that were built in the 1800s continue to be part of the Saint Paul skyline today: the Saint Paul Building (1888), the Empire Building (1889), and the Pioneer Building (1889).**

## Total Universe

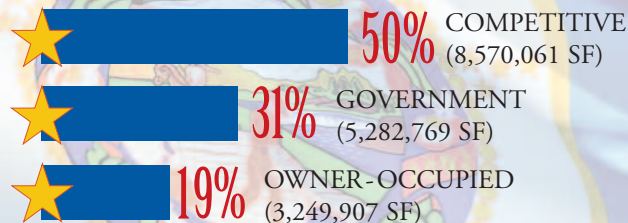
As defined in the 2008 report, the total universe of office space in the Saint Paul Central Business District is 17,102,737 square feet. This is a net decrease of 170,663 square feet, or 1%, from last year's report. However, it is an increase of more than 2.62 million square feet, or 15%, over the total universe in 1995, when BOMA compiled its first report.

### Saint Paul Facts

★ Saint Paul has more than 170 parks and open spaces, more than 100 miles of trails, 17 miles of riverfront, three 18-hole golf courses, and more than 30 recreation centers.

### TOTAL UNIVERSE

(17,102,737 SF)



In the past year, seven buildings reported minor adjustments to building square footage figures.

Buildings removed from the office space inventory include:

- Mears Park Center, 230 East 5th Street, is being converted into residential space (loss of 132,958 square feet).

- 360 Cedar, 50 East 5th Street, may become part of the Central Corridor transit project, and is therefore not being marketed (loss of 42,138 square feet).



## TOTAL UNIVERSE HISTORIC COMPARISON

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Competitive	59%	60%	58%	58%	56%	55%	56%	53%	50%	50%
Owner-occupied	17%	14%	17%	17%	19%	18%	19%	18%	19%	19%
Government	24%	26%	25%	25%	25%	27%	25%	29%	31%	31%
Total square feet	14,253,481	15,657,821	16,482,859	16,738,565	16,806,489	16,521,388	16,460,028	17,691,716	17,273,400	17,102,737

1858

1881

The first state Capitol burned and a second was built.

## Overall Vacancy/Occupancy



Vacancy/occupancy statistics include Competitive office space, Government space, and Owner-occupied space. Government space and Owner-occupied space are considered occupied.

Vacancy for the total universe of office space in the Saint Paul Central Business District is 10%, or 1,683,779 square feet. This vacancy rate is one percentage point lower than the overall vacancy reported in 2007 (11%, or 1,897,756 square feet).

The following buildings represent the most significant changes in vacancy/occupancy:

- **UBS Plaza, 444 Cedar Street.** Net occupancy increased by 33,502 square feet. New leases include the Minnesota State Colleges and Universities System (12,373 square feet) and HDR, Inc. (12,373 square feet). Expansions include NorthStar Education Finance (expanded by 11,834 square feet), UBS Financial Services (expanded by 6,391 square feet), and Great Lakes Higher Education (expanded by 4,476 square feet). Bradley & Guzzetta, L.L.C. vacated 3,463 square feet.
- **400 Building, 400 North Robert Street.** Securian leased an entire floor, Atlas Talent Solutions leased space on the 16th floor, and Valmark leased space on the 13th floor, contributing to increased net occupancy of 29,600 square feet in the past year.
- **213 East 4th Street.** Move.com ended its lease after a company sale, contributing to 20,700 square feet in increased net vacancy.
- **Gilbert Building, 413 Wacouta Street.** Several new leases helped increase net occupancy by approximately 15,500 square feet.
- **Liberty Square, 133 East 7th Street.** The building is fully occupied after a new tenant leased the entire top floor. Net vacancy in 2007 was 12,750 square feet.
- **University Club Downtown, 340 Cedar Street.** The building is fully leased, with the College of St. Scholastica expanding its lease to occupy 25,466 square feet. Also, space in the building that was previously reported as office space is not being marketed as office space.

Saint Paul Fact



The current Minnesota Capitol building is the state's third. The first two Capitol buildings were located in downtown Saint Paul on a city block bordered by Wabasha, Exchange, Cedar and 10th streets. (The Fitzgerald Theater is on that block today.)



## OVERALL VACANCY/ OCCUPANCY

(17,102,737 SF)



10%

VACANCY  
(1,683,779 SF)

90%

OCCUPANCY  
(15,418,958 SF)

- **US Bank Center**, 101 East 5th Street. Net occupancy increased by approximately 9,000 square feet, due to new tenants and expansions. Notably, Stifel, Nicolaus & Company and Asian Express leased more than 4,000 square feet combined, and Ramsey County expanded by 1,462 square feet.
- **Golden Rule Building**, 85 East 7th Place. Net occupancy increased by approximately 8,000 square feet, due in part to two tenant expansions.
- **Lawson Commons**, 380 St. Peter Street. Net occupancy increased by 6,216 square feet, in part due to Marsden Holding, L.L.C. leasing 4,357 square feet, Frauenshuh Companies leasing 3,792 square feet, and a convenience store leasing 729 square feet.
- **Gallery Professional Building**, 17 West Exchange Street. Net occupancy increased by approximately 6,000 square feet due to expansions by HealthEast Care System, Summit Orthopedics, and Quest Diagnostics. Metropolitan Medical Associates vacated 3,300 square feet.
- **Allen Building**, 287 East 6th Street. New leases increased net occupancy by nearly 5,000 square feet.
- **Hamm Building**, 408 St. Peter Street. Transamerica Capital leased space, increasing net occupancy by approximately 5,000 square feet.
- **Public Housing Agency Saint Paul**, 555 North Wabasha Street. The agency leased the previously remaining square footage; the building is now fully occupied.

1892 RNC Fact



The 1892 Republican National Convention was held June 7-10 at the Industrial Exposition Building. The party nominated Benjamin Harrison from Indiana for re-election as President; he was not present at the convention. Although Harrison won in Minnesota in the fall election, Grover Cleveland was elected President.



# Competitive Office Space Analysis

The Saint Paul Central Business District has approximately 8.57 million square feet of Competitive office space, which is 50% of the total universe. Competitive space is further categorized as Class A, B or C. (Please see "Classification Criteria" for a description of the factors that determine how office space is categorized.)

The Competitive office space in the Saint Paul Central Business District consists of 24.9% Class A space, 61.1% Class B space, and 14.0% Class C space. The percentage for Class A space is slightly higher than in 2007, while the amount of Class B and Class C space has decreased slightly.

Significant changes in the percentages of the Class A, B and C categories have occurred since 1995:

- Class A office space has increased from 5 buildings and 1.47 million square feet in 1995 to 6 buildings and 2.13 million square feet today. This is an increase of 660,000 square feet from 1995 to

2008, and an increase from 17% to 24.9% of the Competitive space total in the Saint Paul Central Business District.

- Class B office space has increased from 4.93 million square feet and 32 buildings in 1995 to 5.24 million square feet and 32 buildings today. Class B space has increased by 306,559 square feet, from 57.5% of the Competitive space total in 1995 to 61.1% of the total in 2008.
- Class C space has decreased from 24 buildings and 2.16 million square feet to 17 buildings and 1.20 million square feet. Class C space has declined by 962,413 square feet from 1995 to 2008, and the percentage of Class C space has gone from 25% of the Competitive space total in 1995 to 14.0% today. This reduction in buildings reflects a continuing trend of removing underutilized buildings from the office space inventory and repositioning them to a higher and better use.

2008 RNC Fact

★ "The Cities are lucky to have a robust and diverse business community, unlike many neighboring states, which have historically been dependent on manufacturing and agriculture. But the jobs are just a part of it. Government and business also have invested heavily in educating the local population. A strong tradition of philanthropy has made the region a cultural powerhouse."

- *London Financial Times*,  
August 29, 2008

**TOTAL  
COMPETITIVE  
OFFICE SPACE**  
(8,570,061 SF)



**24.9%**

CLASS A  
(2,131,038 SF)

**61.1%**

CLASS B  
(5,236,403 SF)

**14.0%**

CLASS C  
(1,202,620 SF)



## OFFICE SPACE CONVERSION TO HOUSING IN THE PAST FIVE YEARS

### 2003

- Lowertown Business Center, 245 East 6th Street, 210,000 square feet (Class C).
- Produce Exchange Building, 523 Jackson Street, 45,000 square feet, removed because majority of building was converted to housing (Class C).
- Mears Park Place, 401 Sibley Street, 20,000 square feet, removed because majority of building was converted to housing (Class C).

### 2004

- Rossmor Building, 500 North Robert Street, 162,000 square feet (Class C).
- City of St. Paul HRA Building, 494 Sibley Street, 65,000 square feet (Government).

### 2005

- Minnesota Building, 46 East 4th Street, 101,000 square feet (Class C).
- Union Depot, 214 East 4th Street, 69,900 square feet (Class C).

### 2006

- None.

### 2007

- Renaissance Box, 509 Sibley Street, 62,500 square feet (Class C).
- Commerce Building, 8 East 4th Street, reduced office space by 58,500 square feet (Class C).

### 2008

- Mears Park Center, 230 East 5th Street, 132,958 square feet (Class B).

**TOTAL:** 926,858 square feet converted to housing including approximately 350 units.



# 1858

**1894** A massive forest fire caused by clear-cut logging debris encompassed Hinckley, Minnesota and several other nearby communities.

## Competitive Vacancy/Occupancy



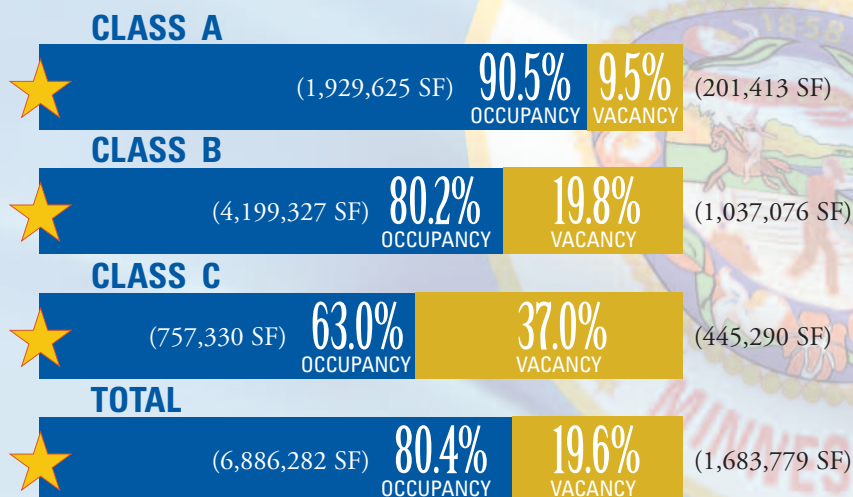
The overall vacancy rate for Competitive office space in the Saint Paul Central Business District is 19.6% (1,683,779 square feet), an improvement from 21.7% (1,897,756 square feet) in 2007. Vacancy is lowest (9.5%) in Class A space and highest (37.0%) in Class C space. The amount of leased space that is available for sublease is 68,974 square feet.

The vacancy percentage decreased due in part to two properties (Mears Park Center and 360 Cedar) being removed from the office market in 2008. This resulted in a smaller universe and higher occupancy levels, which indicate an overall healthier market.

Saint Paul Fact

★ With a population of 287,151, Saint Paul is Minnesota's second most populous city. On weekdays, the population increases by an estimated 41,500 people, due to commuters who work in Saint Paul.

### COMPETITIVE VACANCY/OCCUPANCY





1902

Approximately twelve automobiles appeared in Minneapolis. Tom Shevlin, son of a lumber magnate, was arrested for violating the ten mile per hour city speed limit.

2008

1858 Fact



The Lincoln-Douglas debates – consisting of seven debates between Republican Abraham Lincoln and Democrat Stephen Douglas for an Illinois seat in the United States Senate – were held from August-October. In accepting the Republican nomination in June, Lincoln delivered his famous remark: “A house divided against itself cannot stand.”

## Competitive Vacancy Trends

Overall vacancy in Competitive space decreased from 21.7% or 1,897,756 in 2007 to 16.8%, in 2008. This year's vacancy is higher than the 1995 rate of 16.8% (1.44 million square feet). (Note: office space available for sublease is not included in available square footage.)

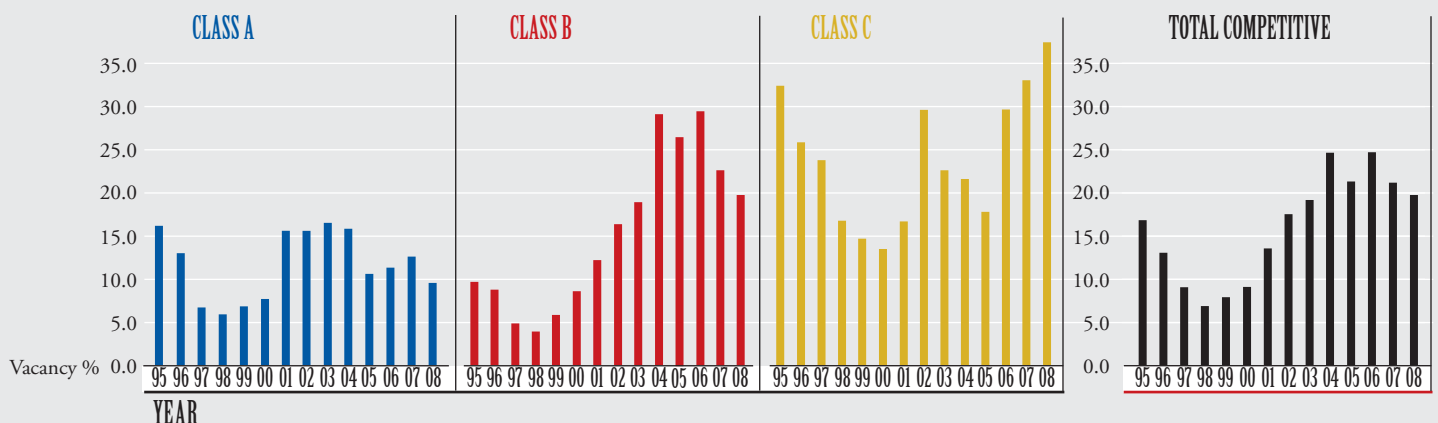
- Class A vacancy decreased from 12.8% in 2007 to 9.5% in 2008. The total available space decreased by 71,519 square feet – from 272,932 square feet last year to 201,413 square feet this year. In 1995, Class A vacancy was

16.8% or 248,000 square feet – a difference of 46,587 square feet.

- Class B vacancy decreased by 166,146 square feet – from 1,203,222 square feet, or 22.4%, in 2007 to 1,037,076 square feet, or 19.8%, in 2008. Class B vacancy was 10.0% or 493,000 square feet in 1995, which is an increase of 544,076 square feet.
- Class C vacancy increased from 33.7%, or 421,602 of 1.25 million square feet, in 2007 to 37.0%, or 445,290 of 1.20 million square feet, in 2008 – a difference of 23,688 square feet.

This year's vacancy rate in Class C is higher than it was in 1995, but significantly more square feet were vacant in 1995 – 700,000 of 2.2 million, which is a difference of 254,710 square feet. (Class C space decreased by 962,413 square feet from 1995 to 2008 due to conversions and demolition.)

- Sublease space totals 68,974 square feet in 2008. This compares to 39,254 square feet available for sublease reported last year.



# Absorption

Absorption is a measurement of the increase or decrease in occupied office space that occurs during a given period of time. The graph below compares the absorption of office space that has occurred over the past year to the absorption of office space during the 13 prior years of this report.

Absorption in the total universe is 63,814 square feet for 2008. This means that 63,814 more square feet are occupied in 2008 than in 2007. When absorption is tracked for Competitive office space alone, downtown Saint Paul absorbed 59,748 square feet.

The Saint Paul Central Business District has absorbed a positive net total of 1,851,201 square feet since 1995. This represents an annual average absorption of approximately 142,400 square feet.

## Significant absorption activity

- Net occupancy significantly increased at the following properties:
  - UBS Plaza – increase of 33,502 square feet
  - 400 Building – increase of 29,600 square feet
  - Gilbert Building – increase of approximately 15,500 square feet

- Liberty Square – increase of 12,750 square feet (fully occupied)
- University Club Downtown – increase of 9,500 square feet (fully occupied)
- US Bank Center – increase of approximately 9,000 square feet
- Golden Rule Building – increase of about 8,000 square feet
- Lawson Commons – increase of 6,216 square feet
- Gallery Professional Building – increase of more than 6,000 square feet
- Hamm Building – increase of about 5,000 square feet
- Allen Building – increase of nearly 5,000 square feet
- Net vacancy increased at 213 East 4th Street (20,700 square feet).
- Two properties – Mears Park Center and 360 Cedar – were removed from the office market.

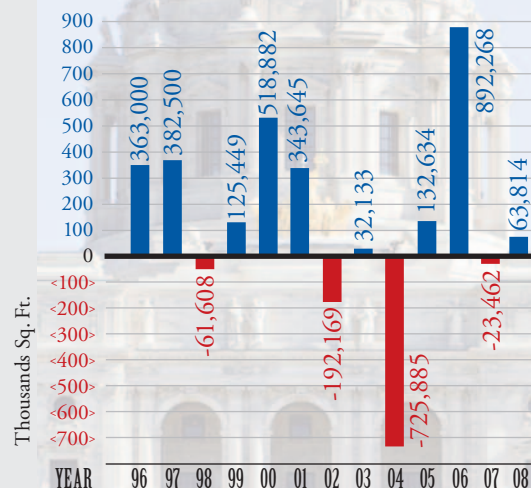
## Government space

Remeasurements of the state Capitol and Centennial Building added 4,066 square feet in the past year.



## 2008 ABSORPTION

Competitive	59,748
Owner-occupied	0
Government	4,066
<b>Total absorption</b>	<b>63,814</b>





1917

The United States of America entered World War I.  
118,497 men from Minnesota served in the war.

2008

# Market Rental Rates

The quoted gross rental rate per rentable square foot for office space is the sum of the net rental rate and operating expenses, including property taxes.

The information on net rental rates and operating expenses was obtained directly from the building owners, managers, and leasing agents surveyed for this study, and it represents the asking rental rates for each building. The rental rates are intended to reflect the average listing rate for the property. Several factors impact the rental rate in a lease transaction, including location in the building, improvements, parking, term, credit, services and more.

This section's analysis compares the median gross rental rates of office space in each Competitive classification with office space in other classifications and with prior years.

- **Class A:** The quoted median gross rental rate increased by \$0.58 from 2007 to 2008, from a



\* Net rental rates were provided for approximately half of the Class C buildings. Accordingly, the median net rental rate for Class C does not fully represent all buildings in this category.

median of \$22.45 per square foot to a median of \$23.03 per square foot. The 2008 median net rental rate is \$12.25. The median gross rental rate has increased by \$7.74 per square foot since 1995, when it was \$15.29.

- **Class B:** The quoted median gross rental rate has decreased slightly from \$17.20 per square foot in 2007 to \$17.00 in 2008. The median gross rental rate has increased \$2.75 since 1995, when it was \$14.25 per square foot. The 2008 median net rental rate is \$9.00.
- **Class C:** The quoted median gross rental rate remained the same – \$15.00 – from 2007 to 2008. The median gross rental rate has increased \$5.00 since 1995, when it was \$10.00 per square foot. (Because building representatives often quote gross rental rates in this class, to the

extent reported, we can extrapolate a median gross rental rate of \$8.25 for 2008.)

For buildings that provided a range for their rental rates, we used the middle of the range provided for the median analysis.

## Operating expenses and taxes

An analysis of operating expenses and taxes reported by the building owners, managers, and leasing agents during the past eight years for each class indicates that the median rate has:

- Increased from \$11.31 in 2001 to \$12.25 in 2008 for Class A space.
- Decreased from \$10.00 in 2001 to \$9.00 in 2008 for Class B space.
- Increased from \$8.19 in 2001 to \$8.25 in 2008 for Class C space.



## Significant Market Activity

In 2008, the total universe contains 17,102,737 total square feet of Competitive, Government, and Owner-occupied office space. This is a net decrease of 170,663 square feet, or 1%, from 2007. Overall occupancy increased from 89% in 2007 to 90% in 2008. This change resulted in part from the removal of Mears Park Center and 360 Cedar (175,096 square feet) from the inventory, leading to a smaller, healthier office space universe.

### Competitive office space

#### Class A space

##### *Buildings removed:*

- No change

##### *Changes in total square footage:*

- No change

##### *Recent transactions:*

- UBS Plaza, 444 Cedar Street. The Minnesota State Colleges and Universities System leased 12,373 square feet, HDR, Inc. also leased 12,373 square feet, NorthStar Education Finance expanded its leased space by 11,834 square feet, UBS Financial Services expanded by 6,391 square feet, Great Lakes Higher Education expanded by 4,476 square feet, and Bradley & Guzzetta, L.L.C. vacated 3,463 square feet. These changes represent a total increase in

occupancy of 33,502 square feet since last year's report.

- 400 Building, 400 North Robert Street. Securian expanded and leased an entire floor. Atlas Talent Solutions leased space on the 16th floor and Valmark leased space on the 13th floor, helping increase occupancy by 29,600 square feet.
- Lawson Commons, 380 St. Peter Street. Marsden Holding, L.L.C. leased 4,357 square feet, Frauenshuh Companies leased 3,792 square feet, and a convenience store leased 729 square feet.
- Wells Fargo Place, 30 East 7th Street. State Farm Insurance Company leased 7,500 square feet, Winthrop & Weinstine, P.A.

vacated 2,256 square feet, and another tenant downsized by 2,100 square feet.

#### Class B space

##### *Buildings removed:*

- Mears Park Center, 230 East 5th Street. The building is being converted into residential space, and has therefore been removed from this report. It will feature 107 apartment units and is scheduled to open soon.

##### *Changes in total square footage:*

- No change

##### *Recent transactions:*

- Gilbert Building, 413 Wacouta Street. Several new leases helped increase occupancy by approximately 15,500 square feet.





1927

Charles Lindbergh, a native of Little Falls, Minnesota, flew solo across the Atlantic Ocean from New York to Paris.

2008

1858 Fact

★ Samuel L. Clemens –  
later known as Mark  
Twain – became a  
licensed river pilot.



- US Bank Center, 101 East 5th Street. Occupancy increased by approximately 9,000 square feet, due to new tenants and expansions. Stifel, Nicolaus & Company and Asian Express leased more than 4,000 square feet combined; Ramsey County expanded by 1,462 square feet.
- Golden Rule Building, 85 East 7th Place. Occupancy increased by about 8,000 square feet, due in part to two existing tenants expanding.
- Gallery Professional Building, 17 West Exchange Street. Net occupancy increased by approximately 6,000 square feet due to expansions by HealthEast Care System, Summit Orthopedics, and Quest Diagnostics. Metropolitan Medical Associates vacated 3,300 square feet.
- Hamm Building, 408 St. Peter Street. Transamerica Capital leased space, increasing occupancy by approximately 5,000 square feet.
- Public Housing Agency Saint Paul, 555 North Wabasha Street. The agency leased the previously remaining square footage; the building is now fully occupied.
- Bremer Tower/Town Square, 445 Minnesota Street. Foot Locker and Cingular Wireless (now AT&T) vacated their spaces, contributing to lowered occupancy of 1,700 square feet.
- Liberty Square, 133 East 7th Street. The building is fully occupied after a new tenant leased the entire top floor.
- University Club Downtown, 340 Cedar Street. The College of St. Scholastica is leasing 25,466 square feet, and the building is now fully occupied. In 2007, 9,500 square feet were available. However, space in the building that was previously reported as office space is no longer being marketed for this purpose.
- Allen Building, 287 East 6th Street. Occupancy increased by nearly 5,000 square feet due to new leases.
- Landmark Center, 75 West 5th Street. The building is fully leased, thanks to one new tenant and existing tenant expansions.

### Class C space

#### *Buildings removed:*

- 360 Cedar, 50 East 5th Street. This building is not being marketed and has therefore been removed from the office space inventory. The site may become part the Central Corridor transit project.

#### *Recent transactions:*

- 213 East 4th Street. Move.com closed its Saint Paul office when the company was sold, contributing to 20,700 square feet in increased vacancy in this building.

## Medical Office Space

Medical office space is a stand-alone category and does not impact the statistical data contained in this report.

Medical office space has a significant impact on Saint Paul. The city has three large health care campuses in or directly adjacent to the Central Business District that provide service to local residents and the workforce, and whose business health impacts the entire city.

This category includes 19 buildings:

- 16 of the buildings are contained in the health care campuses located within or directly adjacent to the Saint Paul Central Business District: Regions Hospital, St. Joseph's Hospital, and United/Children's Hospitals.
- 3 buildings are contained in other categories of this report: Gallery Professional Building, Gallery Towers, and Capitol Professional Building.

Altogether, Medical Office space accounts for 3,293,699 square feet. This square footage is comparable to the amount of Owner-occupied space in this report, which is 3,249,907 square feet.

The following notable projects are underway on the health care campuses included in this report:

- Children's Hospitals' Saint Paul Campus, 345 Smith Avenue North. Construction began this past spring to enlarge patient rooms, expand the emergency room, add operating rooms, and make other improvements. This is part of Children's Hospitals and Clinics' \$300 million expansion and modernization project on its Saint Paul and Minneapolis campuses.
- Regions Hospital, 640 Jackson Street. An 11-story, \$179 million expansion and renovation project is scheduled to be completed in October 2009. The project is adding more private patient rooms, an improved emergency center, 20 new operating rooms, and two levels of underground parking. The 11th story of the

project was announced in February.

- St. Joseph's Hospital, 69 West Exchange Street. A \$90 million renovation includes a new five-story patient tower scheduled for completion in the winter of 2008-2009. The 194,000 square foot tower includes new heart and neuroscience centers, private rooms for all patients, a new main entrance and lobby, and more. Renovation of existing hospital facilities – including semi-private conversions to private rooms and an expanded emergency department – is slated to begin after the tower is completed.
- United Hospital, 333 North Smith Avenue. United Hospital CEO Mark Mishek has been named the next CEO of Hazelden Foundation. He is expected to start at Hazelden in November.

*(Please refer to the Medical Office Building Table on page 24)*





## Noteworthy

Saint Paul Fact



More than 28,000 companies are located in the Saint Paul/East Metro area, creating 510,000 jobs and millions of dollars in economic activity.

### Office space

- First National Bank Building, 332 Minnesota Street. The \$20 million renovation of this building is in various stages of completion. Renovations have been made to meeting rooms, spec suites, the building's entry, and a fitness center has been added.
- Warren E. Burger Federal Courts Building, 316 North Robert Street. The newly renovated building opened for business in September. Following the \$70 million improvement project, it has more courtrooms, an expanded lobby, and increased security.
- Landmark Towers, 345 Saint Peter Street. Green Tree Servicing sold this building (minus the residential condominiums) to Idaho-based DBSI Group for an estimated \$25 million. This is the fourth property in the Twin Cities acquired by DBSI and affiliate DDRS.
- Metro Square Building, 121 East 7th Place. The building is in receivership.
- Ramsey County Adult Detention Center, 14 West Kellogg Boulevard. Plans for the former jail and adjacent headquarters for West Publishing remain undefined. The Ramsey County board selected Opus Northwest as the tentative developer for a

\$200+ million office, hotel and housing project. Opus canceled its initial \$10 million purchase agreement in April and renegotiated a new agreement while the company seeks an anchor tenant. The project currently calls for approximately 500,000 square feet of Class A office space.

- Gilbert Building, 413 Wacouta Street. McCullough Cos. is making upgrades to the building, including a lower level banquet room.

### Housing and mixed use

- Bonnie-Jean Flats, 212 East 7th Street. The old B&M furniture warehouse was converted into apartments.
- Commerce Building, 8 East 4th Street. In a \$10.4 million project, the city, CommonBond Communities, and other key partners redeveloped the building's upper six floors into 55 affordable housing rental units. Another 45 units on the lower six floors will be remodeled in the next year.
- Cosmopolitan Apartments, 250 East 6th Street. The Cosmopolitan was recently sold for \$24 million.
- Farmers Market Flats, corner of Wall Street and East 5th Street.

This project is on hold until legal issues are resolved. The previous developer withdrew from the project; the city is seeking new partners to bring the project back to life.

- Penfield Project/Public Safety Building, corner of 11th and Minnesota streets. Alatus Partners has redesigned the Penfield project, eliminating the \$130 million condo tower and instead exploring a hotel, apartments, and/or a grocery store for the site.
- Upper Landing Village. Construction is nearing completion on this 21-acre urban village between Xcel Energy Center and the Mississippi River. The last section of the development, which is nearest to downtown, includes approximately 100 housing units, 10,000 square feet of commercial space, and a parking ramp.
- Wabasha Tower, corner of Wabasha and 6th streets. Wingfield Corporation continues to plan to develop a mixed-use, high-rise tower. The company has signed a letter of intent with a five-star hotel operator and is considering other potential uses such as Class A office space, a cultural venue, and limited retail on the street and skyway levels.

## Noteworthy

1892 Fact



Wyoming sent two women to the convention as alternate delegates. This was the first time that women were seated at a Republican National Convention.

### Other developments

- Smith Avenue Transit Center, corner of Kellogg Boulevard and West 7th Street. Construction is complete on this 600-car public parking ramp atop a Metro Transit bus station.
- Cleveland Circle, corner of Kellogg Boulevard and West 7th Street. The City of Saint Paul and City Center Retail, L.L.C. are working together to develop a plan for the 2.4-acre site, which could include a hotel, office space, some retail space, restaurants, and a Minnesota Wild practice facility.
- Union Depot and Downtown Post Office, 180 East Kellogg Boulevard. The Ramsey County Regional Rail Authority (RCRRA) and the city of Saint Paul are still negotiating property acquisition with the U.S. Postal Service, which is working on plans to move its distribution center from downtown Saint Paul to Eagan for the deal to move forward. Once the property is acquired, the plan is to redevelop the Union Depot concourse and adjacent downtown post office site into a multi-modal transit hub.
- Light rail and mass transit developments (proposed/underway):
  - Central Corridor. The Metropolitan Council has submitted its application for federal approval to enter the final design phase for the Central Corridor light-rail system, which would start at Union Depot in Saint Paul and connect to the Hiawatha Line in downtown Minneapolis. The Federal Transit Administration is expected to make its decision in early 2009, and the current timeline calls for construction to begin in 2010.
  - Red Rock Corridor. This is a 30-mile route extending from Hastings through downtown Saint Paul (Union Depot) to Minneapolis. Studies are underway to examine all transit alternatives to determine the most appropriate and cost-effective option for this corridor.
  - Robert Street Corridor. Dakota County released its feasibility study findings and recommendations for transit options in the Robert Street Corridor, which connects downtown Saint Paul with southern suburbs. The approach will be to increase transit ridership with expanded bus options in the short term and consider other transit options over the long term.
  - Rush Line Corridor. The 80-mile Rush Line Corridor – a proposed commuter train route – would begin at Union Depot in Saint Paul and extend north through Ramsey, Anoka, Washington, Chisago and Pine counties to Hinckley.
  - Northern Lights Express. Funding sources for this estimated \$400 million, 150-mile passenger rail line from Minneapolis to Duluth are yet to be determined, but some of the state's Congressional leaders have voiced their support. The next step in the process is to complete an environmental study, which is necessary in order to secure federal funding. The proposed state-of-the-art line would travel up to 110 miles per hour and have up to eight trains running daily. If approved, the line is expected to start operations in 2012.
  - Northstar Corridor Rail Project. This 40-mile commuter rail line from Big Lake to Minneapolis (along Highway 10) is under construction and expected to be operational in late 2009. It would meet the Central Corridor in Minneapolis, where it would connect to Saint Paul.



1941 Singer Bob Zimmerman (Bob Dylan) was born in Duluth.

1948 Minnesota's first television station, KSTP, went on the air.

2008

## Noteworthy

- Xcel Energy High Bridge Power Plant, Mississippi Riverfront. Construction is completed on the new natural gas plant, which replaces the now-demolished coal-fired plant. Xcel Energy is exploring ideas for reuse of the site.
- Holman Field, 644 Bayfield Street. Construction continues on the protective floodwall around the downtown Saint Paul airport. Completion is anticipated for 2009.
- Ford Motor Company Plant, 966 South Mississippi River Boulevard. Ford has decided to keep its Saint Paul Ranger truck plant open until at least 2011.
- Property Taxes. Saint Paul Mayor Chris Coleman proposed the 2009 budget at approximately \$542 million, a \$42 million increase over 2008. A \$6.6 million levy increase is proposed. Ramsey County's proposed levy increase in 2009 is 5%.
- Fortune 500 Headquarters. The 2008 Fortune 500 list includes 19 Minnesota companies: UnitedHealth Group (25), Target (31), Supervalu (62), Best Buy (66), St. Paul Travelers Cos. (93), 3M (100), U.S. Bancorp (122), CHS (fka Cenex Harvest States Cooperatives, 145), Northwest Airlines (213), General Mills (214), Medtronic, Inc. (217), Xcel Energy (260), Land O' Lakes, Inc.



(294), Ameriprise Financial (296), C.H. Robinson Worldwide, Inc. (341), Hormel Foods (390), Thrivent Financial for Lutherans (398), The Mosaic Company (422), and Ecolab (438). Travelers, 3M, and Ecolab are headquartered in Saint Paul.

- Minnesota Sesquicentennial. Minnesota was admitted to the Union on May 11, 1858. To celebrate its 150th anniversary in 2008, events and programs were held throughout the state.
- Republican National Convention. From September 1-4, Saint Paul hosted the Republican National Convention, including an estimated 45,000 visitors and an additional 15,000 media representatives. Media attention on the Xcel Energy Center alone was equivalent to an \$85 million ad campaign.
- Matt Anfang is the new president of BOMA. Anfang was formerly a Saint Paul planning commissioner, worked for the Saint Paul Area Chamber of Commerce, and was Centex Development Company's project manager for Saint Paul's Upper Landing Urban Village.

2008 RNC Fact

★ If you don't like St. Paul, you've got a screw loose."

- NBC News, Anchor Brian Williams in the *Saint Paul Pioneer Press*, September 4

# Methodology

BOMA's inaugural report in 1995 was the first market survey of downtown Saint Paul to accurately and completely portray Saint Paul's office market dynamics. Since then, this report has been based on information from professional owners, managers, and leasing agents. Statistical comparisons have been made between 2008 and 1995 throughout the report.

This report uses the same analyses and boundaries of Competitive, Owner-occupied, and Government buildings as past reports. The classification criteria have changed and the Medical Office space category has been added. Any information provided here that reflects activities after August 1, 2008, has not been figured into this report's statistics. All space available for sublease is treated as leased space.

The BOMA market survey differs from other organizations' surveys in several significant aspects:

**Boundaries.** This report covers the downtown Saint Paul Central Business District and includes a slightly larger geographical area than other surveys, accurately reflecting the trade area or scope of activity within our market. The boundaries for the BOMA report are: University Avenue, to Lafayette Road, to Kellogg Boulevard, to John Ireland Boulevard, to Constitution

Avenue. The boundaries for this year's survey are the same as those used since the first survey in 1995. Several buildings that fall outside of these boundaries are included due to their proximity to the defined area, their competitive presence, and their relationship with the Central Business District for essential services. See the map on page 21 for the boundaries and a list of buildings included in the report that are outside the defined Central Business District.

## Non-competitive buildings.

Most market surveys cover only Competitive buildings, which are generally defined as investor-owned properties that lease to one or more tenants. For many markets, especially those that are suburban in nature, most office leasing activity occurs within this office category. This approach has worked for downtown Minneapolis, where a number of corporations have elected to lease their offices and the amount of Government space is relatively small.

However, the office market in downtown Saint Paul is fundamentally different. Owner-occupied, Government, and Medical Office space play a significant role in this market. Buildings in those categories are included in this survey to prevent underreporting the market and to properly reflect the market's

underlying dynamics. For example, if a building changes from the Competitive office space category to Owner-occupied or Government space, this is a shift rather than a total loss, and should be recorded as such.

**Classification.** The BOMA Leasing and Marketing Committee developed criteria for classifying Competitive office buildings into A, B and C Competitive office space categories in 1995. These same classification criteria were applied each year through 2006. New criteria were added in 2007 that take into account building features such as cafeteria offerings, communication technology, lobby entrances, parking, and fitness facilities. Building age and assessed valuation have been deleted from the criteria considered for building classifications.

**Measurement.** BOMA International completed a revised method of floor measurement in 1996 after years of careful study. Many of the office buildings included in this survey have already changed their method of measurement, and the remainder of the buildings will likely make these changes in the coming years. Generally, these changes increase the total area of the buildings, magnifying the occupancy and vacancy statistics.



# Classification Criteria

Each year, Saint Paul BOMA prepares an office space market report that references competitive building classifications “A,” “B” and “C,” which are typically based on a building’s architectural design, location, and functionality.

A classification of A, B or C does not necessarily denote the desirability of the individual building, as office tenants make facilities decisions based on considerations important to their businesses. While such classification of office buildings is common throughout the country and throughout the various sub-markets in the Twin Cities, other markets typically do not define their criteria.

Saint Paul BOMA has based its building classifications upon the criteria listed below. These criteria are applied subjectively and examine areas such as whether or not a building has state-of-the-art functionality, if it is in a sought-after location, and various other categories. Certain criteria are also weighted more than others. However, a comprehensive approach is taken to determine the overall final classification of each building.

Criteria were added in 2007 to consider building features such as cafeteria offerings, communication technology, lobby entrances, parking, and fitness facilities. Also, building age and assessed valuation were eliminated from the criteria being considered for building classifications.

The building classification criteria are:

## Location

- Skyway connection
- Within one block of skyway access
- Further than one block from skyway access

## Building size/height/views

- Building height, atmosphere, and scenic value
- Fenestration (windows as percentage of building exterior wall surface)

## Capital improvements within recent years (excluding tenant improvements)

- Maintenance and upgraded architectural and design elements

1892 RNC Fact

★ The price of rooms in the most desirable locations averaged \$1 per night during the convention.

## Restrooms

- Number of men’s and women’s restrooms per floor meeting ADA criteria for handicap access
- Number of men’s and women’s restrooms per floor
- Overall building ratio of men’s and women’s restrooms per floor

## Elevators

- Passenger elevators with a modern operating system
- Appropriate passenger elevator “wait interval”
- Designated freight elevator that serves all office floors

## Building management services

- Full-time on-site building manager (CPM or RPA designation)
- Part-time on-site or on-call building manager (CPM or RPA designation)

## General building maintenance and repair

- Full-time on-site repair staff
- Part-time on-site or on-call repair staff

## Classification Criteria

### Cleaning services

- Frequency
- Quality
- On-site day cleaners

### HVAC

- Temperature consistency
- Zone control
- Operational efficiency

### Exterior appearance (curb appeal)

- Presence of building
- Quality materials and maintenance

### Common areas (halls, restrooms, lobby)

- Formal lobby entrance at street or skyway level
- Consistency and quality of finishes
- Unique characteristics

### Tenant spaces

- Consistent building standards



### Security and life safety

- Tenant spaces and common areas equipped with sprinkler system
- Elevator card access control system
- On-site security personnel
- Security escort service available
- Video monitoring/recording of strategic locations in the building
- Free of hazardous materials, including construction materials (such as asbestos or PCBs), and/or such waste as may be generated or stored in the building

### Communication technology

- Dedicated T1/DSL/wireless options
- Band width/speed
- Access

### Parking

- On-site
- Heated
- Reserved
- Enclosed/covered
- Auto cleaning/washing service

### Additional building amenities

- Cafeteria/quality and variety of food offerings
- Conference rooms
- Fitness facilities
- Concierge

### Environmental elements

- Energy-efficient technologies
- Use of recycled materials





1987 & 1991 The Minnesota Twins won the World Series.

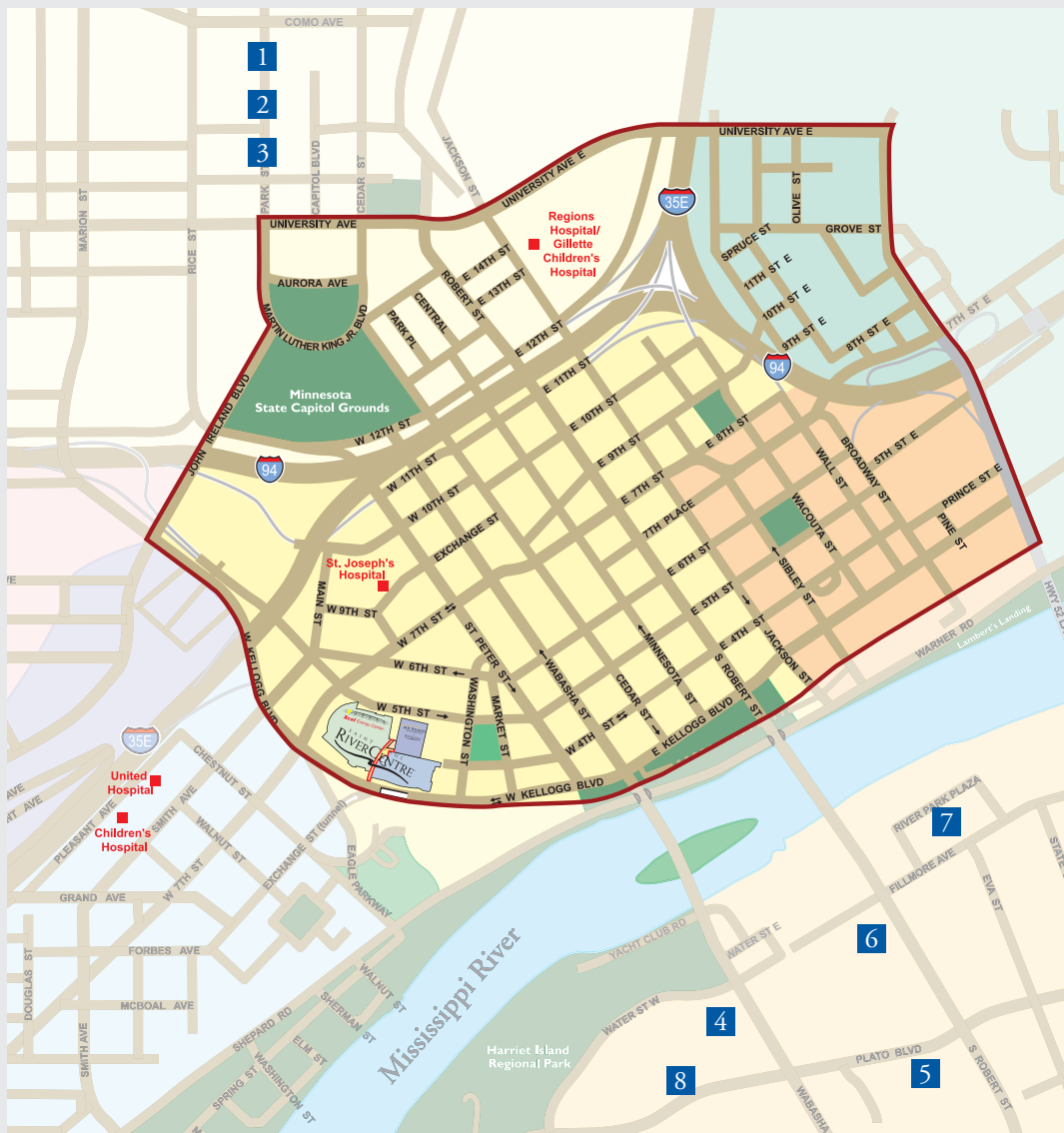
1996 Coldest official temperature ever recorded in Minnesota set at -60 degrees Fahrenheit on February 2 near Tower.

2008

# BOMA Report Boundaries

Saint Paul Fact

★ *Kiplinger's Personal Finance* recently ranked Saint Paul second among the "50 Smart Places to Live."



## SITE KEY

Site 1 = 590 Park Street

Site 2 = 555 Park Street

Site 3 = 525 Park Street

Site 4 = 1 West Water Street

Site 5 = Drake Building

Site 6 = US Bank Operations Center

Site 7 = 10 River Park Plaza

Site 8 = 90 West Plato Boulevard

Several buildings that fall outside of these boundaries are included due to their proximity to the defined area, their competitive presence, and their relationship with the Central Business District for essential services.

## Class A

Name Address	# of Floors	Total S.F. Avail. S.F.	Largest Contiguous Space	Floor Plate SF	Net Rate Op. & Taxes	Parking in Building (B) or Close (C)	Company Contact/Phone
<b>400 Building</b> 400 North Robert Street	21	375,500 2,800	2,800	16,139	\$9.52 \$13.36	B	McGough Properties, LLC Ann Stahley 651-248-6946
<b>Bremer Tower</b> 445 Minnesota Street	27	248,140 68,366	24,000	12,000	\$9-\$10.00 \$10.18	B	Cushman & Wakefield Aaron Barnard/Skye Cook 952-465-3372
<b>Landmark Towers</b> 345 St. Peter Street	25	212,959 22,398	11,597	11,597	\$12-\$13.00 \$10.49	B	Welch Companies Eric Rapp 952-837-3060
<b>Lawson Commons</b> 380 St. Peter Street	12	429,891 9,344	8,266	34,000	\$14.50 \$11.73	B	Fraushuh Companies Wayne Kuykendall 952-767-2839
<b>UBS Plaza</b> (fka Piper Jaffray Plaza) 444 Cedar Street	25	229,653 30,482	12,373	12,373	\$11-\$13.00 \$11.06	B	NorthMarq Eric King 651-734-2385
<b>Wells Fargo Place</b> 30 East 7th Street	37	634,895 68,023	51,000	14,682 in tower; 3-level atrium approx. 65,000 per floor	\$17.50 -Tower \$12-\$20-Atrium \$12.90	B	Zeller Realty Mike Wilhelm 612-317-2924
<b>Total S.F.</b>		<b>2,131,038</b>					
<b>Total Available S.F.</b>		<b>201,413</b>					
		<b>9.45%</b>					

## Class B

Name Address	# of Floors	Total S.F. Avail. S.F.	Largest Contiguous Space	Floor Plate SF	Net Rate Op. & Taxes	Parking in Building (B) or Close (C)	Company Contact/Phone
<b>180 East 5th Street</b> 180 East 5th Street	13	675,130 202,514	135,782	approx. 51,000	\$8.50-\$10.50 \$7.99	C	Fraushuh Companies Julie A. Bauch 612-860-2467
<b>375 Jackson</b> 375 Jackson Street	7	212,395 60,783	27,100	15,000 E. Bldg 20,000 W. Bldg	\$8-\$10.00 \$10.07	B	375 Jackson Building, LLC Rob Crockarell 612-239-8200
<b>443 Lafayette Road</b> 443 Lafayette Road	4	84,398 0	0		\$9.00 \$8.00	B tenants only	Meritex Enterprises Fred Koehler 651-228-4505
<b>444 Lafayette Road</b> 444 Lafayette Road	6	239,494 0	0		\$9.00 \$8.00	B tenants only	Meritex Enterprises Fred Koehler 651-228-4505
<b>500 Lafayette Road</b> 500 Lafayette Road	6	132,041 0	0		\$9.00 \$8.00	B tenants only	Meritex Enterprises Fred Koehler 651-228-4505
<b>520 Lafayette Road</b> 520 Lafayette Road	6	150,374 0	0		\$9.00 \$8.00	B tenants only	Meritex Enterprises Fred Koehler 651-228-4505
<b>555 Park Office Building</b> 555 Park Street	4	50,215 4,142	4,142	13,400	\$8.00 \$9.55	B	Kraus Anderson Dave Stalsberg 952-948-9398
<b>81 East 7th Street</b> 81 East 7th Street	4 flrs above grade + the lower level	59,000 59,000	59,000	12,000	\$15-17.00 \$7.50	C	Commercial Real Estate Services, Inc. Pat Wolf 651-290-8890
<b>Alliance Bank Center</b> 55 East 5th Street	16	202,128 85,267	14,095	11,600	\$8-\$10.00 \$9.45	B	Security National Properties Shawn Wiski 651-221-0999
<b>Bremer Tower/Town Square</b> (fka Public Safety Town Square) 445 Minnesota Street		220,405 14,863	12,000	varies	\$18-\$20.00 \$10.18	B	Cushman & Wakefield Aaron Barnard/Skye Cook 952-465-3372
<b>Brooks Building**</b> 366 Jackson Street	5	25,000 0	0	5,000	Gross \$15.00	B	Brooks Group Jaunae Brooks 651-231-2765
<b>Capitol Office Building</b> 525 Park Street	5	75,309 679	679	15,426	\$12.00 \$9.03	B/C	NorthMarq Tom Stella 651-734-2383
<b>Capitol Professional Office Building</b> 590 Park Street	4	34,668 12,222	4,082	9,125	\$8.00 \$9.61	B	Kraus Anderson Dave Stalsberg 952-948-9398
<b>Degree of Honor Building</b> 325 Cedar Street		81,500 5,000	3,200	6,885	\$6.00 \$8.17	C	Degree of Honor Building, LLC Rob Crockarell 612-239-8200
<b>Drake Building</b> 60 Plato Boulevard East	4	83,283 8,604	3,926	20,795	\$10.00 \$9.93	C	Wellington Management Kori DeJong 651-999-5540
<b>Ecolab University Center</b> 386 North Wabasha Street	15	150,012 0		10,941	\$12.00 \$9.41	C	Welsh Companies Eric Rapp 952-837-3060
<b>Empire Building</b> 360 North Robert Street	7	55,000 7,872	6,000	7,800	Gross \$12-\$15.00	B	Power Management Nicky Scarrella 651-298-9977
<b>First National Bank Building</b> 332 Minnesota Street	31 West 16 East	662,854 172,287	19,000	10,213 W. Bldg 15,000 E. Bldg 60,000 N. Bldg	Modified Gross \$17.50-\$18.50 \$9.10	B	Cushman & Wakefield Aaron Barnard/Skye Cook 952-465-3372
<b>Gallery Professional Building</b> 17 West Exchange Street	8	105,433 31,087	12,878	13,957	\$16-\$18.00 \$12.06	B	Grubb & Ellis/North Co. John Oien 952-820-1661
<b>Gallery Towers</b> 514 St. Peter Street	2 Commercial 20 Total	25,407 0	0	12,500	\$12.00 \$5.00	C	Ted Glasrud & Associates Paul Buchmayer 612-341-2651
<b>Galtier Plaza</b> 380 Jackson Street	7	219,709 62,029	30,000 +	varies per floor average -23,000	\$5.50-\$6.50 \$9.37	B	NEA Galtier Chris Gliedman 612-336-4311
<b>Gilbert Building</b> 413 Wacouta Street	Basement + 5 floors	35,303 1,700	1,755		\$10-\$12.00 \$5.90	C	Barb Lenahan 651-464-7000
<b>Golden Rule Building</b> 85 East 7th Place	7 including lwr lvl office space	289,378 28,733	10,495	50,000	\$8-\$10.00 \$8.00	C (connected by skyway)	Commercial Real Estate Services, Inc. Pat Wolf 651-290-8890



# Central Business District

## Class B continued

Name Address	# of Floors	Total S.F. Avail. S.F.	Largest Contiguous Space	Floor Plate SF	Net Rate Op. & Taxes	Parking in Building (B) or Close (C)	Company Contact/Phone
<b>Hamm Building</b> 408 St. Peter Street	6 + skyway above grade	184,886 28,943	25,735	2 flrs/38,000 4 flrs/28,000	\$9.00 \$9.50	C	The Markham Co. of Saint Paul Kristel Hansen 651-222-2812
<b>Kellogg Square</b> 111 East Kellogg Boulevard	3	43,484 12,619	3,613	varies	\$9.00 \$8.00	B	James Miller Investment Realty Co. Jim Miller 651-222-2561
<b>One West Water Street</b> 1 West Water Street	5	27,326 9,890	5,387	varies	\$8.00 \$8.00	B	James Miller Investment Realty Co. Jim Miller 651-222-2561
<b>Park Square Court</b> 400 East Sibley Street	6	129,321 6,500	6,500	26,000	Gross \$6.00	B	Park Square Court Building, L.L.C. Rob Crockarell 612-239-8200
<b>Public Housing Agency Saint Paul</b> 555 North Wabasha Street	4	48,525 0	0	14,503	Gross \$16.00	B & C	Public Housing Agency Saint Paul Ron Moen 651-292-6142
<b>River Park Plaza</b> 10 River Park Plaza	9	328,100 140,000	140,000	30,000-40,000	\$11-\$15.00 \$9.95	B	JLT Group Joe Meyer 651-641-1111
<b>Saint Paul Building*</b> 6 West 5th Street	9	39,946 2,387	1,226		\$11.00 \$8.50	C	Commonwealth Properties Debra Burgwald 651-224-5845
<b>Sibley Square</b> 190 East 5th Street	8	206,390 41,547	15,258	27,593	\$9-\$11.00 \$8.03	B	Grubb & Ellis/North Co. John Oien/Heather Alderink 952-820-1600
<b>US Bank Center</b> 101 East 5th Street	26	360,989 38,408	14,083	12,556	\$9-\$12.00 \$12.21		The Hearn Company William Thurmes 651-222-2048
<b>Total S.F.</b>		<b>5,236,403</b>					* August 2007 data used
<b>Total Available S.F.</b>		<b>1,037,076</b>					** February 2007 data used
		<b>19.81%</b>					

## Class C

Name Address	# of Floors	Total S.F. Avail. S.F.	Largest Contiguous Space	Floor Plate SF	Net Rate Op. & Taxes	Parking in Building (B) or Close (C)	Company Contact/Phone
<b>213 East 4th Street</b> (aka Home Styles Building) 213 East 4th Street	5	32,271 20,700	19,362	6,454	\$7.50-\$9.50 \$7.56	C	Welsh Companies Eric Rapp 952-837-3060
<b>Allen Building</b> 287 East 6th Street	7	112,553 10,911	5,000		Gross \$9-\$15.00	C	Dacotah Properties Sandra Erickson 651-224-2907
<b>Commerce Building**</b> 8 East 4th Street	5	41,500 0	0	8,300	Gross \$14-\$16.00	C	Common Bond Pam Schmidt 612-205-0221
<b>Exchange Building*</b> 26 East Exchange Street	7	65,000 1,322	725		\$8-\$10.00 \$7.25	C	Commonwealth Properties Debra Burgwald 651-224-5845
<b>Goff &amp; Howard Building</b> 255 East Kellogg Boulevard	2	26,000 18,000	13,000		Gross \$15.00		G&H Partners Paula Howard 651-292-8062
<b>Grace Building</b> 421 North Wabasha Street	3	40,500 8,000	8,000	15,000	\$3.00 \$4.75	C	Victory Capital Corporation Janice Darsow 651-222-8970
<b>JAX Building</b> 253 East 4th Street	5	60,000 7,595	3,347		\$8.00 \$4.00	B	James Miller Investment Realty Co. Jim Miller 651-222-2561
<b>Labor Professional Center</b> 411 Main Street	4	28,000 500	250	8,000	Gross \$16.00	B	GRM Holdings, L.L.C. George McMahon 651-292-9493
<b>Landmark Center</b> 75 West 5th Street	6 above ground 2 below ground	48,012 0	0	varies between 14,700 to 15,700	\$7.54 \$10.50	C	Minnesota Landmarks Steve Budas 651-292-4375
<b>Liberty Square</b> 133 East 7th Street	4	50,000 0	0	13,000	\$4-\$8.00 \$6-\$8.00	B	Flagship USA Bill Weller 612-750-8877
<b>Lowry Professional Building</b> 350 St. Peter Street	3	116,900 7,793	4,271		Net \$8.69	B	Halverson Blaiser Clint Blaiser 651-227-7053
<b>Market House</b> 289 East 5th Street	3	34,000 31,500	15,000	18,000	Gross \$14-\$17.00	C	NorthMarq Rob Davis 651-734-2386
<b>Metro Square Building</b> 121 East 7th Place	5	386,308 275,992	136,533	60,712	\$9-\$10.00 \$7.05	C	CB Richard Ellis Betsy George 651-602-5480
<b>Northwestern Building</b> 275 East 4th Street	8	81,057 18,774	10,457	approx. 10,000 each floor	Gross \$12.00	C	Halverson Blaiser, LTD Amy Petersen 651-227-7053
<b>O'Connor Building**</b> 266 East 7th Street	4	20,000 20,000	10,000	4,000	Gross \$15.00	C	Brooks Group Jaunae Brooks 651-231-2765
<b>Railroader Printer Building**</b> 235 East 6th Street	5	35,053 24,203	11,211	8,000	Gross \$15.00	C	Brooks Group Jaunae Brooks 651-231-2765
<b>University Club Downtown*</b> 340 Cedar Street	13	25,466 0	0		\$10-\$11.00 \$7.00	C	Commonwealth Properties Debra Burgwald 651-224-5845
<b>Total S.F.</b>		<b>1,202,620</b>					* August 2007 data used.
<b>Total Available S.F.</b>		<b>445,290</b>					**February 2007 data used
		<b>37.03%</b>					

## Sublease Space

Sublease Space					
Name/Class		Address	Sublease S.F.	Contact	Phone
Lawson Commons	A	380 St. Peter Street	68,974	Tom Stella	651-734-2383
Total			68,974		

## Government

## Central Business District Continued...

Name	Address	Total S.F.	Entity	Contact	Phone
321 Grove Street 1 & 2	321 Grove Street	53,950	State of Minnesota	Bev Kroiss	651-201-2540
90 West Plato	90 West Plato	80,000	Ramsey County	Jolly Mangine	651-266-2261
Administration Building	50 Sherburne Avenue	72,832	State of Minnesota	Bev Kroiss	651-201-2540
Capitol Building	75 Rev. Dr. Martin Luther King Jr. Boulevard	313,581	State of Minnesota	Bev Kroiss	651-201-2540
Centennial Building	658 Cedar Street	286,062	State of Minnesota	Bev Kroiss	651-201-2540
City Hall Annex	25 West 4th Street	114,000	City of Saint Paul	Dave Nelson	651-266-8860
City Hall/Courthouse	15 West Kellogg Boulevard	240,000	Ramsey County	Jolly Mangine	651-266-2261
Don Junemann Building	555 Cedar Street	27,000	Ramsey County	Jolly Mangine	651-266-2261
Elmer L. Anderson Building	540 Cedar Street	373,215	State of Minnesota	Bev Kroiss	651-201-2540
Eugene McCarthy Post Office*	180 East Kellogg Boulevard	460,000	U.S. Government	Phil Plagge	651-293-3075
Ford Building	117 University Avenue	51,613	Real Estate Management	Bev Kroiss	651-201-2540
Griffin Building	367 Grove Street	100,000	City of Saint Paul	Dave Nelson	651-266-8860
Harold E. Stassen Building	600 North Robert Street	394,827	State of Minnesota	Bev Kroiss	651-201-2540
Judicial Center, Minnesota	25 Rev. Dr. Martin Luther King Jr. Boulevard	232,670	State of Minnesota	Bev Kroiss	651-201-2540
Juvenile Family Justice Center	25 West 7th Street	59,000	Ramsey County	Jolly Mangine	651-266-2261
Law Enforcement Center	425 Grove Street	100,000	Ramsey County	Jolly Mangine	651-266-2261
Metropolitan Council Bldg (Jfk Economic Security Bldg)	390 North Robert Street	116,129	Metropolitan Council	Michael Karels	651-602-1767
Orville L. Freeman Building	625 North Robert Street	297,595	State of Minnesota	Bev Kroiss	651-201-2540
Public Safety Annex	100 East 10th Street	53,162	City of Saint Paul	Dave Nelson	651-266-8860
Public Safety Building	100 East 11th Street	60,720	City of Saint Paul	Dave Nelson	651-266-8860
Ramsey County Government Center - East	160 East Kellogg Boulevard	237,518	Ramsey County	Jolly Mangine	651-266-2261
Ramsey County Government Center - West	50 West Kellogg Boulevard	400,000	Ramsey County	Jolly Mangine	651-266-2261
State Lab Building	610 North Robert Street	166,309	State of Minnesota	Bev Kroiss	651-201-2540
State Office Building	100 Rev. Dr. Martin Luther King Jr. Boulevard	256,530	State of Minnesota	Bev Kroiss	651-201-2540
Transportation Building	395 John Ireland Boulevard	318,296	State of Minnesota	Bev Kroiss	651-201-2540
Veterans Service Building	20 West 12th Street	78,511	State of Minnesota	Bev Kroiss	651-201-2540
Warren E. Burger Federal Courts Building	316 North Robert Street	339,249	U.S. Government	Cha You	651-290-4128
<b>Total</b>		<b>5,282,769</b>	* February 2007 data used		

## Owner-occupied

Name	Address	Total S.F.	Entity	Contact	Phone
317 On Rice Park	317 Washington Street	24,000	Minnesota Wild	Tim Wolfram	651-602-6000
401 Building	401 North Robert Street	572,044	Minnesota Life	Ann Stahley	651-248-6946
Chicago Greatwestern Freight Condos	381 East Kellogg Boulevard	50,160	Swanson & Associates	Mic Hunter	651-224-4335
Diamond Products Company Building	310 East 5th Street	35,000	Jones Lang LaSalle	John Mueller	612-341-6771
Ecolab Corporate Center	370 North Wabasha Street	238,088	Ecolab, Inc.	Jim Jachymowski	651-293-2307
Ecolab Global Communications Center	360 North Wabasha Street	72,815	Ecolab, Inc.	Jim Jachymowski	651-293-2307
Jemne Building	305 St. Peter Street	25,000	Wold Architects & Engineers	Virginia Dahm	651-227-7773
League of Minnesota Cities Building	145 West University Avenue	56,000	League of Minnesota Cities	Nancy Tindall	651-215-4014
Market Street Towers	70 West 4th Street	339,000	Qwest	Bill Eakins	651-221-4962
Minnesota Public Radio Building*	45 East 7th Street	160,000	Minnesota Public Radio	Tim Stromgren	651-290-1509
Saint Paul Pioneer Press Building	345 Cedar Street	150,000	Saint Paul Pioneer Press	Bruce Jentink	651-228-5070
Science Museum of Minnesota	120 West Kellogg Boulevard	40,000	Science Museum of MN	Tom Carlson	651-221-4774
St. Paul Radiology Building (aka Community Services Building)	166 East 4th Street	52,800	St. Paul Radiology	Barry Lindo	651-292-2000
The Travelers Cos.	385 Washington Street	1,000,000	St. Paul Travelers	Jim Scannell	651-310-3393
Twin Cities Public Television Building	172 East 4th Street	85,000	Twin Cities Public Television	Keith Olson	651-229-1396
U.S. Bank West Side Flats Operation Center	60 Livingston Avenue	350,000	U.S. Bank	David Grandpre	651-495-3136
<b>Total</b>		<b>3,249,907</b>	* February 2007 data used		

## Medical Office square footage not included in statistics

Name	Address	Total S.F.	Entity
Capitol Professional Office Building	590 Park Street	34,668	Kraus Anderson
Children's Hospital	345 Smith Avenue	159,085	Children's Hospitals and Clinics of Minnesota
Doctor's Professional Building	280 Smith Avenue	101,664	NorthMarq
Fort Road Medical	360 Sherman Street	50,053	NATH
Gallery Professional Building	17 West Exchange Street	105,433	Grubb & Ellis/NorthCo
Gallery Towers	514 St. Peter Street	25,407	Ted Glasrud & Associates
Garden View	347 Smith Avenue	153,629	Allina, Children's and I.R.E.T.
HealthPartners Specialty Center 401	401 Phalen Parkway	124,000	HealthPartners
HealthPartners Specialty Center 435	435 Phalen Parkway	82,243	HealthPartners
John Nasseff Medical Center	255 Smith Avenue	43,689	Smith Avenue Realty Association
Nasseff Specialty Center	225 Smith Avenue	133,000	Smith Avenue Realty Association
Regions Building #1	640 Jackson Street	676,177	Regions Hospital
Regions Building #2	640 Jackson Street	65,917	Regions Hospital
Regions Building #3	640 Jackson Street	74,649	Regions Hospital
Regions Building #5	640 Jackson Street	156,620	Regions Hospital
Ritchie Medical Plaza	310 Smith Avenue	114,706	Allina, I.R.E.T.
St. Joseph's Hospital	69 West Exchange Street	500,000	HealthEast
St. Paul Radiology	250 Thompson	21,334	St. Paul Radiology
United Hospital	333 Smith Avenue	671,425	Allina Health System
<b>Total</b>		<b>3,293,699</b>	

## Tenant Mix

	Competitive Class	Government	Corporate/ Business	Legal	Banking	Financial	Medical/ Health	Retail/ Restaurants	Arts/ Entertainment	Residential/ Housing	Other (Small Bus, Railroad)	Non-Profit	Total
400 Building	A	15	50	7	13	7	1	3			4		100
Bremer/NCL	A	59	15	5	10	11							100
Landmark Towers	A	11	57	2		9					21		100
Lawson Commons	A		95					5					100
USB Plaza (fka Piper Jaffray Plaza)	A		35	15	22	8					20		100
Wells Fargo Place	A	36	22	14	12	12	2	2					100
180 East 5th Street	B	19	15	1		5	25	1	1		33		100
375 Jackson Street	B	32	53		2	3	3					7	100
443 Lafayette Road	B	100											100
444 Lafayette Road	B	100											100
500 Lafayette Road	B	100											100
520 Lafayette Road	B	100											100
555 Park Office Building	B		100										100
Capitol Office Building	B	70	15	15									100
Community Services Building	B											100	100
Drake Building	B		61		6		1					32	100
Ecolab University Center	B		82	10			7	1					100
Empire Building	B		70	13	17								100
First National Bank Building	B	24	47	24	1								100
Gallery Professional Building	B	.5	2				97	.5					100
Gallery Towers	B						100						100
Galtier Plaza	B	35	53	1	1			10					100
Gilbert Building	B					20	9				71		100
Golden Rule Building	B	93				5		2					100
Hamm Building	B		54	15				1			30		100
Park Square Court	B	10	56			15		4				15	100
Public Housing Agency Saint Paul	B	66				26	5					3	100
Public Safety-Town Square	B	66			3	1		30					100
River Park Plaza	B		100										100
Sibley Square	B	84	8				8						100
U.S. Bank Center	B		29	6	43		2	18			2		100
213 East 4th Street	C		70	10				20					100
Allen Building	C		21	1			8				70		100
Bremer Bank Building	C		7	36	56		1						100
Commerce Building	C	92		3				5					100
Goff & Howard Building	C										100		100
Labor Professional Center	C				9		25				66		100
Landmark Center	C		5	5				5	74		11		100
Lowry Professional Building	C		39	4			4	21	11		21		100
Metro Square Building	C	99					1						100

Numbers reported are percentages of occupied space

★ Saint Paul has more colleges per capita than any American city except Boston. Saint Paul is home to Hamline University, the University of St. Thomas, Concordia University, the College of Saint Catherine (the nation's largest Catholic college for women), Macalester College, McNally Smith College of Music, the College of Visual Arts, William Mitchell College of Law, Bethel University, Luther Seminary, and campuses of Metropolitan State University and the University of Minnesota.



# The Leasing and Marketing Committee of the Greater Saint Paul Building Owners and Managers Association:

Eric Rapp, co-chair, *Welsh Companies*

Pat Wolf, co-chair, *Commercial Real Estate Services, Inc.*

Pete Dufour, *Colliers Turley Martin Tucker*

Eric King, *NorthMarq*

Wayne Kuykendall, *Frauenschuh Companies*

William Thurmes, *The Hearn Company*

Dick Zehring, *MSP Commercial Companies*



W-2950 First National Bank Building  
332 Minnesota Street  
Saint Paul, MN 55101  
[www.bomastpaul.org](http://www.bomastpaul.org)  
Telephone: 651-291-8888  
Fax: 651-291-1031

Historical photos are from the Minnesota Historical Society archives.

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