MODIFICATION OF THE DEVELOPMENT PROGRAM
Development District No. 1

- AND -

TAX INCREMENT FINANCING PLAN
Establishment of the Tax Increment Financing District No. 1-8
(redevelopment district)

City of Lindstrom, Chisago County, Minnesota

Public Hearing: June 20, 2019

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Modification to the Development Program for Development District No. 1

Foreword

The following text represents a Modification to the Development Program for Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 1-8.

For further information, a review of the Development Program for Development District No. 1, adopted January 16, 1986, is recommended. It is available from the City Administrator at the City of Lindstrom. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Development District No. 1.

Tax Increment Financing Plan for Tax Increment Financing District No. 1-8

Foreword

The City of Lindstrom (the "City") staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 1-8 (the "District"), a redevelopment tax increment financing district, located in Development District No. 1.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 to 469.134*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 1.

Statement of Objectives

The District currently consists of three parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of 87-units of rental housing in the City. The City has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to occur in 2019. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

Development Program Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.

2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Description of Property in the District and Property to be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below:

Parcel Number	Address	Owner
15.00621.90	Unassigned	Rose Hill Properties
15.00621.96	Unassigned	Rose Hill Properties
15.00621.95	30455 Lehigh Ave	Rose Hill Properties

Please also see the map in Appendix A for further information on the location of the District.

Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1).*

In meeting the statutory criteria, the City relied on the following facts and findings:

- The District is a redevelopment district consisting of three parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111*, *273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2022, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2047, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2019 for taxes payable 2020.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured, and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2019, assuming the request for certification is made before June 30, 2019. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2022. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity Upon Completion	$276,852	
Original estimated Net Tax Capacity	$4,914	
Fiscal Disparities	$0	
Estimated Captured Tax Capacity	$271,939	
Original Local Tax Rate	148.1300%	Pay 2019
Estimated Annual Tax Increment	$402,823	
Percent Retainted by the City	100%	

Tax capacity includes a 2.0% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be $168,750.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3.* The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a pay-as-you-go note and interfund loan. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The total estimated tax increment revenues for the District are shown in the table below:

Sources	
Tax Increment	8,200,000
Interest	820,000
TOTAL	**9,020,000**

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of $5,520,000. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation

bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Uses of Funds

Currently under consideration for the District is a proposal to facilitate the development of 87-units of rental housing. The City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

Uses	
Land/Building Acquisition	500,000
Site Improvements/Preparation	1,000,000
Utilities	1,000,000
Other Qualifying Improvements	2,200,000
Administrative Costs (up to 10%)	820,000
PROJECT COST TOTAL	**5,520,000**
Interest	3,500,000
PROJECT AND INTEREST COSTS TOTAL	**9,020,000**

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Development District No. 1, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is $0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
	2018/Pay 2019 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Chisago County	23,468,625	276,852	**1.1797%**
City of Lindstrom	4,235,976	276,852	**6.5357%**
Chisago Lake ISD 2144	23,112,686	276,852	**1.1978%**

Impact on Tax Rates				
	Pay 2019 Extension Rate	Percent of Total	CTC	Potential Taxes
Chisago County	65.8600%	44.4609%	271,939	**179,099**
City of Lindstrom	51.2690%	34.6108%	271,939	**139,420**
Chisago Lake ISD 2144	28.1930%	19.0326%	271,939	**76,668**
Other	2.8080%	1.8956%	271,939	**7,636**
	148.1300%	100%		**402,823**

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2019 rate. The total net capacity for the entities listed above are based on Pay 2019 figures. The District will be certified under the Pay 2019 rates.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

(1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is $8,200,000;

(2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The existing buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal.

The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute to sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

(3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $1,560,674;

(4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $3,645,798;

(5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

i. In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects; and (2) upon EDA and City staff awareness of the feasibility of developing the project site(s) within the District,

which is further outlined in the City Council resolution approving establishment of the TIF District and Appendix C.

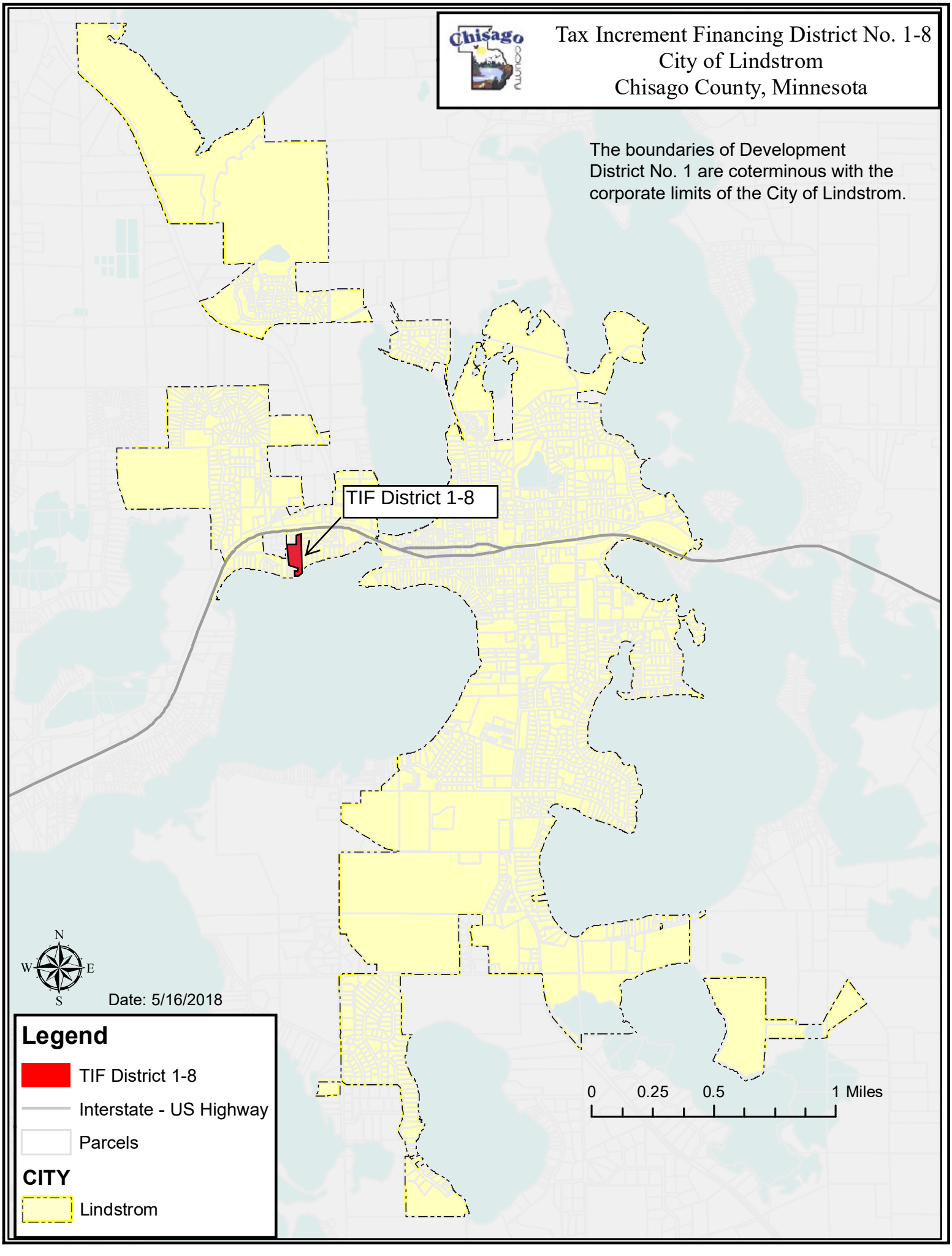
ii. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

Administration of the District

Administration of the District will be handled by the City Manager.

Appendix A

Map of Development District No. 1 and the District


Tax Increment Financing District No. 1-8
City of Lindstrom
Chisago County, Minnesota
The boundaries of Development District No. 1 are coterminous with the corporate limits of the City of Lindstrom.
TIF District 1-8
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Date: 5/16/2018
Legend
TIF District 1-8
Interstate - US Highway
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1 Miles

Appendix B

Estimated Cash Flow for the District

Rosehill Project - No Inflation

City of Lindstrom, MN

Senior Housing

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2020**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**2.00%**	
Interest Rate:	**5.25%**	
Present Value Date:	**1-Aug-20**	
First Period Ending	1-Feb-21	
Tax Year District was Certified:	**Pay 2019**	
Cashflow Assumes First Tax Increment For Development:	2022	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2047	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	0.0000%	Pay 2019
Fiscal Disparities Metro-Wide Tax Rate	0.0000%	Pay 2019
Maximum/Frozen Local Tax Rate:	148.130%	Pay 2019
Current Local Tax Rate: (Use lesser of Current or Max.)	148.130%	Pay 2019
State-wide Tax Rate (Comm./Ind. only used for total taxes)	42.4160%	Pay 2019
Market Value Tax Rate (Used for total taxes)	0.16350%	Pay 2019

Tax Rates

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	$150,000	1.50%
Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First	$139,000	0.75%
Over	$139,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	$500,000	1.00%
Over	$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First	$500,000	1.00%
Over	$500,000	1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
15.00621.90	Rose Hill Prop		36,600	8,600	45,200	100%	45,200	Pay 2019	Rental	565	Rental	565	
15.00621.96	Rose Hill Prop		256,500	58,400	314,900	100%	314,900	Pay 2019	Rental	3,936	Rental	3,936	
15.00621.95	Rose Hill Prop	30455 Lehigh Ave	33,000		33,000	100%	33,000	Pay 2019	Non-H Res. 1 Unit	330	Rental	413	
			326,100	67,000	393,100		**393,100**			**4,831**		**4,914**	

Note:

1. **Base values are for pay 2019 based upon review of County website on 4/30/19.**

Rosehill Project - No Inflation

City of Lindstrom, MN

Senior Housing

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2020	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	First Year Full Taxes Payable
1	Apt	155,172	155,172	87	13,500,000	Rental	168,750	1,940	100%	100%	100%	100%	2022
TOTAL					**13,500,000**		**168,750**						
Subtotal Residential				**87**	**13,500,000**		**168,750**						
Subtotal Commercial/Ind.				**0**	**0**		**0**						

Note:

1. Market values are based upon assessor's estimates.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apt	**168,750**	**0**	**168,750**	**249,969**	**0**	**0**	**22,072**	**272,042**	**3,126.92**
TOTAL	**168,750**	**0**	**168,750**	**249,969**	**0**	**0**	**22,072**	**272,042**	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	**272,042**
less State-wide Taxes	**0**
less Fiscal Disp. Adj.	**0**
less Market Value Taxes	**(22,072)**
less Base Value Taxes	**(7,279)**
Annual Gross TIF	**242,691**

MARKET VALUE BUT / FOR ANALYSIS

Current Market Value - Est.	393,100
New Market Value - Est.	13,500,000
Difference	13,106,900
Present Value of Tax Increment	3,894,232
Difference	9,212,668
Value likely to occur without Tax Increment is less than:	**9,212,668**

Rosehill Project - No Inflation
City of Lindstrom, MN
Senior Housing

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/21
							-	-	-	-				08/01/21
							-	-	-	-				02/01/22
100%	168,750	(4,914)	-	163,836	148.130%	242,691	121,345	(437)	(12,091)	108,818	98,104	0.5	2022	08/01/22
							121,345	(437)	(12,091)	108,818	193,699	1	2022	02/01/23
100%	172,125	(4,914)	-	167,211	148.130%	247,690	123,845	(446)	(12,340)	111,059	288,767	1.5	2023	08/01/23
							123,845	(446)	(12,340)	111,059	381,403	2	2023	02/01/24
100%	175,567	(4,914)	-	170,654	148.130%	252,789	126,395	(455)	(12,594)	113,346	473,529	2.5	2024	08/01/24
							126,395	(455)	(12,594)	113,346	563,298	3	2024	02/01/25
100%	179,079	(4,914)	-	174,165	148.130%	257,991	128,995	(464)	(12,853)	115,678	652,571	3.5	2025	08/01/25
							128,995	(464)	(12,853)	115,678	739,560	4	2025	02/01/26
100%	182,660	(4,914)	-	177,747	148.130%	263,296	131,648	(474)	(13,117)	118,057	826,067	4.5	2026	08/01/26
							131,648	(474)	(13,117)	118,057	910,362	5	2026	02/01/27
100%	186,314	(4,914)	-	181,400	148.130%	268,708	134,354	(484)	(13,387)	120,483	994,188	5.5	2027	08/01/27
							134,354	(484)	(13,387)	120,483	1,075,871	6	2027	02/01/28
100%	190,040	(4,914)	-	185,126	148.130%	274,227	137,114	(494)	(13,662)	122,958	1,157,099	6.5	2028	08/01/28
							137,114	(494)	(13,662)	122,958	1,236,249	7	2028	02/01/29
100%	193,841	(4,914)	-	188,927	148.130%	279,857	139,929	(504)	(13,943)	125,483	1,314,959	7.5	2029	08/01/29
							139,929	(504)	(13,943)	125,483	1,391,655	8	2029	02/01/30
100%	197,718	(4,914)	-	192,804	148.130%	285,600	142,800	(514)	(14,229)	128,057	1,467,922	8.5	2030	08/01/30
							142,800	(514)	(14,229)	128,057	1,542,239	9	2030	02/01/31
100%	201,672	(4,914)	-	196,758	148.130%	291,458	145,729	(525)	(14,520)	130,684	1,616,141	9.5	2031	08/01/31
							145,729	(525)	(14,520)	130,684	1,688,152	10	2031	02/01/32
100%	205,705	(4,914)	-	200,792	148.130%	297,433	148,716	(535)	(14,818)	133,363	1,759,759	10.5	2032	08/01/32
							148,716	(535)	(14,818)	133,363	1,829,535	11	2032	02/01/33
100%	209,819	(4,914)	-	204,906	148.130%	303,527	151,763	(546)	(15,122)	136,095	1,898,919	11.5	2033	08/01/33
							151,763	(546)	(15,122)	136,095	1,966,529	12	2033	02/01/34
100%	214,016	(4,914)	-	209,102	148.130%	309,743	154,871	(558)	(15,431)	138,883	2,033,758	12.5	2034	08/01/34
							154,871	(558)	(15,431)	138,883	2,099,268	13	2034	02/01/35
100%	218,296	(4,914)	-	213,382	148.130%	316,083	158,042	(569)	(15,747)	141,725	2,164,409	13.5	2035	08/01/35
							158,042	(569)	(15,747)	141,725	2,227,883	14	2035	02/01/36
100%	222,662	(4,914)	-	217,748	148.130%	322,551	161,275	(581)	(16,069)	144,625	2,291,000	14.5	2036	08/01/36
							161,275	(581)	(16,069)	144,625	2,352,502	15	2036	02/01/37
100%	227,115	(4,914)	-	222,202	148.130%	329,147	164,574	(592)	(16,398)	147,583	2,413,656	15.5	2037	08/01/37
							164,574	(592)	(16,398)	147,583	2,473,246	16	2037	02/01/38
100%	231,658	(4,914)	-	226,744	148.130%	335,876	167,938	(605)	(16,733)	150,600	2,532,500	16.5	2038	08/01/38
							167,938	(605)	(16,733)	150,600	2,590,237	17	2038	02/01/39
100%	236,291	(4,914)	-	231,377	148.130%	342,739	171,369	(617)	(17,075)	153,677	2,647,647	17.5	2039	08/01/39
							171,369	(617)	(17,075)	153,677	2,703,589	18	2039	02/01/40
100%	241,017	(4,914)	-	236,103	148.130%	349,739	174,870	(630)	(17,424)	156,816	2,759,213	18.5	2040	08/01/40
							174,870	(630)	(17,424)	156,816	2,813,414	19	2040	02/01/41
100%	245,837	(4,914)	-	240,923	148.130%	356,879	178,440	(642)	(17,780)	160,018	2,867,308	19.5	2041	08/01/41
							178,440	(642)	(17,780)	160,018	2,919,822	20	2041	02/01/42
100%	250,754	(4,914)	-	245,840	148.130%	364,163	182,081	(655)	(18,143)	163,283	2,972,038	20.5	2042	08/01/42
							182,081	(655)	(18,143)	163,283	3,022,918	21	2042	02/01/43
100%	255,769	(4,914)	-	250,855	148.130%	371,591	185,796	(669)	(18,513)	166,614	3,073,509	21.5	2043	08/01/43
							185,796	(669)	(18,513)	166,614	3,122,805	22	2043	02/01/44
100%	260,884	(4,914)	-	255,970	148.130%	379,169	189,584	(683)	(18,890)	170,012	3,171,820	22.5	2044	08/01/44
							189,584	(683)	(18,890)	170,012	3,219,581	23	2044	02/01/45
100%	266,102	(4,914)	-	261,188	148.130%	386,898	193,449	(696)	(19,275)	173,477	3,267,069	23.5	2045	08/01/45
							193,449	(696)	(19,275)	173,477	3,313,342	24	2045	02/01/46
100%	271,424	(4,914)	-	266,510	148.130%	394,781	197,391	(711)	(19,668)	177,012	3,359,350	24.5	2046	08/01/46
							197,391	(711)	(19,668)	177,012	3,404,182	25	2046	02/01/47
100%	276,852	(4,914)	-	271,939	148.130%	402,823	201,411	(725)	(20,069)	180,618	3,448,757	25.5	2047	08/01/47
							201,411	(725)	(20,069)	180,618	3,492,191	26	2047	02/01/48
Total							**8,227,448**	**(29,619)**	**(819,783)**	**7,378,046**				
Present Value From 08/01/2020				**Present Value Rate**	**5.25%**		**3,894,232**	**(14,019)**	**(388,021)**	**3,492,191**				

Appendix C

Findings Including But/For Qualifications

1. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:

(a) The TIF District is a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10, the specific basis for such determination are the reports of the City's building inspector, incorporated herein by reference, with respect to the condition of the buildings located in the TIF District. The TIF District consists of three (3) parcels containing structurally substandard buildings. The demolition and clearing of the existing substandard buildings and the construction of 87 units of senior rental housing will help prevent the emergence of blight and result in the preservation and enhancement of the tax base of the State.

(b) The proposed development in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future. The reasons supporting this finding are that:

(i) Private investment will not finance these development activities because of prohibitive costs and modest rate of return. It is necessary to finance these development activities through the use of tax increment financing so that other development by private enterprise will occur within the Development District.

(ii) A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis is found in the TIF Plan, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

(c) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. The reasons supporting this finding are set forth in Appendix B of the TIF Plan:

(d) The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are that:

(i) the TIF District is properly zoned;

(ii) The City has determined that the proposed TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole;

(iii) The TIF Plan will generally compliment and serve to implement policies adopted by the City; and

(e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise. The reasons supporting this finding are that:

The development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

2. Public Purpose. The adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide safe, decent, sanitary housing for residents of the City, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

Appendix D

Redevelopment Qualifications for the District

Report of Inspection Procedures and Results for
Determining Qualifications of a
Tax Increment Financing District as a Redevelopment District

Rose Hill Redevelopment TIF District No. 1-8
Lindstrom, Minnesota

June 17, 2019

Prepared For the
City of Lindstrom

Prepared by:

LHB, Inc.
701 Washington Avenue North, Suite 200
Minneapolis, Minnesota 55401

LHB Project No. 190396

TABLE OF CONTENTS

PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

LHB was hired by the City of Lindstrom to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is bounded by Lindstrom Lane, Lehigh Avenue, South Lindstrom Lake and Lehigh Court (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether three (3) buildings on two (2) parcels and one (1) right-of-way parcel, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.

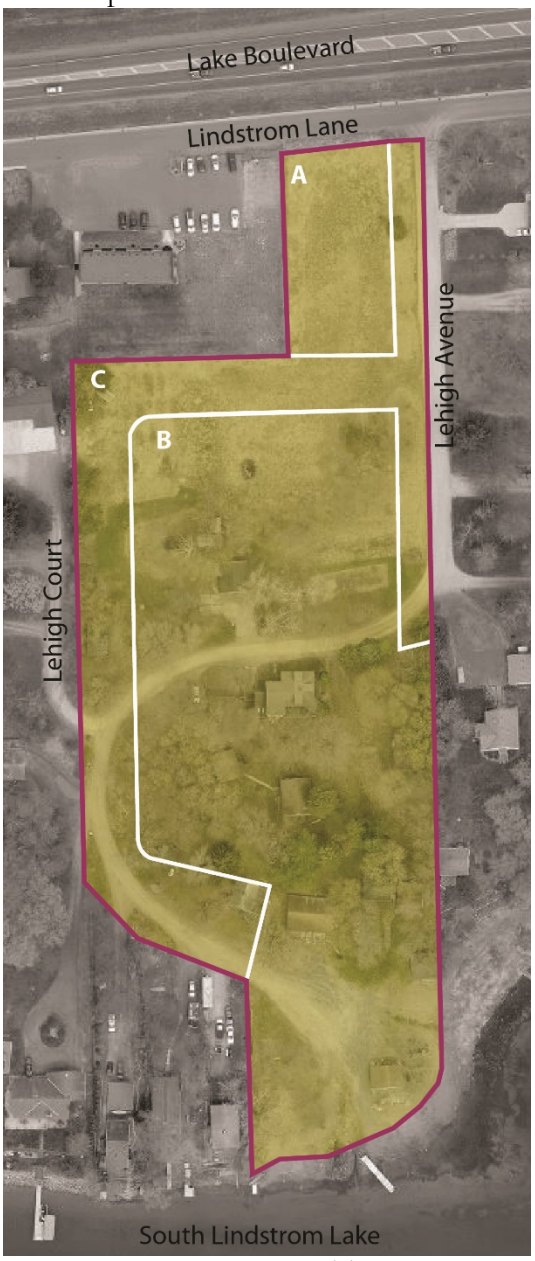

Diagram 1 – Proposed TIF District

SCOPE OF WORK
The proposed TIF District consists of two (2) parcels and one (1) right-of-way parcel with three (3) buildings. Three (3) buildings were inspected on June 10, 2019. Building Code and Condition Deficiency Reports for the buildings that were inspected are located in Appendix B.

CONCLUSION
After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 91.9 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION
"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

EXTERIOR INSPECTION AND OTHER MEANS
"An interior inspection of the property is not required, if the municipality finds that
(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

DOCUMENTATION
"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

QUALIFICATION REQUIREMENTS
Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

A. COVERAGE TEST

…"parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots…"

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: "For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

B. CONDITION OF BUILDINGS TEST

Minnesota Statutes, Section 469.174, Subdivision 10(a) states, "…and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: "For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

    a. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

    "A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

    "Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

    LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*) for the following reasons:

    - The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.

- Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*…"
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

C. DISTRIBUTION OF SUBSTANDARD BUILDINGS

Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions, "reasonably distributed throughout the district."

(1) "Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;
(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;
(3) tank facilities, or property whose immediately previous use was for tank facilities…"

Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all of the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all of the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

PART 3 – PROCEDURES FOLLOWED

LHB inspected three (3) of the three (3) buildings during the day of June 10, 2019.

For the purposes of our work, we are defining buildings as those structures inhabited by human beings (Diagram 2). These structures would typically include water, sewer and electricity.

Barns and small storage facilities are considered "outbuildings" which are not typically considered in TIF analysis because they have very few code requirements and are not intended for human occupation.

PART 4 – FINDINGS

A. COVERAGE TEST

1. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.

2. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.

3. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING:
The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 91.9 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1).*

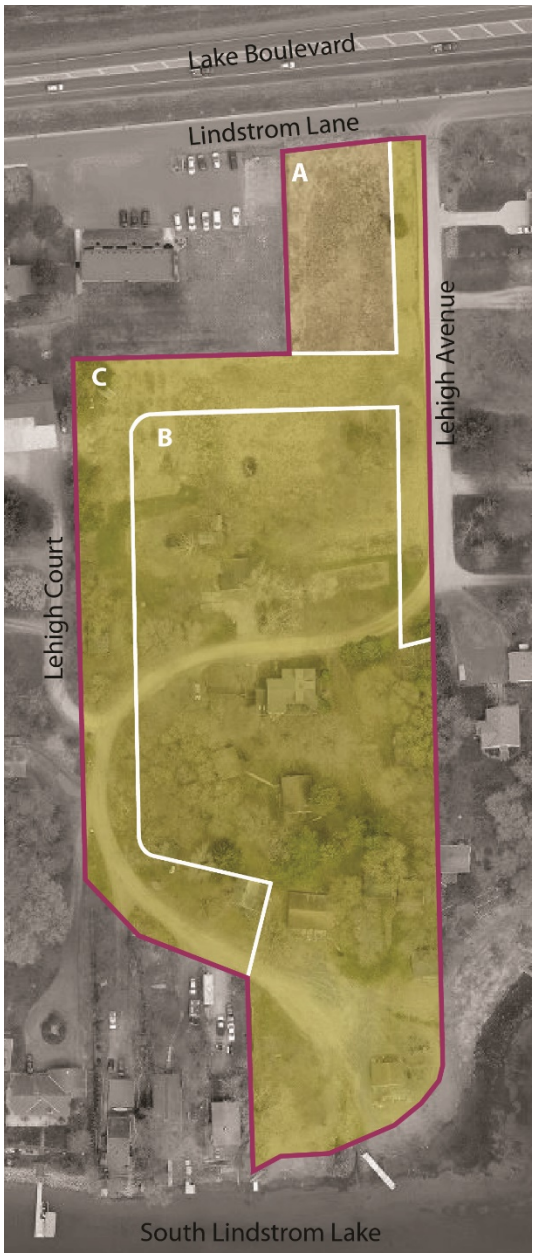

Diagram 2 – Coverage Diagram
Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

B. CONDITION OF BUILDING TEST

1. BUILDING INSPECTION

The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building "appears" to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

2. REPLACEMENT COST

The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2019.

A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Lindstrom, Minnesota.

Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

3. CODE DEFICIENCIES

The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2019; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING:

Three (3) out of three (3) buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c).* Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

4. SYSTEM CONDITION DEFICIENCIES

If a building meets the minimum code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c),* then in order for such building to be "structurally substandard" under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, the building's defects or deficiencies should be of sufficient total significance to justify "substantial renovation or clearance." Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c),* to determine if the total deficiencies warranted "substantial renovation or clearance" based on the criteria we outlined above.

System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.

The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of "service life" used up for a particular component unless it was an obvious part of that component's deficiencies.

After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify "substantial renovation or clearance."

FINDING:

In our professional opinion, three (3) out of three (3) buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

C. DISTRIBUTION OF SUBSTANDARD STRUCTURES

Much of this report has focused on the condition of individual buildings as they relate to requirements identified by *Minnesota Statutes, Section 469.174, Subdivision 10.* It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING:

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.

In addition, the substandard buildings are reasonably distributed within the parcels that contain buildings.

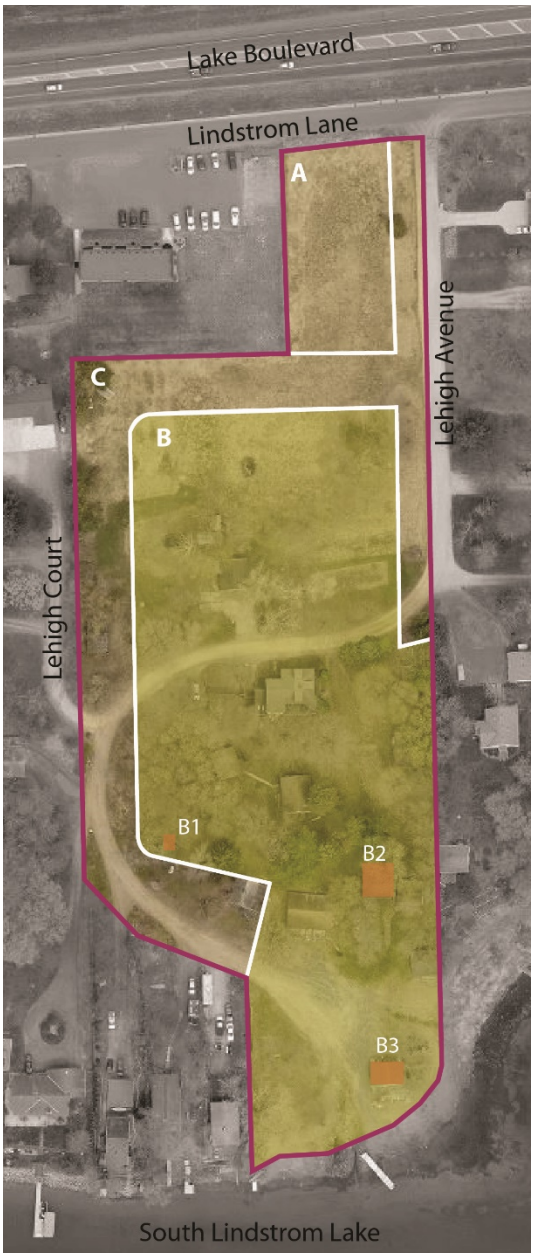

Diagram 3 – Substandard Buildings
Shaded green area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

PART 5 - TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 31 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission and is currently a member of the Edina city council. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Philip Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

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APPENDICES

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

Property Condition Assessment Summary Sheet

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
A	150062190	Lot 1 Block 1	Vacant	Exterior	18,464	0	0.0%	0	0					
B	150062190 150062195 150062196	Lot 1 Block 2	Improved	Exterior	147,740	28,328	19.2%	147,740	3					
B1		Cabin		Interior/Exterior						$77,300	$11,595	$25,085	1	1
B2		Restroom-Shower		Interior/Exterior						$94,648	$14,197	$28,850	1	1
B3		Office		Interior/Exterior						$110,765	$16,615	$22,486	1	1
C	NA	ROW	Improved	Exterior	62,849	21,080	33.5%	62,849	0					
TOTALS					229,053			210,589	3				3	3
							Total Coverage Percent:	**91.9%**						
												Percent of buildings exceeding 15 percent code deficiency threshold:	**100.0%**	
												Percent of buildings determined substandard:		**100.0%**

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APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Rose Hill Redevelopment TIF District No. 1-8

Building Code, Condition Deficiency and Context Analysis Report

Map No. & Building Name:	Parcel B, Building B1 Cabin
Address:	30351 Lehigh Ave, Lindstrom, MN 55045
Parcel ID:	15.00621.96
Inspection Date(s) & Time(s):	June 10, 2019 1:30 PM
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$77,300
Estimated Cost to Correct Building Code Deficiencies:	$25,085
Percentage of Replacement Cost for Building Code Deficiencies:	32.45%

Defects in Structural Elements

1. None observed.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. There is no code-required potable water active in the building.
    b. There is no code-required electrical service in the building.
    c. There is no code-required toilet facilities in the building.

2. Light and Ventilation
    a. Lighting does not meet code.
    b. The HVAC system does not meet code.

3. Fire Protection/Adequate Egress
    a. There are no code-required smoke detectors in the building.
    b. There are no code-required carbon monoxide detectors in the building.
    c. There are no code-required Ground Fault Circuit Interrupters in the building.
    d. There are no code-required Arc Fault Circuit Interrupters in the building.
    e. There is no code-required adequate egress from the building.

4. Layout and Condition of Interior Partitions/Materials
    a. Flooring is rotting and soft.
    b. Walls should be painted.
    c. Kitchen faucet and sink are not connected to water.

5. Exterior Construction
    a. Siding is rotting, allowing for water intrusion, contrary to code.
    b. Windows have failed, allowing for water intrusion, contrary to code.
    c. Roofing material has failed, allowing for water intrusion, contrary to code.
    d. There is no exterior door, allowing for water intrusion, contrary to code.

Description of Code Deficiencies

1. Code-required potable water should be connected to the building.
2. Code-required electrical service should be connected to the building.
3. Code-required toilet facilities should be installed.
4. Lighting is not code-compliant.
5. The HVAC system is not code-compliant.
6. Code-required smoke detectors should be installed.
7. Code-required carbon monoxide detectors should be installed.
8. Code-required GFCI's should be installed.
9. Code-required AFCI's should be installed.
10. A code-required adequate egress should be created.
11. Siding should be repaired/replaced to prevent water intrusion, per code.
12. Failed windows should be replaced to prevent water intrusion, per code.
13. Failed roofing material should be removed/replaced to prevent water intrusion, per code.
14. An exterior door should be installed to prevent water intrusion, per code.

Overview of Deficiencies

This one room cabin has been unused for several years. The exterior surfaces are compromised, allowing for water intrusion, contrary to code. There is no adequate egress from the building, which is contrary to code. Code-required electrical and potable water service should be connected to the building. Windows and roofing systems have failed, allowing for water intrusion, contrary to code. There are no code-required smoke or carbon monoxide detectors in the building. There are no code-required GFCI's or AFCI's in the building. Interior surfaces should be painted and the flooring is bare wood. The kitchen system is nonfunctioning. There is no code-required heating system.

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Rose Hill Redevelopment TIF District No. 1-8

Building Code, Condition Deficiency and Context Analysis Report

Parcel No. & Building Name:	Parcel B, Building B2 Restroom-Shower
Address:	30351 Lehigh Ave, Lindstrom, MN 55045
Parcel ID:	15.00621.96
Inspection Date(s) & Time(s):	June 10, 2019 1:55 PM
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$94,648
Estimated Cost to Correct Building Code Deficiencies:	$28,850
Percentage of Replacement Cost for Building Code Deficiencies:	30.48%

Defects in Structural Elements

1. There are no code-required hurricane clips between the top plate and the rafters.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. There is no code-required accessible parking.
    b. There is no code-required accessible route into the building.
    c. There is no code-required accessible restroom in the building.
    d. There is no code-required accessible shower in the building.
    e. There is no code-required potable water to the building.
    f. There is no code-required electrical service to the building.
    g. Door hardware is not code-compliant.

2. Light and Ventilation
    a. Lighting is not code-compliant.
    b. The HVAC system is not code-compliant.

3. Fire Protection/Adequate Egress
    a. There are no code-required smoke detectors in the building.
    b. There are no code-required Ground Fault Circuit Interrupters in the building.
    c. There is no code-required emergency lighting.
    d. There is no code-required emergency notification system in the building.
    e. There is no code-required building sprinkler system.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior walls should be painted.
    b. Ceiling should be repaired/replaced.

5. Exterior Construction
    a. Roofing material has failed, and should be replaced to prevent water intrusion, per code.

Description of Code Deficiencies

1. Hurricane clips should be installed between top plate and rafters per code.
2. An accessible route into the building should be created per code.
3. A code-required accessible restroom should be installed.
4. A code-required accessible shower should be installed.
5. Potable water should be installed per code.
6. Electrical service should be installed per code.
7. Code-compliant door hardware should be installed.
8. Code-compliant lighting should be installed.
9. A code-compliant HVAC system should be installed.
10. Code-compliant smoke detectors should be installed.
11. Code-required GFCI's should be installed.
12. Code-required building sprinkler system should be installed.
13. Code-required emergency lighting should be installed.
14. Code-required emergency notification system should be installed.
15. Roofing material should be replaced to prevent water intrusion per code.

Overview of Deficiencies

This resort restroom/shower facility has not been used in several years and code-required potable water and electrical service has been shut off. The exterior block walls should be protected. There is no code-required accessible route into the building. There is no code-compliant toilet or shower in the building. Interior walls should be repainted. Ceiling tile should be repaired/replaced. The HVAC and lighting systems do not comply with code. Roofing material is failing, allowing for water intrusion, contrary to code.

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Rose Hill Redevelopment TIF District No. 1-8

Building Code, Condition Deficiency and Context Analysis Report

Parcel No. & Building Name:	Parcel B, Building B3 Office
Address:	30351 Lehigh Ave, Lindstrom, MN 55045
Parcel ID:	15.00621.96
Inspection Date(s) & Time(s):	June 10, 2019 1:45
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$110,765
Estimated Cost to Correct Building Code Deficiencies:	$22,486
Percentage of Replacement Cost for Building Code Deficiencies:	20.30%

Defects in Structural Elements

1. There are no code-required hurricane clips between the top plate and the rafters.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. There is no code-required accessible parking.
    b. There is no code-required accessible restroom in the building.
    c. There is no code-required potable water to the building.
    d. There is no code-required electrical service to the building.
    e. Door hardware is not code-compliant.

2. Light and Ventilation
    a. Lighting is not code-compliant.
    b. The HVAC system is not code-compliant.

3. Fire Protection/Adequate Egress
    a. There are no code-required smoke detectors in the building.
    b. There are no code-required Ground Fault Circuit Interrupters in the building.
    c. There are no code-required Arc Fault Circuit Interrupters in the building.
    d. There is no code-required emergency lighting.
    e. There is no code-required emergency notification system in the building.
    f. There is no code-required building sprinkler system.
    g. A code-required means for emergency egress should be created.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior walls should be painted.
    b. Ceiling should be painted.

5. Exterior Construction
    a. Roofing material has failed, and should be replaced to prevent water intrusion, per code.
    b. Windows have failed, allowing for water intrusion, contrary to code.

Description of Code Deficiencies

1. Hurricane clips should be installed between top plate and rafters per code.
2. An accessible parking space should be created per code.
3. An accessible route into and out of the building should be created per code for emergency egress.
4. A code-required accessible restroom should be installed.
5. Potable water should be installed per code.
6. Electrical service should be installed per code.
7. Code-compliant door hardware should be installed.
8. Code-compliant lighting should be installed.
9. A code-compliant HVAC system should be installed.
10. Code-compliant smoke detectors should be installed.
11. Code-required GFCI's should be installed.
12. Code-required AFCI's should be installed.
13. Code-required building sprinkler system should be installed.
14. Code-required emergency lighting should be installed.
15. Code-required emergency notification system should be installed.
16. Roofing material should be replaced to prevent water intrusion, per code.
17. Windows should be replaced to prevent water intrusion, per code.

Overview of Deficiencies

This building was used as a resort office and storage facility. There is no code-required accessible parking or accessible route into the building. The interior is bare walls with no insulation. There is no code-required electrical service to the building or potable water. Interior should be painted. There is no code-required toilet facility. There are no code-required life safety systems in the building. Roofing material should be replaced to prevent water intrusion, per code. Windows should be replaced to prevent water intrusion, per code.

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APPENDIX C

Building Replacement Cost Reports
Code Deficiency Cost Reports
Photographs

Rose Hill Redevelopment TIF District No. 1-8

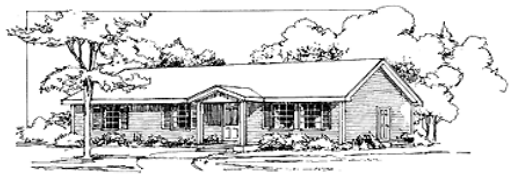
Code Deficiency Cost Report

RSMeans data from GORDIAN

Square Foot Cost Estimate Report Date: **6/10/2019**

Estimate Name:	**30351 Lehigh Avenue**
Building Type:	**Economy 1 Story with Wood Siding - Wood Frame**
Location:	**LINDSTROM, MN 55045**
Story Count:	**1**
Story Height (L.F.):	**8.00**
Floor Area (S.F.):	**740**
Labor Type:	**RES**
Basement Included:	**No**
Data Release:	**Year 2019**
Cost Per Square Foot:	**$104.46**
Building Cost:	**$77,300.75**

Cabin



Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		% of Total	Cost Per S.F.	Cost
01	**Site Work**	**4.42%**	**$4.02**	**$2,972.42**
0104034	Footing excavation, building, 26' x 46', 4' deep		$4.02	$2,972.42
02	**Foundation**	**21.83%**	**$19.83**	**$14,676.03**
0204030	Footing systems, 10" thick by 20" wide footing		$3.45	$2,554.91
0208034	Block wall systems, 8" wall, grouted, full height		$12.10	$8,957.53
0220034	Floor slab systems, 4" thick slab		$4.28	$3,163.59
03	**Framing**	**18.10%**	**$16.44**	**$12,169.27**
0308026	Exterior wall framing systems, 2" x 4", 16" OC		$0.54	$398.77
0308026	Exterior wall framing systems, 2" x 4", 16" OC		$5.69	$4,208.93
0316042	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		$7.10	$5,256.38
0348026	Partition framing systems, 2" x 4", 16" OC		$3.12	$2,305.19
04	**Exterior Walls**	**17.43%**	**$15.84**	**$11,719.34**
* 0408042	Wood siding systems, 1" x 4" tongue & groove, redwood, vertical grain		$8.32	$6,156.80
0420051	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		$1.54	$1,141.48
* 0440026	Sliding window systems, builder's quality wood window, 3' x 2'		$3.43	$2,536.92
0452046	Door systems, solid core birch, flush, 3' x 6'-8"		$2.55	$1,884.14
05	**Roofing**	**5.95%**	**$5.40**	**$3,997.87**
0504034	Gable end roofing, asphalt, roof shingles, class A		$5.40	$3,997.87
06	**Interiors**	**9.56%**	**$8.68**	**$6,424.32**
0604026	Wall system, 1/2" drywall, taped & finished		$3.74	$2,767.52
0608026	1/2" gypsum wallboard, taped & finished ceilings		$2.72	$2,014.43
* 0660041	Underlayment plywood, particle board, 3/8" thick		$1.16	$858.40
0664048	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		$1.06	$783.97
07	**Specialties**	**4.50%**	**$4.08**	**$3,022.73**
0712035	Sinks, stainless steel, single bowl 16" x 20"		$2.26	$1,674.45
0712039	Water heater, electric, 30 gallon		$1.82	$1,348.28
08	**Mechanical**	**13.63%**	**$12.39**	**$9,165.16**
0812046	Three fixture bathroom with wall hung lavatory		$6.32	$4,680.46
0860101	Furnace, gas heating only, 100 MBH, area to 1200 SF		$1.58	$1,172.90

0860109	Intermittent pilot, 100 MBH furnace		$0.37	$275.08
0860111	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		$0.85	$625.59
0860121	Return duct, sheet metal galvanized, to 1500 SF		$1.02	$752.32
0860123	Lateral ducts, flexible round 6" insulated, to 1200 SF		$0.90	$664.47
0860135	Register elbows, to 1500 SF		$0.52	$381.70
0860137	Floor registers, enameled steel w/damper, to 1500 SF		$0.33	$245.83
0860139	Return air grille, area to 1500 SF 12" x 12"		$0.10	$70.73
0860143	Thermostat, manual, 1 set back		$0.17	$123.94
0860147	Plenum, heating only, 100 MBH		$0.23	$172.14
09	**Electrical**	**4.57%**	**$4.15**	**$3,070.90**
0910036	100 amp electric service		$1.64	$1,213.98
0935112	Wiring device systems, economy to 1200 S.F.		$1.98	$1,466.75
0945112	Light fixture systems, economy to 1200 S.F.		$0.53	$390.17

SubTotal	**100%**	**$90.84**	**$67,218.04**
Contractor Fees (General Conditions,Overhead,Profit)	**15.0 %**	**$13.63**	**$10,082.71**
Architectural Fees	**0.0 %**	**$0.00**	**$0.00**
User Fees	**0.0 %**	**$0.00**	**$0.00**
Total Building Cost		**$104.46**	**$77,300.75**

Rose Hill Redevelopment TIF District No. 1-8

Code Deficiency Cost Report

Parcel B, Building B1 - 30351 Lehigh Ave, Lindstrom, MN 55045 - PID 15.00621.96

Cabin

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Potable Water				
	Install code required potable water	$ 300.00	Lump	1	$ 300.00
	Toilet				
	Install code required toilet	$ 6.32	SF	740	$ 4,676.80
Structural Elements					
					$ -
Exiting					
	Stairs				
	There are no stairs to enter or exit the building which is required by code	$ 500.00	Lump	1	$ 500.00
Fire Protection					
	Smoke Detectors				
	Install code required smoke detectors in the building	$ 250.00	EA	2	$ 500.00
	Carbon Monoxide Detectors				
	Install code required carbon monoxide detectors in the building	$ 250.00	EA	2	$ 500.00
	Ground Fault Circuit Interrupters				
	There are no code required GFCI's in the building	$ 250.00	EA	2	$ 500.00
	Arc Fault Circuit Interrupters				
	There are no code required AFCI's in the building	$ 250.00	EA	2	$ 500.00
Exterior Construction					
	Siding				
	Repair/replaced damaged siding to prevent water intrusion per code	$ 4.16	SF	740	$ 3,078.40
	Windows				
	Replace failed windows to prevent water intrusion per code	$ 3.43	SF	740	$ 2,538.20
	Exterior Door				
	Install code required exterior door to prevent water intrusion per code	$ 2.55	SF	740	$ 1,887.00
Roof Construction					
	Roofing Material				
	Remove failed roofing material	$ 1.25	SF	740	$ 925.00
	Install roofing material to prevent water intrusion per code	$ 5.40	SF	740	$ 3,996.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical- Electrical					
	Mechanical				
	Install code required HVAC system	$ 6.07	SF	740	$ 4,491.80
	Electrical				
	Install code required electrical service to building	$ 300.00	Lump	1	$ 300.00
	Install code compliant lighting system	$ 0.53	SF	740	$ 392.20
			Total Code Improvements		**$ 25,085**

Rose Hill Redevelopment TIF District No. 1-8

Photos: Parcel B, Building B1 - Cabin

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Rose Hill Redevelopment TIF District No. 1-8

Photos: Parcel B, Building B1 - Cabin

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Rose Hill Redevelopment TIF District No. 1-8

Replacement Cost Report

RSMeans data from GORDIAN

Square Foot Cost Estimate Report Date: **6/10/2019**

Estimate Name:	**30351 Lehigh Avenue**
Building Type:	**1 Story with Reinforced Concrete**
Location:	**LINDSTROM, MN 55046**
Story Count:	**1**
Story Height (L.F.):	**8.00**
Floor Area (S.F.):	**500**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2019**
Cost Per Square Foot:	**$189.30**
Building Cost:	**$94,648.69**

Restroom- Shower

Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		% of Total	Cost Per S.F.	Cost
A	**Substructure**	**8.55%**	**$14.08**	**$7,037.79**
A1010	**Standard Foundations**		**$8.57**	**$4,283.19**
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		$7.24	$3,620.86
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep		$1.32	$662.33
A1030	**Slab on Grade**		**$5.23**	**$2,614.88**
A10301202240	Slab on grade, 4" thick, non industrial, reinforced		$5.23	$2,614.88
A2010	**Basement Excavation**		**$0.28**	**$139.72**
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		$0.28	$139.72
B	**Shell**	**9.46%**	**$15.57**	**$7,783.37**
B2010	**Exterior Walls**		**$10.68**	**$5,340.00**
* B20101091490	Concrete block (CMU) wall, regular weight, hollow, 8 x 8 x 16, 4500 PSI		$10.68	$5,340.00
B2030	**Exterior Doors**		**$1.90**	**$950.83**
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening		$1.90	$950.83
B3010	**Roof Coverings**		**$2.99**	**$1,492.54**
* B30101401100	Asphalt roofing, strip shingles, inorganic, Class A, 4" slope, 210-235 lbs/SQ		$2.03	$1,015.00
B30104300040	Flashing, aluminum, no backing sides, .019"		$0.96	$477.54
C	**Interiors**	**9.59%**	**$15.78**	**$7,888.89**
C1010	**Partitions**		**$1.79**	**$896.37**
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"		$1.10	$552.41
C10101280960	Add for the following: taping and finishing		$0.69	$343.96
C1030	**Fittings**		**$6.93**	**$3,464.16**
* C10301100420	Toilet partitions, cubicles, ceiling hung, plastic laminate		$6.93	$3,464.16
C3010	**Wall Finishes**		**$0.96**	**$482.17**
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats		$0.96	$482.17
C3030	**Ceiling Finishes**		**$6.09**	**$3,046.19**

C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support		$6.09	$3,046.19
D	**Services**	**72.41%**	**$119.19**	**$59,593.16**
D2010	**Plumbing Fixtures**		**$13.21**	**$6,604.14**
* D20101102160	Water closet, vitreous china, bowl only with flush valve, floor mount, 18" high bowl, ADA compliant		$12.51	$6,255.56
D20102102000	Urinal, vitreous china, wall hung		$0.18	$91.02
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"		$0.52	$257.56
D2020	**Domestic Water Distribution**		**$1.67**	**$833.72**
D20202501860	Gas fired water heater, commercial, 100< F rise, 100 MBH input, 91 GPH		$1.67	$833.72
D3050	**Terminal & Package Units**		**$6.87**	**$3,435.00**
* D30501501280	Rooftop, single zone, air conditioner, apartment corridors, 500 SF, .92 ton		$6.87	$3,435.00
D4010	**Sprinklers**		**$3.35**	**$1,674.04**
D40104100620	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF		$3.35	$1,674.04
D4020	**Standpipes**		**$1.51**	**$757.34**
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		$1.51	$757.34
D5010	**Electrical Service/Distribution**		**$65.08**	**$32,540.92**
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A		$13.48	$6,740.88
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A		$17.52	$8,760.40
D50102400240	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 600 A		$34.08	$17,039.64
D5020	**Lighting and Branch Wiring**		**$20.63**	**$10,313.04**
D50201100640	Receptacles incl plate, box, conduit, wire, 16.5 per 1000 SF, 2.0 W per SF, with transformer		$4.52	$2,261.68
D50201350320	Miscellaneous power, 1.2 watts		$0.31	$156.25
D50201400280	Central air conditioning power, 4 watts		$0.56	$281.52
D50201452080	Motor installation, three phase, 460 V, 15 HP motor size		$9.48	$4,737.76
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		$5.75	$2,875.83
D5030	**Communications and Security**		**$6.87**	**$3,434.96**
D50303101020	Telephone wiring for offices & laboratories, 8 jacks/MSF		$1.53	$764.70
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		$2.83	$1,414.62
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit		$0.86	$427.69
D50309200110	Internet wiring, 8 data/voice outlets per 1000 S.F.		$1.66	$827.95
E	**Equipment & Furnishings**	**0.00%**	**$0.00**	**$0.00**
E1090	**Other Equipment**		**$0.00**	**$0.00**
F	**Special Construction**	**0.00%**	**$0.00**	**$0.00**
G	**Building Sitework**	**0.00%**	**$0.00**	**$0.00**

SubTotal	**100%**	**$164.61**	**$82,303.21**
Contractor Fees (General Conditions,Overhead,Profit)	**15.0 %**	**$24.69**	**$12,345.48**
Architectural Fees	**0.0 %**	**$0.00**	**$0.00**
User Fees	**0.0 %**	**$0.00**	**$0.00**

Total Building Cost	**$189.30**	**$94,648.69**

Rose Hill Redevelopment TIF District No. 1-8

Code Deficiency Cost Report

Parcel B, Building B2 - 30351 Lehigh Ave, Lindstrom, MN 55045 - PID 15.00621.96

Restroom-Shower

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Accessible Route				
	There is no code compliant accessible route into the building	$ 2,500.00	Lump	1	$ 2,500.00
	Restrooms				
	There is no code compliant accessible restroom	$ 20.14	SF	500	$ 10,070.00
	Shower				
	There is no code compliant shower in the building	$ 2.00	SF	500	$ 1,000.00
	Potable Water				
	Potable water should be connected per code	$ 300.00	Lump	1	$ 300.00
	Door Hardware				
	Code compliant door hardware should be installed	$ 250.00	EA	3	$ 750.00
Structural Elements					
	Hurricane Clips				
	Code required hurricane clips should be installed	$ 0.75	SF	500	$ 375.00
Exiting					
					$ -
Fire Protection					
	Smoke Detectors				
	Code required smoke detectors should be installed	$ 2.83	SF	500	$ 1,415.00
	Emergency Lighting				
	Code required emergency lighting should be installed	$ 1.70	SF	500	$ 850.00
	Emergency Notification System				
	Code required emergency notification system should be installed	$ 0.86	SF	500	$ 430.00
	Building Sprinkler System				
	Code required building sprinkler system should be installed	$ 4.86	SF	500	$ 2,430.00
	GFCI's				
	Code required GFCI's should be installed	$ 250.00	EA	2	$ 500.00
Exterior Construction					
					$ -

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Roof Construction					
	Roofing Material				
	Remove failed roofing material	$ 0.25	SF	500	$ 125.00
	Install roofing material to prevent water intrusion per code	$ 2.99	SF	500	$ 1,495.00
Mechanical- Electrical					
	Mechanical				
	Code required HVAC system should be installed	$ 6.87	SF	500	$ 3,435.00
	Electrical				
	Code required electrical service should be connected	$ 300.00	Lump	1	$ 300.00
	Code compliant lighting should be installed	$ 5.75	SF	500	$ 2,875.00
			Total Code Improvements		**$ 28,850**

Rose Hill Redevelopment TIF District No. 1-8

Photos: Parcel B, Building B2 - Restroom-Shower

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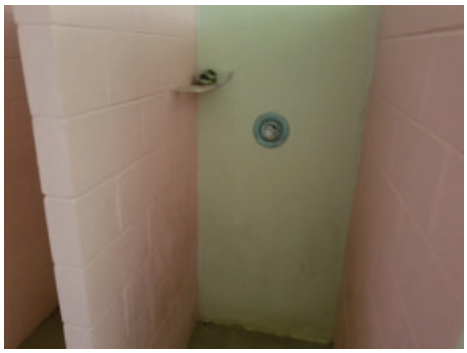

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Rose Hill Redevelopment TIF District No. 1-8

Photos: Parcel B, Building B2 - Restroom-Shower

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Rose Hill Redevelopment TIF District No. 1-8

Replacement Cost Report

RSMeans data from GORDIAN

	Square Foot Cost Estimate Report	Date:	**6/10/2019**
Estimate Name:	**30351 Lehigh Avenue**		Office
Building Type:	**Office, 1 Story with Vinyl Clapboard / Wood Frame**		
Location:	**Lindstrom, MN**		
Story Count:	**1**		
Story Height (L.F.):	**8.00**		
Floor Area (S.F.):	**960**		
Labor Type:	**OPN**		
Basement Included:	**No**		
Data Release:	**Year 2019**		
Cost Per Square Foot:	**$115.38**		
Building Cost:	**$110,765.34**		

Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		% of Total	Cost Per S.F.	Cost
A	**Substructure**	**21.73%**	**$21.80**	**$20,927.11**
A1010	**Standard Foundations**		**$16.29**	**$15,638.28**
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		$9.99	$9,590.16
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		$4.98	$4,776.46
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep		$1.32	$1,271.66
A1030	**Slab on Grade**		**$5.23**	**$5,020.57**
A10301202240	Slab on grade, 4" thick, non industrial, reinforced		$5.23	$5,020.57
A2010	**Basement Excavation**		**$0.28**	**$268.26**
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		$0.28	$268.26
B	**Shell**	**31.85%**	**$31.96**	**$30,679.54**
B1010	**Floor Construction**		**$6.53**	**$6,268.28**
B10102103450	Wood column, 8" x 8", 20' x 20' bay, 10' unsupported height, 133 BF/MSF, 160 PSF total allowable load		$0.42	$407.06
B10107203700	Fireproofing, gypsum board, fire rated, 2 layer, 1" thick, 14" steel column, 3 hour rating, 22 PLF		$6.11	$5,861.22
B1020	**Roof Construction**		**$7.13**	**$6,842.61**
B10201027100	Wood roof, truss, 4/12 slope, 24" O.C., 30' to 43' span		$7.13	$6,842.61
B2010	**Exterior Walls**		**$12.68**	**$12,177.27**
B20101484850	Wood siding, 2"x6" studs 16"OC, insulated wall, 8" plain vinyl siding		$11.26	$10,809.32
B20101907600	Insulation, fiberglass batts, 6" thick, R19		$1.42	$1,367.95
B2020	**Exterior Windows**		**$1.12**	**$1,071.18**
* B20201023250	Windows, wood, sliding, standard glass, 4'-4" x 3'-3"		$1.12	$1,071.18
B2030	**Exterior Doors**		**$1.74**	**$1,669.36**
B20301107300	Door, aluminum & glass, with transom, bronze finish, hardware, 3'-0" x 10'-0" opening		$0.98	$944.09
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening		$0.76	$725.27
B3010	**Roof Coverings**		**$2.76**	**$2,650.84**

B30101401100	Asphalt roofing, strip shingles, inorganic, Class A, 4" slope, 210-235 lbs/SQ		$2.04	$1,955.29
B30106100200	Gutters, box, aluminum, .032" thick, 5", enameled finish		$0.58	$552.20
B30106200200	Downspout, aluminum, rectangular, 2" x 3", enameled, .024" thick		$0.15	$143.35
C	**Interiors**	**13.11%**	**$13.15**	**$12,627.87**
C1010	**Partitions**		**$3.99**	**$3,830.72**
C10101241200	Wood partition, 5/8"fire rated gypsum board face, none base,2 x 4,@ 16" OC framing,same opposite face, 0 insul		$1.58	$1,518.65
C10101241425	Wood partition, 5/8" fire rated gypsum board face, 1/4"sound deadening gypsum board, 2x4 @ 16" OC framing, same opposite face, sound attenuation insul		$1.18	$1,129.62
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"		$0.76	$728.72
C10101280960	Add for the following: taping and finishing		$0.47	$453.73
C1020	**Interior Doors**		**$1.61**	**$1,542.98**
* C10201022540	Door, single leaf, wood frame, 3'-0" x 7'-0" x 1-3/8", hollow core, louvered pine		$1.61	$1,542.98
C3010	**Wall Finishes**		**$1.46**	**$1,405.48**
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats		$0.66	$636.06
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats		$0.80	$769.42
C3030	**Ceiling Finishes**		**$6.09**	**$5,848.69**
C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support		$6.09	$5,848.69
D	**Services**	**33.31%**	**$33.42**	**$32,083.17**
D2010	**Plumbing Fixtures**		**$2.77**	**$2,655.96**
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung		$1.43	$1,370.00
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"		$0.52	$494.51
D20104404340	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"		$0.52	$498.35
D20108202080	Water cooler, electric, floor mounted, dual height, 14.3 GPH		$0.31	$293.10
D2020	**Domestic Water Distribution**		**$1.67**	**$1,600.74**
D20202501860	Gas fired water heater, commercial, 100< F rise, 100 MBH input, 91 GPH		$1.67	$1,600.74
D3050	**Terminal & Package Units**		**$4.71**	**$4,521.60**
* D30501501440	Rooftop, single zone, air conditioner, apartment corridors, 5,000 SF, 9.17 ton		$4.71	$4,521.60
D4010	**Sprinklers**		**$3.35**	**$3,214.15**
D40104100620	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF		$3.35	$3,214.15
D4020	**Standpipes**		**$1.51**	**$1,454.08**
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		$1.51	$1,454.08
D5010	**Electrical Service/Distribution**		**$7.02**	**$6,740.88**
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A		$7.02	$6,740.88
D5020	**Lighting and Branch Wiring**		**$5.52**	**$5,300.65**
D50201100640	Receptacles incl plate, box, conduit, wire, 16.5 per 1000 SF, 2.0 W per SF, with transformer		$4.52	$4,342.43
D50201350320	Miscellaneous power, 1.2 watts		$0.31	$300.00
D50201400280	Central air conditioning power, 4 watts		$0.56	$540.52
* D50202081000	Fluorescent fixtures, type B, 35 fixtures per 1600 SF		$0.12	$117.70

D5030	**Communications and Security**		**$6.87**	**$6,595.11**
D50303101020	Telephone wiring for offices & laboratories, 8 jacks/MSF		$1.53	$1,468.22
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		$2.83	$2,716.07
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit		$0.86	$821.16
D50309200110	Internet wiring, 8 data/voice outlets per 1000 S.F.		$1.66	$1,589.66
E	**Equipment & Furnishings**	**0.00%**	**$0.00**	**$0.00**
E1090	**Other Equipment**		**$0.00**	**$0.00**
F	**Special Construction**	**0.00%**	**$0.00**	**$0.00**
G	**Building Sitework**	**0.00%**	**$0.00**	**$0.00**

SubTotal	**100%**	**$100.33**	**$96,317.69**
Contractor Fees (General Conditions,Overhead,Profit)	**15.0 %**	**$15.05**	**$14,447.65**
Architectural Fees	**0.0 %**	**$0.00**	**$0.00**
User Fees	**0.0 %**	**$0.00**	**$0.00**
Total Building Cost		**$115.38**	**$110,765.34**

Rose Hill Redevelopment TIF District No. 1-8

Code Deficiency Cost Report

Parcel B, Building B3 - 30351 Lehigh Ave, Lindstrom, MN 55045 - PID 15.00621.96

Office

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Parking				
	Code required accessible parking should be created	$ 100.00	EA	1	$ 100.00
	Restroom				
	Code required accessible restroom should be installed	$ 1.96	SF	960	$ 1,881.60
	Potable Water				
	Potable water to the building should be connected per code	$ 300.00	Lump	1	$ 300.00
Structural Elements					
	Hurricane Clips				
	Code required hurricane clips should be installed	$ 0.25	SF	960	$ 240.00
Exiting					
	Emergency Egress				
	A code compliant means for emergency egress should be created	$ 500.00	EA	3	$ 1,500.00
Fire Protection					
	Smoke Detectors				
	Code required smoke detectors should be installed	$ 2.83	SF	960	$ 2,716.80
	Emergency Lighting				
	Code required emergency lighting should be installed	$ 1.75	SF	960	$ 1,680.00
	Emergency Notification System				
	Code required emergency notification system should be installed	$ 0.86	SF	960	$ 825.60
	Building Sprinkler System				
	Code required building sprinkler system should be installed	$ 4.86	SF	960	$ 4,665.60
	GFCI's				
	Code required GFCI's should be installed	$ 250.00	EA	2	$ 500.00
	AFCI's				
	Code required AFCI's should be installed	$ 250.00	EA	1	$ 250.00
Exterior Construction					
					$ -
Roof Construction					
	Roofing Material				
	Remove failed roofing material	$ 0.25	SF	960	$ 240.00
	Install roofing material to prevent water intrusion per code	$ 2.76	SF	960	$ 2,649.60

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Mechanical- Electrical				
	Mechanical				
	Install code required HVAC system	$ 4.71	SF	960	$ 4,521.60
	Electrical				
	Connect electrical service per code	$ 300.00	Lump	1	$ 300.00
	Install code compliant lighting	$ 0.12	SF	960	$ 115.20
			Total Code Improvements		**$ 22,486**

Rose Hill Redevelopment TIF District No. 1-8

Photos: Parcel B, Building B3 - Office

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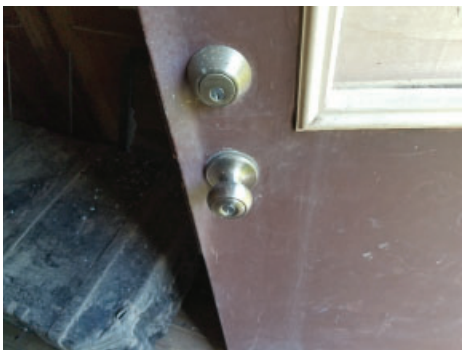

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Photos: Parcel B, Building B3 - Office

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