As of March 28, 2018
Draft for Public Hearing

Tax Increment Financing Plan

for the establishment of

Tax Increment Financing District No. 30 (Ramsey V)
(a redevelopment district)

within

Development District No. 17

Duluth Economic Development Authority
City of Duluth
St. Louis County
State of Minnesota

Public Hearing: April 9, 2018
Adopted:

Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
651-697-8500 fax: 651-697-8555 www.ehlers-inc.com

Table of Contents
(for reference purposes only)

Section 1 - Tax Increment Financing Plan for Tax Increment Financing District No. 30 (Ramsey V)

Subsection 1-1. Foreword

The Duluth Economic Development Authority (the "DEDA"), the City of Duluth (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 30 (Ramsey V) (the "District"), a redevelopment tax increment financing district, located in Development District No. 17.

Subsection 1-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, DEDA and the City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.090 to 469.1082*, 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 Development Program for Development District No. 17.

Subsection 1-3. Statement of Objectives

The District currently consists of 17 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of 44 rental units (20 in 2018/2019 and the remaining 24 in the future) in the City. Please see Appendix A for further District information. DEDA has not at the time of preparation of this TIF Plan entered into an agreement, but anticipates entering into an agreement with Ramsey III, LLC, with development likely occurring in 2018/2019. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 17.

The activities contemplated in 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. 17 and the District.

Subsection 1-4. Development Program Overview

1. Property to be Acquired - Selected property located within the District may be acquired by DEDA or 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, DEDA or 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. DEDA or 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.

Subsection 1-5. 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 in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

DEDA or City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by DEDA or the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. DEDA or the City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Subsection 1-6. Classification of the District

DEDA and 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)* as defined below:

(a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one or more of the following conditions, reasonably distributed throughout the district, exists:

(1) parcels consisting of 70 percent of the area in 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, as defined in Section 115C, Subd. 15, if the tank facility:

(i) have or had a capacity of more than one million gallons;
(ii) are located adjacent to rail facilities; or
(iii) have been removed, or are unused, underused, inappropriately used or infrequently used; or

(4) a qualifying disaster area, as defined in Subd. 10b.

(b) 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.

(c) 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. The municipality may not make such a determination without an interior inspection of the property, but need not have an independent, expert appraisal prepared of the cost of repair and rehabilitation of the building. 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.

(d) A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) or by the improvement described in paragraph (e) if all of the following conditions are met:

(1) the parcel was occupied by a substandard building or met the requirements of paragraph (e), as the case may be, within three years of the filing of the request for certification of the parcel as part of the district with the county auditor;

(2) the substandard building or the improvements described in paragraph (e) were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;

(3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or met the requirement of paragraph (e) and that after demolition and clearance the authority intended to include the parcel within a district; and

(4) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by § 469.177, subdivision 1, paragraph (f).

(e) 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.

(f) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a) to be included in the district, and the entire area of the district must satisfy paragraph (a).

In meeting the statutory criteria DEDA and the City rely on the following facts and findings:

- The District is a redevelopment district consisting of 17 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 F).

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.

Subsection 1-7. 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 DEDA or the City (a total of 26 years of tax increment). DEDA and the City elects to receive the first tax increment in 2020, 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 2045, or when the TIF Plan is satisfied. DEDA and the City reserve the right to decertify the District prior to the legally required date.

Subsection 1-8. 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 2017 for taxes payable 2018.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2020) 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 DEDA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2018, assuming the request for certification is made before June 30, 2018. 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. 17, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The DEDA and 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 2020. 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 (PTC)	**$141,660**	
Original Estimated Net Tax Capacity (ONTC)	**$14,632**	
Estimated Captured Tax Capacity (CTC)	**$127,028**	
Original Local Tax Rate	**1.39622**	Pay 2018
Estimated Annual Tax Increment (CTC x Local Tax Rate)	**$177,359**	
Percent Retained by the DEDA	**100%**	

Tax capacity includes a 3% 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 $31,250.

Pursuant to *M.S., Section 469.177, Subd. 4*, DEDA 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.

DEDA and the City have reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Subsection 1-9. 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 DEDA or 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/transfer. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the DEDA or City to incur debt. The DEDA or 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 OF FUNDS	**TOTAL**
Tax Increment	$3,048,904
Interest	$304,890
TOTAL	**$3,353,794**

DEDA or 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 $2,332,103. 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.

Subsection 1-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of 44 rental units (20 in 2018/2019 and the remaining 24 in the future) in the City. DEDA and the City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. DEDA 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 OF TAX INCREMENT FUNDS	TOTAL
Land/Building Acquisition	$750,000
Site Improvements/Preparation	$400,000
Utilities	$150,000
Other Qualifying Improvements	$727,213
Administrative Costs (up to 10%)	$304,890
PROJECT COST TOTAL	$2,332,103
Interest	$1,021,691
PROJECT AND INTEREST COSTS TOTAL	**$3,353,794**

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 Subsection 2-9.

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. 17, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Subsection 1-11. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

(1) A business subsidy of less than $150,000;
(2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
(3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
(4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3;*
(5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that

the assistance is equal to or less than 50% of the total cost;

(6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
(7) Assistance for housing;
(8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
(9) Assistance for energy conservation;
(10) Tax reductions resulting from conformity with federal tax law;
(11) Workers' compensation and unemployment compensation;
(12) Benefits derived from regulation;
(13) Indirect benefits derived from assistance to educational institutions;
(14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
(15) Assistance for a collaboration between a Minnesota higher education institution and a business;
(16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
(17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
(18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
(19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
(20) Funds from dock and wharf bonds issued by a seaway port authority;
(21) Business loans and loan guarantees of $150,000 or less;
(22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
(23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

DEDA will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 1-12. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require DEDA or the City to pay for all or part of the cost of County road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the County elects to use increments to improve county roads, it must notify DEDA or the City within forty-five days of receipt of this TIF Plan. In the opinion of DEDA, the City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon County roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. DEDA and the City are aware that the County could claim that tax increment should be used for County roads, even after the public hearing.

Subsection 1-13. 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, DEDA and the City have 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

	2017/Pay 2018 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
St. Louis County	184,614,656	127,028	**0.0688%**
City of Duluth	70,628,559	127,028	**0.1799%**
Duluth ISD No. 709	79,400,393	127,028	**0.1600%**

IMPACT ON TAX RATES

	Pay 2018 Extension Rates	Percent of Total	CTC	Potential Taxes
St. Louis County	0.652760	46.75%	127,028	**82,919**
City of Duluth	0.397010	28.43%	127,028	**50,431**
Duluth ISD No. 709	0.286050	20.49%	127,028	**36,336**
Other	0.060400	4.33%	127,028	**7,672**
Total	1.396220	100.00%		**177,359**

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2018 rate. The total net capacity for the entities listed above are based on actual Pay 2018 figures. The District will be certified under the actual Pay 2018 rates and figures.

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 $3,048,904;

(2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. The City police department does track all calls for service including property-type calls and crimes. There will only be a slight increase in the number of new residents and there will be the removal of an existing business so the City does not expect that the proposed development, in and of itself, will necessitate new capital investment.

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 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 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 $624,720;

(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 $1,425,362;

(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.

Subsection 1-14. 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. Following is a list of reports and studies on file at the City that support DEDA and the City's findings:

- Maxfield Housing Study for the City of Duluth (2014)
- City of Duluth 2015 Housing Indicator Report
- City of Duluth Housing Action Framework (June 2017)
- LHB TIF Qualifications Report (November 2017)

Subsection 1-15. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the authority with tax increments;
3. Principal and interest received on loans or other advances made by the authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

Subsection 1-16. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the DEDA or City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the DEDA or City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 10*, must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2)(A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the DEDA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The DEDA or City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 1-17. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14,* administrative expenses means all expenditures of the DEDA or City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District;
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section*

469.176, Subd. 3, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469. 177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the DEDA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 1-18. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

> *if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street,*

and (3) substantial reconstruction or rebuilding of an existing street.

DEDA, the City or a property owner must improve parcels within the District by approximately June 2022 and report such actions to the County Auditor.

Subsection 1-19. Use of Tax Increment

DEDA and the City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the cost of redevelopment of the Development District No. 17 pursuant to *M.S., Sections 469.090 to 469.1082*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the DEDA or City or for the benefit of Development District No. 17 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C. M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4.*

Tax increments generated in the District will be paid by St. Louis County to the DEDA for the Tax Increment Fund of said District. DEDA or the City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for DEDA or City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 1-20. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

DEDA or the City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, DEDA or the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Development District No. 17 or the District.

Subsection 1-21. Requirements for Agreements with the Developer

DEDA or the City will review any proposal for private development to determine its conformance with the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by DEDA or the City to demonstrate the conformance of the development with City plans and ordinances. DEDA or the City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by DEDA or the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, DEDA or the City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for DEDA or the City should the development or redevelopment not be completed.

Subsection 1-22. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the DEDA or City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 1-23. Administration of the District

Administration of the District will be handled by the Director of Business and Economic Development.

Subsection 1-24. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* DEDA or the City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6,* the Office of the State Auditor will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 1-25. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that 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 District permitted by the TIF Plan. In making said determination,

reliance has been placed upon written representation made by the developer to such effects and upon DEDA and City staff awareness of the feasibility of developing the project site(s) within the District. 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 D, 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.

Subsection 1-26. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the cost of redevelopment of the Development District No. 17 pursuant to *M.S., Sections 469.090 to 469.1082*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Pooling Limitations. At least 75 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.

3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 75 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 75 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.

4. Redevelopment District. At least 90 percent of the revenues derived from tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under *M.S., Section 469.176 Subd. 4j.* These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the DEDA or City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

Subsection 1-27. Summary

The City of Duluth is establishing the District to preserve and enhance the tax base, redevelop substandard areas, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113, telephone (651) 697-8500.

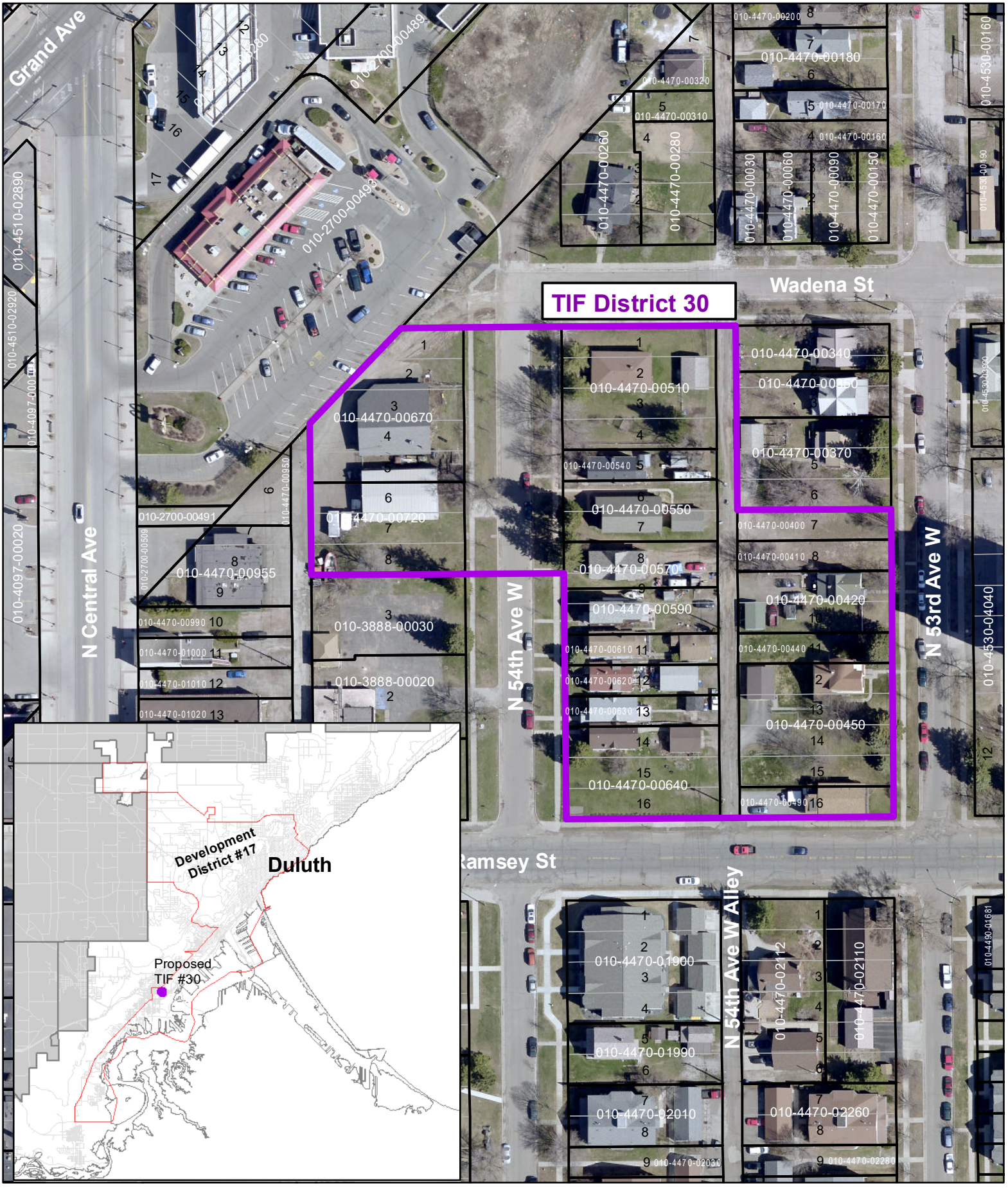
Appendix A

Project Description

Ramsey III, LLC proposes to construct 20 new rental units on property it currently owns within the District, beginning in 2018/2019. It intends to construct up to an additional 24 units over time as it is able to acquire additional, adjacent parcels. DEDA intends to provide the developer with a pay-as-you-go TIF note to cover qualified costs incurred within the District.

Appendix B

Maps of Development District No. 17 and the District



Proposed TIF District #30

Development District 17
TIF Districts 30

N

0 50 100 Feet

Print Date: 10/20/2017
Photo Date: May 2013
Prepared By:
The City of Duluth GIS Office

Appendix C

Description of Property to be Included in the District

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

Parcel Numbers	Address	Owner
010-4470-00400	Unassigned	Talle & Associates
010-4470-00410	Unassigned	Talle & Associates
010-4470-00420	415 N 53rd Ave W	Cisotto
010-4470-00440	Unassigned	Talle & Associates
010-4470-00450	409 N 53rd Ave W	Talle & Associates
010-4470-00490	5305 Ramsey St.	Talle & Associates
010-4470-00510	430 N 54th Ave W	Bloom
010-4470-00540	424 N 54th Ave W	Talle & Associates
010-4470-00550	422 N 54th Ave W	Aanenson
010-4470-00570	418 N 54th Ave W	Bristol
010-4470-00590	414 N 54th Ave W	State of Minnesota
010-4470-00610	412 N 54th Ave W	Slossen
010-4470-00620	410 N 54th Ave W	Witzman
010-4470-00630	408 N 54th Ave W	Melde
010-4470-00640	406 N 54th Ave W	Talle & Associates
010-4470-00670	425 N 54th Ave W	Leland
010-4470-00720	Unassigned	Leland

Appendix D

Estimated Cash Flow for the District

EHLERS
LEADERS IN PUBLIC FINANCE

Ramsey V Housing - 3% Inflation

City of Duluth

20 Rental Units & 24 Future Rental Units

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2018**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**3.00%**	
Interest Rate:	**3.00%**	
Present Value Date:	**1-Feb-19**	
First Period Ending	1-Aug-19	
Tax Year District was Certified:	**Pay 2018**	
Cashflow Assumes First Tax Increment For Development:	2020	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2045	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**NA**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	n/a	Pay 2018
Fiscal Disparities Metro-Wide Tax Rate	n/a	Pay 2018
Maximum/Frozen Local Tax Rate:	139.622%	Pay 2018
Current Local Tax Rate: (Use lesser of Current or Max.)	139.622%	Pay 2018
State-wide Tax Rate (Comm./Ind. only used for total taxes)	45.0000%	Pay 2018
Market Value Tax Rate (Used for total taxes)	0.13902%	Pay 2018

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	$121,000	0.75%
Over	$121,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	$500,000	1.00%
Over	$500,000	1.25%
Homestead Residental 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)

Map #	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
1	010-4470-00400	Talle & Assoc	n/a	7,000 0	0	7,000	100%	7,000	Pay 2018	Rental	88	Rental	88	
2	010-4470-00410	Talle & Assoc	n/a	7,000	0	7,000	100%	7,000	Pay 2018	Rental	88	Rental	88	
3	010-4470-00440	Talle & Assoc	n/a	6,000	0	6,000	100%	6,000	Pay 2018	Hmstd. Res.	60	Rental	75	
4	010-4470-00450	Talle & Assoc	409 53rd Ave W	24,200	72,600	96,800	100%	96,800	Pay 2018	Hmstd. Res.	968	Rental	1,210	
5	010-4470-00490	Talle & Assoc	5305 Ramsey St	7,000	137,300	144,300	100%	144,300	Pay 2018	Rental	1,804	Rental	1,804	
6	010-4470-00640	Talle & Assoc	406 N 54th Ave W	19,800	55,300	75,100	100%	75,100	Pay 2018	Hmstd. Res.	751	Rental	939	
7	010-4470-00510	Bloom	430 N 54th Ave W	20,000	78,200	98,200	100%	98,200	Pay 2018	Rental	1,228	Rental	1,228	
8	010-4470-00540	Talle & Assoc	424 N 54th Ave W	4,200	38,280	42,480	100%	42,480	Pay 2018	Hmstd. Res.	425	Rental	531	
9	010-4470-00550	Aanenson	422 N 54th Ave W	12,048	127,619	139,667	100%	139,667	Pay 2018	Hmstd. Res.	1,397	Rental	1,746	
10	010-4470-00570	Bristol	418 N 54th Ave W	10,700	56,900	67,600	100%	67,600	Pay 2018	Rental	845	Rental	845	
11	010-4470-00590	State of MN	414 N 54th Ave W	10,700	62,300	73,000	100%	73,000	Pay 2018	Exempt	-	Rental	913	
12	010-4470-00610	Slosson	412 N 54th Ave W	4,292	43,597	47,889	100%	47,889	Pay 2018	Hmstd. Res.	479	Rental	599	
13	010-4470-00620	Witzman	410 N 54th Ave W	7,000	72,700	79,700	100%	79,700	Pay 2018	Rental	996	Rental	996	
14	010-4470-00630	Melde	408 N 54th Ave W	4,200	36,180	40,380	100%	40,380	Pay 2018	Hmstd. Res.	404	Rental	505	
15	010-4470-00670	Leland	425 N 54th Ave	95,800	54,300	150,100	100%	150,100	Pay 2018	C/I Pref.	2,252	Rental	1,876	
16	010-4470-00720	Lenland	425 N 54th Ave	56,100	0	56,100	100%	56,100	Pay 2018	C/I Pref.	842	Rental	701	
17	010-4470-00420	Cisotto	415 N 53rd Ave W	8,400	30,840	39,240	100%	39,240	Pay 2018	Hmstd. Res.	392	Rental	491	
				304,440	866,116	1,170,556		**1,170,556**			**13,017**		**14,632**	

Note:

1. **Base values are for pay 2018 based upon review of County website on 2-27-18.**
2. **Parcels 1-6, 8, 15 and 16 are owned by Ken Talle and where the first 24 units will be constructed.**

Ramsey V Housing - 3% Inflation

City of Duluth

20 Rental Units & 24 Future Rental Units

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 2018	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	First Year Full Taxes Payable
	Apartments	125,000	125,000	20	2,500,000	Rental	31,250	1,563	100%	100%	100%	100%	2020
	Apartments	125,000	125,000	24	3,000,000	Rental	37,500	1,563	0%	100%	100%	100%	2021
TOTAL					**5,500,000**		**68,750**						
Subtotal Residential				**44**	**5,500,000**		**68,750**						
Subtotal Commercial/Ind.				**0**	**0**		**0**						

Note:

1. Estimated market value is based on discussion with St. Louis County Assessor on 11-28-16.

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
Apartments	**31,250**	**0**	**31,250**	**43,632**	**0**	**0**	**3,476**	**47,107**	**2,355.37**
Apartments	**37,500**	**0**	**37,500**	**52,358**	**0**	**0**	**4,171**	**56,529**	**2,355.37**
TOTAL	**68,750**	**0**	**68,750**	**95,990**	**0**	**0**	**7,646**	**103,636**	

Note:

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

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	**103,636**
less State-wide Taxes	**0**
less Fiscal Disp. Adj.	**0**
less Market Value Taxes	**(7,646)**
less Base Value Taxes	**(20,429)**
Annual Gross TIF	**75,561**

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	1,170,556
New Market Value - Est.	5,500,000
Difference	4,329,444
Present Value of Tax Increment	1,920,606
Difference	2,408,838
Value likely to occur without Tax Increment is less than:	**2,408,838**

EHLERS
LEADERS IN PUBLIC FINANCE

Ramsey V Housing - 3% Inflation
City of Duluth
20 Rental Units & 24 Future Rental Units

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
							-	-	-	-				08/01/19
							-	-	-	-				02/01/20
100%	31,250	(14,632)	-	16,618	139.622%	23,202	11,601	(42)	(1,156)	10,404	9,949	0.5	2020	08/01/20
							11,601	(42)	(1,156)	10,404	19,751	1	2020	02/01/21
100%	69,688	(14,632)	-	55,056	139.622%	76,870	38,435	(138)	(3,830)	34,467	51,745	1.5	2021	08/01/21
							38,435	(138)	(3,830)	34,467	83,267	2	2021	02/01/22
100%	71,778	(14,632)	-	57,146	139.622%	79,789	39,894	(144)	(3,975)	35,776	115,501	2.5	2022	08/01/22
							39,894	(144)	(3,975)	35,776	147,260	3	2022	02/01/23
100%	73,931	(14,632)	-	59,300	139.622%	82,795	41,398	(149)	(4,125)	37,124	179,728	3.5	2023	08/01/23
							41,398	(149)	(4,125)	37,124	211,716	4	2023	02/01/24
100%	76,149	(14,632)	-	61,517	139.622%	85,892	42,946	(155)	(4,279)	38,512	244,411	4.5	2024	08/01/24
							42,946	(155)	(4,279)	38,512	276,622	5	2024	02/01/25
100%	78,434	(14,632)	-	63,802	139.622%	89,082	44,541	(160)	(4,438)	39,942	309,535	5.5	2025	08/01/25
							44,541	(160)	(4,438)	39,942	341,962	6	2025	02/01/26
100%	80,787	(14,632)	-	66,155	139.622%	92,367	46,183	(166)	(4,602)	41,415	375,089	6.5	2026	08/01/26
							46,183	(166)	(4,602)	41,415	407,725	7	2026	02/01/27
100%	83,211	(14,632)	-	68,579	139.622%	95,751	47,875	(172)	(4,770)	42,933	441,058	7.5	2027	08/01/27
							47,875	(172)	(4,770)	42,933	473,897	8	2027	02/01/28
100%	85,707	(14,632)	-	71,075	139.622%	99,236	49,618	(179)	(4,944)	44,496	507,430	8.5	2028	08/01/28
							49,618	(179)	(4,944)	44,496	540,466	9	2028	02/01/29
100%	88,278	(14,632)	-	73,646	139.622%	102,826	51,413	(185)	(5,123)	46,105	574,192	9.5	2029	08/01/29
							51,413	(185)	(5,123)	46,105	607,419	10	2029	02/01/30
100%	90,926	(14,632)	-	76,294	139.622%	106,524	53,262	(192)	(5,307)	47,763	641,333	10.5	2030	08/01/30
							53,262	(192)	(5,307)	47,763	674,745	11	2030	02/01/31
100%	93,654	(14,632)	-	79,022	139.622%	110,332	55,166	(199)	(5,497)	49,471	708,841	11.5	2031	08/01/31
							55,166	(199)	(5,497)	49,471	742,433	12	2031	02/01/32
100%	96,464	(14,632)	-	81,832	139.622%	114,255	57,128	(206)	(5,692)	51,230	776,705	12.5	2032	08/01/32
							57,128	(206)	(5,692)	51,230	810,470	13	2032	02/01/33
100%	99,358	(14,632)	-	84,726	139.622%	118,296	59,148	(213)	(5,893)	53,041	844,913	13.5	2033	08/01/33
							59,148	(213)	(5,893)	53,041	878,847	14	2033	02/01/34
100%	102,338	(14,632)	-	87,706	139.622%	122,458	61,229	(220)	(6,101)	54,908	913,456	14.5	2034	08/01/34
							61,229	(220)	(6,101)	54,908	947,553	15	2034	02/01/35
100%	105,409	(14,632)	-	90,777	139.622%	126,744	63,372	(228)	(6,314)	56,830	982,322	15.5	2035	08/01/35
							63,372	(228)	(6,314)	56,830	1,016,578	16	2035	02/01/36
100%	108,571	(14,632)	-	93,939	139.622%	131,159	65,580	(236)	(6,534)	58,809	1,051,502	16.5	2036	08/01/36
							65,580	(236)	(6,534)	58,809	1,085,911	17	2036	02/01/37
100%	111,828	(14,632)	-	97,196	139.622%	135,707	67,854	(244)	(6,761)	60,848	1,120,987	17.5	2037	08/01/37
							67,854	(244)	(6,761)	60,848	1,155,544	18	2037	02/01/38
100%	115,183	(14,632)	-	100,551	139.622%	140,391	70,196	(253)	(6,994)	62,949	1,190,766	18.5	2038	08/01/38
							70,196	(253)	(6,994)	62,949	1,225,467	19	2038	02/01/39
100%	118,638	(14,632)	-	104,006	139.622%	145,216	72,608	(261)	(7,235)	65,112	1,260,830	19.5	2039	08/01/39
							72,608	(261)	(7,235)	65,112	1,295,671	20	2039	02/01/40
100%	122,197	(14,632)	-	107,566	139.622%	150,185	75,093	(270)	(7,482)	67,340	1,331,171	20.5	2040	08/01/40
							75,093	(270)	(7,482)	67,340	1,366,147	21	2040	02/01/41
100%	125,863	(14,632)	-	111,231	139.622%	155,304	77,652	(280)	(7,737)	69,635	1,401,780	21.5	2041	08/01/41
							77,652	(280)	(7,737)	69,635	1,436,887	22	2041	02/01/42
100%	129,639	(14,632)	-	115,007	139.622%	160,576	80,288	(289)	(8,000)	71,999	1,472,649	22.5	2042	08/01/42
							80,288	(289)	(8,000)	71,999	1,507,882	23	2042	02/01/43
100%	133,528	(14,632)	-	118,897	139.622%	166,006	83,003	(299)	(8,270)	74,434	1,543,769	23.5	2043	08/01/43
							83,003	(299)	(8,270)	74,434	1,579,125	24	2043	02/01/44
100%	137,534	(14,632)	-	122,902	139.622%	171,599	85,799	(309)	(8,549)	76,941	1,615,133	24.5	2044	08/01/44
							85,799	(309)	(8,549)	76,941	1,650,608	25	2044	02/01/45
100%	141,660	(14,632)	-	127,028	139.622%	177,360	88,680	(319)	(8,836)	79,524	1,686,732	25.5	2045	08/01/45
							88,680	(319)	(8,836)	79,524	1,722,323	26	2045	02/01/46
	Total						**3,059,920**	**(11,016)**	**(304,890)**	**2,744,014**				
		Present Value From	**02/01/2019**	**Present Value Rate**	**3.00%**		**1,920,606**	**(6,914)**	**(191,369)**	**1,722,323**				

Appendix E

Minnesota Business Assistance Form
(Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm for information and forms.

Appendix F

Redevelopment Qualifications for the District

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

Ramsey V – Redevelopment TIF District
Duluth, Minnesota

November 2, 2017

Prepared For the

Duluth Economic Development Authority

Prepared by:

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

LHB Project No. 170147

TABLE OF CONTENTS

PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

LHB was hired by the Duluth Economic Development Authority (DEDA) to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the Authority. The proposed TIF District is east of Central Avenue, bounded by North 53rd Avenue West, Ramsey Street, and Wadena Street (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether Fourteen (14) buildings on seventeen (17) parcels and two (2) right of way parcels, 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 seventeen (17) parcels and two (2) right of way parcels with fourteen (14) buildings. Eight (8) buildings were inspected on the interior and exterior on March 14, 2017, and October 3, 2017. Three (3) buildings were not inspected due to lack of access to the interior of the properties and three (3) buildings were not inspected as they were assumed not to be substandard based in an exterior review. Building Code and Condition Deficiency Reports for the buildings that were inspected and determined to be substandard 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 92.7 percent which is above the 70 percent requirement.
- 57.1 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*…"
- Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *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 eight (8) of the fourteen (14) buildings during the day of March 14, 2017, and October 3, 2017. The inspector was unable to gain access to three (3) buildings. The remaining three (3) buildings were assumed not to be substandard based on an exterior review, so no further inspection was conducted.

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 92.7 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 2017.

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 Duluth, 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 2017; 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:

Eight (8) out of fourteen (14) buildings (57.1 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, eight (8) out of fourteen (14) buildings (57.1 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.

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 29 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.

Jonathan Pettigrew, AIA – Inspector

Jonathan Pettigrew has worked in architecture and construction for the last twenty years in Minnesota, California and Washington. His experience includes a variety of commercial and residential project types and scales, from single-family homes to a 300,000 square foot multi-building office complex. He has significant experience in code reviews and building systems inspections and analysis. Jonathan received his Minnesota architect's license in 2004. He brings a strong interest in sustainability and an eye for detail to his work. He enjoys working with clients, consultants and contractors to bring projects together successfully.

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.

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

Ramsey V - Redevelopment TIF District

Duluth, Minnesota

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	010-4470-00670	425 N 54th Ave W	Improved		12,653	11,641	92.0%	12,653						
A1	010-4470-00670	425 N 54th Ave W	Improved	Interior/Exterior					1	$355,709	$53,356	$116,780	1	1
A2	Note 3, 4	425 N 54th Ave W	Improved	Interior/Exterior					1	$190,776	$28,616	$49,574	1	1
B	010-4470-00720	NA	Improved	Exterior	9,413	4,518	48.0%	9,413	0					
C	ROW	NA	Improved	Exterior	16,110	8,430	52.3%	16,110	0					
D	010-4470-00510	430 N 54th Ave W	Improved	Exterior	12,472	2,732	21.9%	12,472	1	Note 2				
E	010-4470-00540	424 N 54th Ave W	Improved	Interior/Exterior	3,187	973	30.5%	3,187	1	$103,019	$15,453	$25,719	1	1
F	010-4470-00550	422 N 54th Ave W	Improved	Exterior	6,243	3,965	63.5%	6,243	1	Note 2				
G	010-4470-00570	418 N 54th Ave W	Improved	Exterior	4,621	3,323	71.9%	4,621	1	Note 2				
H	010-4470-00590	414 N 54th Ave W	Improved	Interior/Exterior	4,717	2,298	48.7%	4,717	1	$115,192	$17,279	$49,360	1	1
I	010-4470-00610	412 N 54th Ave W	Improved	Exterior	3,162	2,164	68.4%	3,162	1	Note 1				
J	010-4470-00620	410 N 54th Ave W	Improved	Exterior	3,107	2,249	72.4%	3,107	1	Note 1				
K	010-4470-00630	408 N 54th Ave W	Improved	Interior/Exterior	3,199	2,405	75.2%	3,199	1	$127,993	$19,199	$48,693	1	1
L	010-4470-00640	406 N 54th Ave W	Improved	Interior/Exterior	9,319	1,616	17.3%	9,319	1	$117,807	$17,671	$26,304	1	1
M	ROW	NA	Improved	Exterior	6,459	6,459	100.0%	6,459	0					
N	010-4470-00400	NA	Vacant	Exterior	3,065	0	0.0%	0	0					
O	010-4470-00410	NA	Vacant	Exterior	3,112	0	0.0%	0	0					
P	010-4470-00420	415 N 53rd Ave W	Improved	Exterior	6,160	2,568	41.7%	6,160	1	Note 1				
Q	010-4470-00440	NA	Vacant	Exterior	3,040	0	0.0%	0	0					
R	010-4470-00450	409 N 53rd Ave W	Improved	Interior/Exterior	12,477	3,446	27.6%	12,477	1	$138,080	$20,712	$27,453	1	1
S	010-4470-00490	5305 Ramsey St	Improved	Interior/Exterior	3,115	2,580	82.8%	3,115	1	$358,551	$53,783	$105,037	1	1
TOTALS					125,631			116,414	14				8	8

Total Coverage Percent: **92.7%**

Percent of buildings exceeding 15 percent code deficiency threshold: **57.1%**

Percent of buildings determined substandard: **57.1%**

Note 1: We did not have permission to inspect this building on the interior, so are not counting it as a substandard structure.
Note 2: This building was assumed to not be substandard so no further inspection was performed
Note 3: This building occupies parcels A and B.
Note 4: This Building was also documented as substandard in a Letter of Finding dated October 12, 2017

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Final Report

APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Ramsey V - Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 20, 2017

Parcel No. & Building Name:	Parcel A Building 1 Autobody Shop
Address:	425 N 54th Ave W, Duluth, MN 55807
Parcel ID:	010-4470-00670
Inspection Date(s) & Time(s):	October 3, 2017 9:45 am
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:	$355,709
Estimated Cost to Correct Building Code Deficiencies:	$116,780
Percentage of Replacement Cost for Building Code Deficiencies:	32.83%

Defects in Structural Elements

1. None observed.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. There is no ADA code compliant parking area.
    b. There is no ADA code compliant access into the building.
    c. There is no ADA code compliant door hardware.
    d. There is no ADA code compliant restroom.
    e. There is no code required water fountain in the building.

2. Light and Ventilation
    a. Lighting does not comply with code.
    b. The HVAC system does not comply with mechanical/building code.

3. Fire Protection/Adequate Egress
    a. There are no code required smoke detectors in the building.
    b. There is no code required emergency lighting system in the building.
    c. There is no code required emergency notification system in the building.
    d. There is no code required building sprinkler system installed.
    e. There is no code required hazardous waste material collection system installed.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior walls need to be repaired/repainted.
    b. Interior ceilings need to be repaired/repainted.
    c. Interior vinyl floors should be cleaned and resealed.
    d. Interior wood panel ceiling is water stained indicative of water intrusion, contrary to code.

5. Exterior Construction
    a. Exterior windows are allowing for water intrusion, contrary to code.
    b. Roofing material is damaged, allowing for water intrusion, contrary to code.
    c. Metal fascia is missing, allowing for water intrusion, contrary to code.
    d. Exterior metal panels are damaged allowing for water intrusion, contrary to code.
    e. Exterior vegetation has overgrown around the building and should be removed.
    f. Abandoned vehicles and vehicle parts are scattered around the property.

Description of Code Deficiencies

1. An ADA code compliant parking area should be designated.
2. An ADA code compliant route of entry into the building should be created.
3. ADA code compliant door hardware should be installed.
4. An ADA code compliant restroom should be installed.
5. A code required drinking fountain should be installed.
6. Code required smoke detectors should be installed.
7. Code required emergency lighting should be installed.
8. Code required emergency notification system should be installed.
9. A code required building sprinkler system should be installed.
10. Lighting should be upgraded to comply with code.
11. A code compliant HVAC system should be installed.
12. Windows should be replaced to prevent water intrusion per code.
13. Asphalt roofing material should be replaced to prevent water intrusion per code.
14. Metal fascia should be repaired to prevent water intrusion per code.
15. Exterior metal panels should be repaired to prevent water intrusion per code.

Overview of Deficiencies

This building was most recently used as an automotive body repair and repainting shop. It has numerous ADA code issues that should be addressed. The exterior metal paneling and fascia are damaged allowing for water intrusion. The roof is leaking and should be replaced. The interior surfaces need significant repair and repainting.

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Building Reports\A - 425 N 54th Ave W - Autobody Shop Leland Building 1\170147 425 N 54th Ave W Autobody Shop Leland Building 1 Building Report.docx

Ramsey V – Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 12, 2017

Parcel No. & Building Name:	Parcel A Building 2 Former Car Museum
Address:	425 N 54th Ave W Duluth, MN 55807
Parcel ID:	010-4470-00670
Inspection Date(s) & Time(s):	October 3, 2017 10:00 am
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:	$190,776
Estimated Cost to Correct Building Code Deficiencies:	$49,574
Percentage of Replacement Cost for Building Code Deficiencies:	25.99%

Defects in Structural Elements

1. None observed

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. There is no code required potable water source connected to the building.
    b. There is no code required sanitary sewer system connected to the building.
    c. There is no ADA code required accessible parking.
    d. There is no ADA code required means of entry into the building.
    e. A drinking fountain is required by code in the building.
    f. Door hardware does not meet ADA code.
    g. There is no code required restroom in the building.

2. Light and Ventilation
    a. The interior lighting does not comply with electrical/building code.

3. Fire Protection/Adequate Egress
    a. There are no code required smoke detectors in the building.
    b. There is no code required emergency notification system in the building.
    c. There is no code required emergency lighting in the building.
    d. There is no code required building sprinkler system installed.
    e. The interior space is cluttered and does not allow for an unimpeded means for emergency egress.

4. Layout and Condition of Interior Partitions/Materials
    a. The interior space should be painted.

5. Exterior Construction
    a. Exterior vegetation is overgrown and should be trimmed and removed.
    b. Scrap material and abandoned vehicles are present on the property.
    c. Exterior metal siding should be repainted.

Description of Code Deficiencies

1. A code required potable water source should be connected to the building.
2. A code required sanitary sewer should be connected to the building.
3. ADA code compliant parking should be established.
4. An ADA code compliant route into the building should be created.
5. Door hardware should be ADA code compliant.
6. A code compliant restroom should be installed.
7. A code required drinking fountain should be installed.
8. Interior lighting should be improved to comply with code.
9. Code required smoke detectors should be installed.
10. Code required emergency lighting should be installed.
11. Code required emergency notification system should be installed.
12. A code required building sprinkler system should be installed.
13. An unimpeded means for emergency egress should be created within the building.

Overview of Deficiencies

This metal building recently was used as a car museum. It does not comply with current code for most emergency related functions. It does not comply with code for access and essential utilities and ADA compliance. The interior lighting is minimal and the interior walls and ceiling should be painted. The exterior metal surfaces should also be repainted. The exterior surrounding vegetation is overgrown and should be trimmed and removed. There are abandoned vehicles on the property

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Building Reports\425 N 54th Ave W - Leland Building 2\170147 425 N 54th Ave W Car Museum Building Report.docx

Ramsey V - Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 20, 2017

Parcel No. & Building Name:	Parcel E Residence
Address:	424 N 54th Ave W Duluth, MN 55807
Parcel ID:	010-4470-00540
Inspection Date(s) & Time(s):	March 14, 2017 9:30 am
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:	$103,019
Estimated Cost to Correct Building Code Deficiencies:	$25,719
Percentage of Replacement Cost for Building Code Deficiencies:	24.97%

Defects in Structural Elements

1. There are I Beams embedded parallel to the second floor on the north and south sides of the structure. They are secured through the building with connecting rods. This was a typical fix for balloon construction when side walls failed. It is evident in the pictures that now this repair is beginning to fail.
2. Foundation walls show evidence of water intrusion which is contrary to code.
3. There is evidence of a previous fire that has burned the floor joists making the joists non-code compliant for dimensional size.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. None observed.

2. Light and Ventilation
    a. The HVAC system does not meet current mechanical/building code.

3. Fire Protection/Adequate Egress
    a. Vinyl flooring is curled and is a trip hazard. Code requires that there be no impediment to emergency egress.
    b. The smoke detectors are not hard-wired as required by code.
    c. There are no code required carbon monoxide detectors in the residence.
    d. The basement stairway does not meet code for run and rise.

e. There are no code required GFCI electrical outlets in the residence.
f. There are no code required AFCI electrical outlets in the residence.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior ceilings are stained from previous water intrusion.
    b. Walls are damaged and should be repaired/repainted.
    c. Kitchen counter is damaged and in need of repair.

5. Exterior Construction
    a. The exterior stucco has significant cracking that is allowing for water intrusion, contrary to code.
    b. Paint is chipped and peeling on the exterior surfaces.
    c. Windows have failed and are allowing for water intrusion contrary to code.
    d. The step up to the back door from the landing is greater than code allows.

Description of Code Deficiencies

1. Foundation walls should repaired/sealed to prevent water intrusion per code.
2. Floor joists should be replaced to proper dimensional size to comply with code.
3. HVAC system should be replaced to comply with mechanical/building code.
4. Damaged vinyl flooring should be replaced to remove impediment to emergency egress per code.
5. Hard wired smoke detectors should be installed per code.
6. Hard wired carbon monoxide detectors should be installed per code.
7. Basement stairway should be modified to comply with code for run, rise and handrails.
8. GFCI outlets should be installed per code.
9. AFCI outlets should be installed per code.
10. Exterior stucco wall surface should be replaced to prevent water intrusion per code.
11. Windows should be replaced to prevent water intrusion per code.
12. Modify the back step to comply with code for height.

Overview of Deficiencies

This two-story stucco home has had a major attempt at correcting side wall failure. It appears that the side walls are continuing to fail as there are significant cracking of the stucco adjacent to the point of repair. The windows need to be replaced to prevent further water intrusion. There was a fire in the basement damaging the floor joists that should be replaced. The interior and exterior wall surfaces should be repainted. Flooring should be replaced as it damaged and has exceeded its life expectancy. Ceilings should be repaired/replaced. Electrical outlets do not meet code for grounding or for AFCI's and GFCI's in a residential dwelling.

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Building Reports\E - 424 N 54th Ave W - Residence\170147 Ramsey V Redevelopment TIF Analysis 424 N 54th Ave W Substandard Building Report.docx

Ramsey V - Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 20, 2017

Parcel No. & Building Name:	Parcel H Residence
Address:	414 N 54th Ave W Duluth, MN 55807
Parcel ID:	010-4470-00590
Inspection Date(s) & Time(s):	March 14, 2017 9:00 am
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:	$115,192
Estimated Cost to Correct Building Code Deficiencies:	$49,360
Percentage of Replacement Cost for Building Code Deficiencies:	42.85%

Defects in Structural Elements

1. Foundation is cracked and allowing for water intrusion contrary to code.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. The front steps do not meet code compliance for stair rise.

2. Light and Ventilation
    a. There is no code required electricity to this residence.
    b. There is no code required HVAC system servicing the first-floor residence.
    c. There is no code required potable water to the residence.

3. Fire Protection/Adequate Egress
    a. There are no code required hard wired smoke or CO detectors present in structure.
    b. Electrical outlets are not code compliant for spacing and grounding.
    c. There are no code required AFCI electrical outlets in the residence.
    d. There are no code required GFCI electrical outlets in the residence.
    e. Because the vinyl flooring is ripped, it is causing an impediment to code required emergency egress.

4. Layout and Condition of Interior Partitions/Materials
    a. Carpeting is stained and damaged.
    b. All ceilings are damaged and in need of repair.
    c. The sink in the lower level has been vandalized.
    d. Interior door hardware is missing on several doors.
    e. Interior wood flooring is water damaged causing for uneven surfaces.

5. Exterior Construction
    a. Siding is damaged and is allowing for water intrusion, contrary to code.
    b. Roofing material is damaged and missing, allowing for water intrusion, contrary to code.
    c. Chimney is damaged and allowing for water intrusion, contrary to code.
    d. Wood trim needs to be repainted.
    e. Windows are damaged and should be replaced to prevent further water intrusion per code.
    f. Rear porch wood is rotting and needs to be replaced and repainted.

Description of Code Deficiencies

1. Foundation should be repaired to prevent water intrusion per code.
2. Front steps need to be modified to meet code compliance for appropriate rise of stair tread.
3. Electricity should be connected to the residence per code.
4. Potable water should be connected to the residence per code.
5. HVAC system should be installed per code to provide a heat source for the residence.
6. Code required smoke and Carbon Monoxide detectors should be installed.
7. All electrical outlets should be spaced per code and grounded.
8. Code required AFCI's should be installed.
9. Code required GFCI's should be installed.
10. Damaged vinyl flooring should be replaced to comply with code required unimpeded emergency egress.
11. Interior door hardware should be installed per code.
12. Code requires that damaged siding material be replaced to prevent water intrusion.
13. Code requires that damaged roofing material be replaced to prevent water intrusion.
14. Code requires that damaged chimney brick and mortar be replaced/repaired to prevent water intrusion.
15. Code requires that damaged windows be replaced to prevent water intrusion.

Overview of Deficiencies

This two-story building has been converted into a duplex with the upper level having only one means of egress. The roof and siding is damaged and allowing for water intrusion into the building. There is significant ceiling damage from this water damage. The interior flooring is damaged and should be replaced. All surfaces show significant age and wear. The kitchens are unusable in their current condition. This inspector could not gain access to the second-floor bathroom but the first-floor bathroom has been vandalized and is not usable. There is no electricity or potable water to the house. The front steps do not meet code for height of stair tread. The foundation is cracked and allowing for water intrusion. There is no heat source available to the lower level.

Ramsey V - Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 20, 2017

Parcel No. & Building Name:	Parcel K Residence
Address:	408 N 54th Ave W Duluth, MN 55807
Parcel ID:	010-4470-00630
Inspection Date(s) & Time(s):	October 3, 2017 7:45 am
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:	$127,993
Estimated Cost to Correct Building Code Deficiencies:	$48,693
Percentage of Replacement Cost for Building Code Deficiencies:	38.04%

Defects in Structural Elements

1. None observed.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. None observed.

2. Light and Ventilation
    a. The current HVAC system does not comply with mechanical/building code.
    b. Code required grounded outlets were missing in several rooms.
    c. There are no code required AFCI electrical outlets in the residence.
    d. There are no code required GFCI electrical outlets in the bathrooms.

3. Fire Protection/Adequate Egress
    a. The basement stairs are not enclosed so they do not comply with code.
    b. The basement stairs do not comply with code requiring a handrail.
    c. There are no code required hardwired smoke detectors in the residence.
    d. There are no code compliant carbon monoxide detectors in the residence.
    e. The stairs to the second floor do not meet code for proper length of stair treads.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior walls should be repaired/repainted.
    b. Interior ceilings should be repaired/repainted.
    c. Carpeting is worn/damaged and should be replaced.
    d. Water is penetrating the interior foundation walls, contrary to code.
    e. Basement floor to ceiling height is not code compliant.
    f. Bathroom is not code compliant.
    g. Interior door trim is missing on bathroom door.

5. Exterior Construction
    a. Exterior brick work is cracked/damaged/missing allowing for water intrusion, contrary to code.
    b. Exterior brick has been painted. The paint is peeling and the brick should be repainted.
    c. The front door vestibule does not have proper roof flashing per code.
    d. Windows are damaged/rotting, allowing for water intrusion, contrary to code.
    e. There is a wood framed screened in porch off the back of the house that is in disrepair.

Description of Code Deficiencies

1. A Code compliant HVAC system should be installed.
2. Code required grounded outlets should be installed.
3. Code required GFCI's should be installed in the bathroom and kitchen.
4. Code required AFCI's should be installed in the residence.
5. Underside of basement stairs should be enclosed to comply with code.
6. Stair railing should be installed on basement stair to comply with code.
7. Install code required hardwired smoke detectors in residence.
8. Install code required carbon monoxide detectors in residence.
9. Stairs leading to second floor need to be modified for proper rise and run to comply with code.
10. Foundation walls should be repaired to prevent water intrusion per code.
11. Basement floor to ceiling height should be increased to comply with code.
12. Second floor bathroom is not code compliant for proper distancing.
13. Exterior brick work should be repaired/replaced to prevent water intrusion per code.
14. Proper flashing should be installed on entrance vestibule roof to comply with code.
15. Windows should be replaced to prevent water intrusion per code.

Overview of Deficiencies

Significant code related issues have been identified at this residential dwelling. Repairs and general maintenance of the building has not been kept current. Both the exterior and interior building components should be addressed before the building becomes inhabitable.

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Building Reports\K - 408 N 54th Ave W - Residence\170147 408 N 54th Ave W Building Report.docx

Ramsey V - Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 20, 2017

Parcel No. & Building Name:	Parcel L Residence
Address:	406 N 54th Ave W, Duluth, Minnesota 55807
Parcel ID:	010-4470-00640
Inspection Date(s) & Time(s):	March 14, 2017 8:30 am
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:	$117,807
Estimated Cost to Correct Building Code Deficiencies:	$26,304
Percentage of Replacement Cost for Building Code Deficiencies:	22.33%

Defects in Structural Elements

1. Main level floor is supported by 14 improperly connected temporary screw jacks which indicate that floor joists are deflecting. Per code, the support columns must have positive connections.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. There is no code required potable water connected to the structure.
    b. Plumbing waste/vent lines do not comply with code.

2. Light and Ventilation
    a. The current HVAC system does not comply with mechanical/building code.
    b. Code required grounded outlets were missing in several rooms.
    c. There is no code required AFCI electrical outlets in the residence.
    d. There is no code required GFCI electrical outlets in the bathrooms.

3. Fire Protection/Adequate Egress
    a. The basement stairs do not meet code for width.
    b. The basement stairs do not comply with code required handrails.
    c. There are no code required hardwired smoke detectors in the residence.
    d. The stairs to the second floor do not meet code for proper length of stair treads.
    e. The stairs to the second floor need a code required hand rail.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior walls and ceiling need to be repainted/repaired.
    b. Interior floors need new coverings.
    c. Interior ceilings are damaged and in need of repair.
    d. Window trim needs to be painted.
    e. The ceiling under the upstairs bathroom is missing and needs to be replaced.
    f. There is water staining on the basement walls indicative of water intrusion, contrary to code.

5. Exterior Construction
    a. Siding is damaged in several areas.
    b. Glass block mortar is missing, allowing for water intrusion contrary to code.
    c. Chimney has damaged/missing brick allowing for water intrusion contrary to code.

Description of Code Deficiencies

1. Per code, make positive connections to all screw jack columns in the basement.
2. Potable water is required to be connected to dwelling per code.
3. Plumbing waste/vent lines should be corrected to comply with code.
4. HVAC system should be replaced to comply with current mechanical/building code.
5. Grounded electrical outlets should be installed to comply with code.
6. Ground Fault Circuit interrupters should be installed in bathroom to comply with code.
7. Arc Fault Circuit interrupters should be installed to comply with code.
8. Basement stairs need to be modified to comply with code.
9. Basement stairs need to have a handrail installed per code.
10. Hardwired smoke detectors must be installed per code.
11. Stair treads to the second floor need to be modified to comply with code for length.
12. A handrail needs to be installed on the stairs to the second floor to comply with code.
13. Foundation repairs need to occur to prevent water intrusion per code.
14. Chimney brick needs to be replaced/repaired to prevent water intrusion per building code.

Overview of Deficiencies

This two-story residential dwelling does not have potable water connected to it. The plumbing/waste lines do not comply with current code. The HVAC system is of an age that it would not comply with code. The electrical panel has been upgraded but most outlets do not meet current code for grounding. Both sets of stairs do not meet current code requirements. There are no hard-wired smoke detectors in the residence as required by code. The chimney needs repair to prevent water intrusion per code and the foundation is allowing for water intrusion.

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Building Reports\L - 406 N 54th Ave W - Residence - from Round 1\170147 406 N 54th Ave W Building Report.docx

Ramsey V – Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 20, 2017

Parcel No. & Building Name:	Parcel R Residence
Address:	409 N 53rd Ave West, Duluth, Minnesota 55807
Parcel ID:	010-4470-00450
Inspection Date(s) & Time(s):	March 14, 2017 8:00am
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:	$138,080
Estimated Cost to Correct Building Code Deficiencies:	$27,453
Percentage of Replacement Cost for Building Code Deficiencies:	19.9%

Defects in Structural Elements

1. None noted.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. Single toilet added to 1st floor bedroom- not code compliant due to toilet room size, plumbing, ventilation and lack of sink.
    b. Building lacks proper number of electrical outlets based on code spacing.
    c. Building lacks proper code required GFCI and AFCI outlets.
    d. Hot water heater lacks pressure relief drain to floor and code compliant venting.
    e. Numerous outlets are not grounded.

2. Light and Ventilation
    a. HVAC system does not meet current mechanical/building code.

3. Fire Protection/Adequate Egress
    a. House lacks code compliant smoke and CO detectors.
    b. Front and rear exterior steps do not meet code required riser heights.
    c. Rear steps lack proper handrails to meet current code.
    d. Threshold at front and back entrances are not code compliant.
    e. Exit doors lack code compliant exit devices.
    f. Linoleum flooring is cracked and buckling, creating a tripping hazard contrary to code requirements.

4. Layout and Condition of Interior Partitions/Materials
    a. The carpet and sheet flooring is in poor condition and needs replacing.
    b. Upstairs carpet is stretched and bulging, creating tripping hazard at top of stairs contrary to code.
    c. Plaster walls have cracking in numerous areas.
    d. Interior wall finishes show age and significant wear.
    e. Ceiling in back porch has been removed due to water damage.
    f. Exposed wood work around windows need to be repaired/refinished due to weathering, water damage and wear.
    g. Vinyl windows have heavy bead of caulk on inside and outside, indicating wind and water infiltration.
    h. Several areas of ceilings show signs of past roof water leakage (vent stacks, lower roof meeting wall, etc.).
    i. Basement stairs are non-code compliant due to improper handrail, landings, treads and risers.

5. Exterior Construction
    a. Chimney needs brick repair and repointing to prevent water intrusion per code.
    b. Proper roof flashing is required where lower roof meets upper wall to prevent water intrusion per code.
    c. Fill and vent pipe for interior fuel oil tank is located adjacent to front entrance door, resulting in a boxed in stoop between concrete stairs and house structure.
    d. Exterior stucco siding has numerous cracks allowing potential water infiltration contrary to code.
    e. Exterior siding and woodwork requires repairs and painting to prevent weather intrusion per code.
    f. Foundation skirting around back porch is cracking and deteriorating.
    g. Basement windows are original wood frames requiring repair and painting.
    h. Improper storm water drainage is creating erosion and standing water problems at base of foundation of house. Must slope away from house per code.

Description of Code Deficiencies

1. Replace front and rear exterior concrete steps- not code compliant for risers, threshold and handrail.
2. Threshold between kitchen and living room not code compliant- too high.
3. Linoleum flooring is cracked causing tripping hazard. Must meet current code requirements.
4. Replace door hardware for proper exiting per code.
5. Replace basement stairs- does not meet code for stair treads, risers, handrails.
6. Stairs leading to second floor non-code compliant for winding stair treads.
7. Install smoke detectors on all floors to meet code.
8. Install CO detectors to meet code.
9. Repair/repoint joints and brick work on chimney to prevent water intrusion per code.
10. Repair cracked stucco siding to prevent water intrusion per code.
11. Repair/replace cracked and peeling foundation skirting on back porch addition to prevent water intrusion per code.
12. Paint all stucco and wood surfaces to prevent water intrusion per code.
13. Install proper roof flashing where roof meets upper wall to prevent water intrusion.
14. Hot water tank- install pressure relief drain to floor per code.

15. Hot water tank venting does not meet code- install new vent above larger appliance (furnace).
16. Add outlets in most rooms- does not meet the 6'/12' rule for spacing.
17. Remove non-compliant toilet in first floor bedroom.
18. Replace non-grounded outlets with code compliant grounded outlets.
19. Install code required AFCI outlets in living room, bedrooms and hallways.
20. Add GFCI outlets to kitchen and bathroom per code.
21. Install exterior outlets to front and rear of house per code.

Overview of Deficiencies

This 2-story single family house was built in 1893. The electrical service was upgraded to circuit breakers but much of the interior wiring was not upgraded to provide grounded outlets. Lack of code required grounded outlets, GFCI and AFCI outlets is evident throughout the house. The house is heated with an older fuel oil forced air furnace and hot water is provided by a fuel oil hot water heater. Fuel oil storage is in the basement with the exterior tank fill and vent piping located adjacent to the front entrance door.

The interior walls and floor finishes show age and significant wear. The stairs leading to the basement are poorly constructed and non-code compliant. The stairs leading to the upstairs do not meet tread and riser code. There is evidence in several interior locations of previous water damage from roof leaks.

The exterior of the house consists of a stucco finish that has numerous cracks, peeling paint along with general wear and tear. The vinyl windows have heavy beads of caulk on interior and exterior of window frame, indicating possible wind/water infiltration issues. A back porch appears to have been added after original construction. The foundation skirting of the porch is showing cracking and delamination, most likely due to ground water from roof water runoff. The roof was replaced in the last 5-10 years but improper flashing where the lower roof meets the upper wall is evident due to the extensive caulking/mastic used to seal the roof edge.

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Building Reports\R - 409 N 53rd Ave W - Residence - from Round 1\170147 409 N 53rd Ave W Building Report.docx

Ramsey V - Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

October 20, 2017

Parcel No. & Building Name:	Parcel S Mixed Use Building
Address:	5305 Ramsey St Duluth, Minnesota 55807
Parcel ID:	010-4470-00490
Inspection Date(s) & Time(s):	March 14, 2017 10:00 am
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:	$358,551
Estimated Cost to Correct Building Code Deficiencies:	$105,037
Percentage of Replacement Cost for Building Code Deficiencies:	29.29%

Defects in Structural Elements

1. None noted.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. There is no code required potable water connected to the building.
    b. There is no ADA code compliant accessible route between levels.
    c. The exterior thresholds do not comply with ADA code for height.
    d. Restrooms are not ADA code compliant.

2. Light and Ventilation
    a. The current HVAC system is vandalized and needs to be replaced to comply with code.
    b. There are no code required carbon monoxide detectors present.
    c. Code required GFCI outlets should be installed.

3. Fire Protection/Adequate Egress
    a. There are no code required operable smoke detectors present.
    b. There is no code required sprinkler system present.
    c. There is no code required emergency notification system present.
    d. Vinyl floor tile is missing and damaged creating an impediment to emergency egress which is contrary to code.
    e. Stairs are missing second handrail required by code.
    f. Code required AFCI outlets were not present.

4. Layout and Condition of Interior Partitions/Materials
    a. Carpeting is stained and damaged.
    b. Vinyl baseboard is missing.
    c. Interior walls should be painted to cover graffiti.
    d. Ceiling is water stained indicative of water intrusion from roof which is contrary to code.

5. Exterior Construction
    a. Second floor deck railings do not appear to meet code for vertical spacing.
    b. Second floor windows are leaking and should be replaced to prevent water intrusion per code.

Description of Code Deficiencies

1. Potable water should be connected to building per code.
2. An ADA code required route needs to be installed between all levels.
3. Exterior thresholds need to be modified to comply with ADA code for height.
4. An ADA code compliant restroom should be installed.
5. The HVAC system should be replaced to comply with mechanical/building code.
6. Code required smoke detectors should be installed.
7. Code required building sprinkler system should be installed.
8. Code required emergency notification system should be installed.
9. Vinyl floor tile should be replaced to eliminate trip hazard and create an unimpeded emergency egress per code.
10. Additional stair railings should be installed on each stairway to comply with code.
11. Code required AFCI outlets should be installed.
12. Code required GFCI outlets should be installed.
13. Deck railing should be modified to comply with code for vertical spacing.
14. Windows should be replaced to comply with code to prevent water intrusion.

Overview of Deficiencies

This two-story building was most recently used for a commercial enterprise on the ground level and basement level with a residential apartment on the second level. Because of the commercial use, an ADA accessible route needs to be created. The interior surfaces have been vandalized including the HVAC system. There is no ADA compliant restroom in the building. There is no code required GFCI or AFCI outlets installed in the building. Code would require that the building have an interior fire sprinkler system installed as well as an emergency notification system. There are no smoke detectors or carbon monoxide detectors present. Vinyl floor tile should be replaced to eliminate trip hazards per code. Additional hand railings on both stairways need to be installed per code. Windows are leaking and should be replaced

O:\17Proj\170147\400 Design\406 Reports\02 Expansion Report\Building Reports\S - 5305 Ramsey Street - from Round 1\170147 5305 Ramsey St Building Report.docx

APPENDIX C

Building Replacement Cost Reports
Code Deficiency Cost Reports
Photographs

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **10/9/2017**

Estimate Name:	**Autobody Shop**
	City of Duluth
	425 N 54th Ave W , Duluth , Minnesota , 55807
Building Type:	**Garage, Repair with Metal Panel / Rigid Steel**
Location:	**DULUTH, MN**
Story Count:	**1**
Story Height (L.F.):	**14**
Floor Area (S.F.):	**3200**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2017 Quarter 3**
Cost Per Square Foot:	**$111.16**
Building Cost:	**$355,709.28**

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		**15.82%**	**18.64**	**59,655.36**
A1010	**Standard Foundations**		**10.29**	**32,935.39**
	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		6.28	20,106.97
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		3.47	11,112.82
	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep		0.54	1,715.60
A1030	**Slab on Grade**		**8.04**	**25,740.77**
	Slab on grade, 6" thick, light industrial, reinforced		8.04	25,740.77
A2010	**Basement Excavation**		**0.31**	**979.20**
	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.31	979.20
B Shell		**33.92%**	**39.96**	**127,899.12**
B1020	**Roof Construction**		**7.08**	**22,656.00**
	Wood roof, truss, 4/12 slope, 24" O.C., 44' to 60' span		7.08	22,656.00
B2010	**Exterior Walls**		**20.71**	**66,274.47**
	Metal siding, steel, sandwich panels, factory fabricated, 2" polystyrene, steel core, 26 ga, colored 1 side		13.10	41,934.69
	Metal siding support, 18' building height, 30 PSF wind load, 35' column spacing		7.61	24,339.78
B2020	**Exterior Windows**		**1.94**	**6,221.15**
	Windows, aluminum, sliding, standard glass, 5' x 3'		1.94	6,221.15
B2030	**Exterior Doors**		**3.39**	**10,858.56**
	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening		0.58	1,852.31
	Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		2.81	9,006.25

B3010	**Roof Coverings**		**6.84**	**21,888.94**
	Asphalt roofing, strip shingles, premium laminated, multi-layered, Class C, 4" slope, 300-385 lbs/SQ		4.66	14,912.00
	Roof edges, aluminum, duranodic, .050" thick, 6" face		2.18	6,976.94
C Interiors		**6.34%**	**7.46**	**23,891.68**
C1010	**Partitions**		**3.69**	**11,792.66**
	Lightweight block 4" thick		1.57	5,038.97
	5/8" gypsum board, taped & finished, painted on 2 x 4 studs 16" O.C.		2.11	6,753.69
C1020	**Interior Doors**		**0.39**	**1,250.37**
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		0.39	1,250.37
C1030	**Fittings**		**0.47**	**1,513.40**
	Toilet partitions, cubicles, ceiling hung, stainless steel		0.47	1,513.40
C3010	**Wall Finishes**		**1.24**	**3,978.97**
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats		0.69	2,218.80
	Painting, masonry or concrete, latex, brushwork, addition for block filler		0.55	1,760.17
C3020	**Floor Finishes**		**1.26**	**4,037.09**
	Concrete topping, hardeners, metallic additive, minimum		1.03	3,303.10
	Vinyl, composition tile, minimum		0.23	733.99
C3030	**Ceiling Finishes**		**0.41**	**1,319.19**
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support		0.41	1,319.19
D Services		**32.61%**	**34.99**	**111,925.91**
D2010	**Plumbing Fixtures**		**2.72**	**8,702.01**
	Water closet, vitreous china, bowl only with flush valve, wall hung		1.08	3,447.48
	Urinal, vitreous china, wall hung		0.22	700.82
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"		0.55	1,763.74
	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"		0.56	1,797.70
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH		0.31	992.27
D2020	**Domestic Water Distribution**		**0.72**	**2,297.20**
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH		0.72	2,297.20
D3050	**Terminal & Package Units**		**9.45**	**30,229.66**
	Rooftop, single zone, air conditioner, factories, 10,000 SF, 33.33 ton		9.45	30,229.66
D3090	**Other HVAC Systems/Equip**		**3.10**	**9,931.81**
	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay		2.07	6,624.48
	Garage, single exhaust, 3" outlet, additional bays up to seven bays		1.03	3,307.33
D4010	**Sprinklers**		**4.47**	**14,306.56**
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF		4.47	14,306.56
D4020	**Standpipes**		**1.00**	**3,198.84**
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		0.91	2,927.67
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors		0.08	271.17
D5010	**Electrical Service/Distribution**		**1.46**	**4,659.81**
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		0.92	2,941.35
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		0.44	1,404.93
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A		0.10	313.53

D5020	**Lighting and Branch Wiring**		**8.30**	**26,549.57**
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF		2.12	6,773.70
	Miscellaneous power, 1 watt		0.29	936.45
	Central air conditioning power, 3 watts		0.61	1,948.67
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		5.28	16,890.75
D5030	**Communications and Security**		**3.67**	**11,732.17**
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		2.12	6,771.98
	Fire alarm command center, addressable with voice, excl. wire & conduit		1.32	4,229.34
	Internet wiring, 4 data/voice outlets per 1000 S.F.		0.23	730.85
D5090	**Other Electrical Systems**		**0.10**	**318.28**
	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 15 kW		0.10	318.28
E Equipment & Furnishings		**11.31%**	**0.00**	**0.00**
E1090	**Other Equipment**		**0**	**0**
F Special Construction		**0%**	**0**	**0**
G Building Sitework		**0%**	**0**	**0**

SubTotal	**100%**	**$101.05**	**$323,372.07**
Contractor Fees (General Conditions,Overhead,Profit)	**10.00%**	**$10.11**	**$32,337.21**
Architectural Fees	**0.00%**	**$0.00**	**$0.00**
User Fees	**0.00%**	**$0.00**	**$0.00**
Total Building Cost		**$111.16**	**$355,709.28**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel A Building 1 - 425 N 54th Ave W Duluth, MN 55807 - Parcel 010-4470-00670

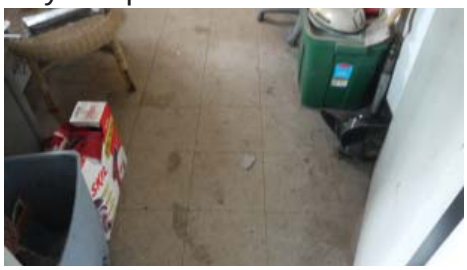
Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Parking				
	ADA code compliant parking should be created	$ 150.00	EA	1	$ 150.00
	An ADA code compliant route into the building should be created	$ 250.00	Lump	1	$ 250.00
	Door Hardware				
	ADA code compliant door hardware should be installed	$ 250.00	EA	4	$ 1,000.00
	Restroom				
	An ADA code compliant restroom should be installed	$ 2.88	SF	3200	$ 9,216.00
	Drinking Fountain				
	A code required drinking fountain should be installed	$ 0.31	SF	3200	$ 992.00
Structural Elements					
					$ -
Exiting					
					$ -
Fire Protection					
	Smoke Detectors				
	Install code required smoke detectors	$ 2.12	SF	3200	$ 6,784.00
	Emergency Lighting				
	Install code required emergency lighting	$ 250.00	EA	4	$ 1,000.00
	Emergency Notification System				
	Install code required emergency notification system	$ 1.32	SF	3200	$ 4,224.00
	Building Sprinkler System				
	Install code required building sprinkler system	$ 5.47	SF	3200	$ 17,504.00
Exterior Construction					
	Windows				
	Replace windows to prevent water intrusion per code	$ 1.94	SF	300	$ 582.00
	Metal Facia				
	Repair metal facia to prevent water intrusion per code	$ 5.00	SF	200	$ 1,000.00
	Metal Siding				
	Repair metal siding to prevent water intrusion per code	$ 13.10	SF	100	$ 1,310.00
Roof Construction					

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Roofing Material				
	Remove damaged roofing material	$ 0.25	SF	3200	$ 800.00
	Replace asphalt shingles to prevent water intrusion per code	$ 4.66	SF	3200	$ 14,912.00
	Mechanical- Electrical				
	Electrical				
	Install code compliant lighting	$ 5.28	SF	3200	$ 16,896.00
	Mechanical				
	Install code compliant HVAC system	$ 12.55	SF	3200	$ 40,160.00
				Total Code Improvements	**$ 116,780**

Ramsey V - Redevelopment TIF District

Photos: Parcel A Building 1 - Autobody Shop - 425 N 54th Ave W

P1150695.JPG


P1150696.JPG


P1150697.JPG


P1150698.JPG


P1150699.JPG


P1150700.JPG


P1150701.JPG

P1150702.JPG


P1150703.JPG


P1150705.JPG


P1150706.JPG

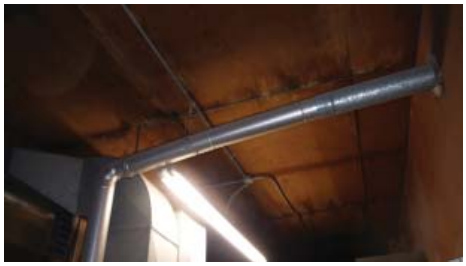

P1150708.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel A Building 1 - Autobody Shop - 425 N 54th Ave W


P1150709.JPG


P1150710.JPG


P1150711.JPG


P1150713.JPG


P1150715.JPG


P1150716.JPG


P1150717.JPG


P1150718.JPG

P1150719.JPG

P1150720.JPG


P1150741.JPG


P1150742.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel A Building 1 - Autobody Shop - 425 N 54th Ave W

P1150743.JPG

P1150744.JPG

P1150745.JPG

P1150746.JPG

P1150747.JPG

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **10/9/2017**

Estimate Name:	**Former Car Museum** City of Duluth 425 N 54th Ave W , Duluth , Minnesota , 55807
Building Type:	**Garage, Repair with Metal Panel / Rigid Steel**
Location:	**DULUTH, MN**
Story Count:	**1**
Story Height (L.F.):	**14**
Floor Area (S.F.):	**2400**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2017 Quarter 3**
Cost Per Square Foot:	**$105.20**
Building Cost:	**$190,776.17**

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		**30.55%**	**22.07**	**52,975.37**
A1010	**Standard Foundations**		**13.72**	**32,935.39**
	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		8.38	20,106.97
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		4.63	11,112.82
	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep		0.71	1,715.60
A1030	**Slab on Grade**		**8.04**	**19,305.58**
	Slab on grade, 6" thick, light industrial, reinforced		8.04	19,305.58
A2010	**Basement Excavation**		**0.31**	**734.4**
	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.31	734.4
B Shell		**34.34%**	**24.81**	**59,552.11**
B1020	**Roof Construction**		**8.25**	**19,804.63**
	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 35'x40' bay, 20 PSF superimposed load, 36.5" deep, 40 PSF total load		8.25	19,804.63
B2010	**Exterior Walls**		**6.78**	**16,272.00**
	Metal siding, steel, corrugated or ribbed, 22 ga, .0299" thick, galvanized		6.78	16,272.00
B2030	**Exterior Doors**		**4.33**	**10,395.48**
	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening		0.58	1,389.23
	Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		3.75	9,006.25
B3010	**Roof Coverings**		**5.45**	**13,080.00**
	Roofing, corrugated, steel, galvanized, 22 ga, 1.45 PSF		5.45	13,080.00
C Interiors		**4.37%**	**3.15**	**7,582.00**
C1020	**Interior Doors**		**0.39**	**937.78**

	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		0.39	937.78
C1030	**Fittings**		**0.63**	**1,513.40**
	Toilet partitions, cubicles, ceiling hung, stainless steel		0.63	1,513.40
C3010	**Wall Finishes**		**0.69**	**1,664.10**
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats		0.69	1,664.10
C3020	**Floor Finishes**		**1.03**	**2,477.33**
	Concrete topping, hardeners, metallic additive, minimum		1.03	2,477.33
C3030	**Ceiling Finishes**		**0.41**	**989.39**
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support		0.41	989.39
D Services		**30.75%**	**#REF!**	**53,323.40**
D2010	**Plumbing Fixtures**		**2.72**	**6,526.50**
	Water closet, vitreous china, bowl only with flush valve, wall hung		1.08	2,585.61
	Urinal, vitreous china, wall hung		0.22	525.61
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"		0.55	1,322.80
	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"		0.56	1,348.28
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH		0.31	744.2
D2020	**Domestic Water Distribution**		**0.72**	**1,722.90**
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH		0.72	1,722.90
D4010	**Sprinklers**		**4.47**	**10,729.92**
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF		4.47	10,729.92
D4020	**Standpipes**		**0.91**	**2,195.75**
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		0.91	2,195.75
D5010	**Electrical Service/Distribution**		**1.95**	**4,659.81**
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		1.23	2,941.35
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		0.59	1,404.93
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A		0.13	313.53
D5020	**Lighting and Branch Wiring**		**7.69**	**18,450.67**
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF		2.12	5,080.27
	Miscellaneous power, 1 watt		0.29	702.34
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		5.28	12,668.06
D5030	**Communications and Security**		**3.67**	**8,799.14**
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		2.12	5,078.99
	Fire alarm command center, addressable with voice, excl. wire & conduit		1.32	3,172.01
	Internet wiring, 4 data/voice outlets per 1000 S.F.		0.23	548.14
D5090	**Other Electrical Systems**		**0.1**	**238.71**
	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 15 kW		0.1	238.71

E Equipment & Furnishings		**0.00%**	**0.00**	**0.00**
E1090	**Other Equipment**		**0**	**0**

F Special Construction	**0%**	**0**	**0**
G Building Sitework	**0%**	**0**	**0**

SubTotal	**100%**	**$95.64**	**$173,432.88**
Contractor Fees (General Conditions,Overhead,Profit)	**10.00%**	**$9.56**	**$17,343.29**
Architectural Fees	**0.00%**	**$0.00**	**$0.00**
User Fees	**0.00%**	**$0.00**	**$0.00**
Total Building Cost		**$105.20**	**$190,776.17**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel A Building 2 - 425 N 54th Ave W, Duluth, Minnesota 55807 - Parcel 010-4470-00670

Former Car Museum

Code	Related Cost Items	Cost	Units	Unit Quantity	Total
Accessibility Items					
	Parking				
	Create ADA code compliant parking	$ 150.00	Ea	1	$ 150.00
	Accessible Route				
	Create ADA code compliant route into building	$ 100.00	Ea	1	$ 100.00
	Door Hardware				
	Install ADA code compliant door hardware	$ 250.00	Ea	2	$ 500.00
	Restroom				
	Install ADA code compliant restroom	$ 3.35	SF	2400	$ 8,040.00
Structural Elements					
					$ -
Exiting					
	Unimpeded Emergency Egress				
	Create an unimpeded means for emergency egress	$ 200.00	Ea	1	$ 200.00
Fire Protection					
	Smoke Detectors				
	Install code required smoke detectors	$ 2.12	SF	2400	$ 5,088.00
	Emergency Lighting				
	Install code required emergency lighting	$ 250.00	Ea	4	$ 1,000.00
	Emergency Notification System				
	Install code required emergency notification system	$ 1.32	SF	2400	$ 3,168.00
	Building Sprinkler System				
	Install code required building sprinkler system	$ 5.38	SF	2400	$ 12,912.00
Exterior Construction					
					$ -
Roof Construction					
					$ -

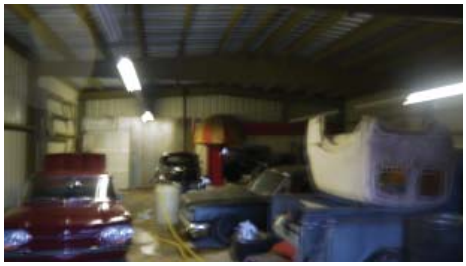
Code	Related Cost Items	Cost	Units	Unit Quantity		Total
Mechanical- Electrical						
	Mechanical					
	Install potable water source per code	$ 2,500.00	Ea	1	$	2,500.00
	Install sanitary sewer connection per code	$ 2,500.00	EA	1	$	2,500.00
	Install code compliant drinking fountain	$ 0.31	SF	2400	$	744.00
	Electrical					
	Install code compliant lighting	$ 5.28	SF	2400	$	12,672.00
			Total Code Improvements		**$**	**49,574**

Ramsey V - Redevelopment TIF District

Photos: Parcel A Building 2 - 425 N 54th Avenue West - Former Car Museum


P1150721.JPG


P1150722.JPG


P1150723.JPG


P1150724.JPG


P1150725.JPG


P1150726.JPG


P1150727.JPG


P1150728.JPG


P1150729.JPG


P1150730.JPG


P1150731.JPG


P1150732.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel A Building 2 - 425 N 54th Avenue West - Former Car Museum


P1150733.JPG


P1150734.JPG


P1150735.JPG


P1150736.JPG


P1150737.JPG


P1150738.JPG


P1150739.JPG


P1150740.JPG


P1150748.JPG


P1150749.JPG


P1150750.JPG


P1150751.JPG

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **3/17/2017**

Estimate Name:	**Parcel E - Residence**
	City of Duluth
	424 N 54th Ave W , Duluth , Minnesota , 55807
Building Type:	**Economy 2 Story with Stucco on Wood Frame**
Location:	**DULUTH, MN**
Story Count:	**2**
Story Height (L.F.):	**8**
Floor Area (S.F.):	**800**
Labor Type:	**RES**
Basement Included:	**Yes**
Data Release:	**Year 2017**
Cost Per Square Foot:	**$128.78**
Building Cost:	**$103,019.60**

Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

** Area entered is outside the range recommended by RSMeans.

		% of Total	Cost Per S.F.	Cost
01 Site Work		**2.88%**	**3.37**	**2,699.06**
	Footing excavation, building, 26' x 46', 4' deep		3.37	2,699.06
02 Foundation		**9.56%**	**11.19**	**8,953.02**
	Footing systems, 10" thick by 20" wide footing		2.03	1,624.34
	Block wall systems, 8" wall, grouted, full height		7.15	5,719.48
	Floor slab systems, 4" thick slab		2.01	1,609.20
03 Framing		**15.55%**	**18.22**	**14,565.71**
	Floor framing systems, 2" x 8", 16" OC		3.75	2,998.47
	Exterior wall framing systems, 2" x 4", 16" OC		6.48	5,180.70
	Exterior wall framing systems, 2" x 4", 16" OC		0.31	245.42
	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		3.34	2,674.03
	Furring, 1" x 3", 16" OC		0.92	733.57
	Partition framing systems, 2" x 4", 16" OC		3.42	2,733.52
04 Exterior Walls		**19.12%**	**22.39**	**17,909.34**
	Stucco, 2 coats		6.05	4,843.16
	Stucco, 2 coats		0.29	229.43
	Painting, lath, metal lath expanded 2.5 lb/SY, painted		1.47	1,176.16
	Painting, lath, metal lath expanded 2.5 lb/SY, painted		0.07	55.72
	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		1.1	878.52
	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		0.77	618.69
	Sliding window systems, builder's quality wood window, 3' x 2'		9.8	7,842.86
	Door systems, solid core birch, flush, 3' x 6'-8"		2.17	1,732.11
	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.67	532.69
05 Roofing		**2.17%**	**2.54**	**2,030.68**
	Gable end roofing, asphalt, roof shingles, class A		2.54	2,030.68
06 Interiors		**31.89%**	**37.32**	**29,863.11**

	Wall system, 1/2" drywall, taped & finished		4.46	3,566.32
	Wall system, 1/2" drywall, taped & finished		10.13	8,105.27
	1/2" gypsum wallboard, taped & finished ceilings		2.49	1,995.73
	Lauan, flush door, hollow core, interior		9.05	7,239.81
	Carpet, Olefin, 15 oz		1.99	1,595.49
	Padding, sponge rubber cushion, minimum		0.72	574.2
	Underlayment plywood, 1/2" thick		2.03	1,627.10
	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		1.17	933.94
	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.5	400.47
	Stairways 14 risers, oak treads, box stairs		4.78	3,824.78
07 Specialties		**6.05%**	**7.09**	**5,668.83**
	Kitchen, economy grade		3.3	2,639.14
	Sinks, stainless steel, single bowl 16" x 20"		1.99	1,588.93
	Water heater, electric, 30 gallon		1.8	1,440.76
08 Mechanical		**9.51%**	**11.12**	**8,904.34**
	Three fixture bathroom with wall hung lavatory		5.78	4,624.46
	Furnace, gas heating only, 100 MBH, area to 1200 SF		1.32	1,053.97
	Intermittent pilot, 100 MBH furnace		0.31	248.5
	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.74	595.61
	Return duct, sheet metal galvanized, to 1500 SF		0.91	726.26
	Lateral ducts, flexible round 6" insulated, to 1200 SF		0.84	674.85
	Register elbows, to 1500 SF		0.47	379.4
	Floor registers, enameled steel w/damper, to 1500 SF		0.3	242.44
	Return air grille, area to 1500 SF 12" x 12"		0.09	73.4
	Thermostat, manual, 1 set back		0.16	125.66
	Plenum, heating only, 100 MBH		0.2	159.79
09 Electrical		**3.27%**	**3.83**	**3,060.09**
	100 amp electric service		1.49	1,189.68
	Wiring device systems, economy to 1200 S.F.		1.85	1,477.49
	Light fixture systems, economy to 1200 S.F.		0.49	392.92
SubTotal		**100%**	**$117.07**	**$93,654.18**
Contractor Fees (General Conditions,Overhead,Profit)		**10.00%**	**$11.71**	**$9,365.42**
Architectural Fees		**0.00%**	**$0.00**	**$0.00**
User Fees		**0.00%**	**$0.00**	**$0.00**
Total Building Cost			**$128.78**	**$103,019.60**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel E - 424 N 54th Ave W Duluth, MN 55807 - Parcel 010-4470-00540

Residence

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
					$ -
Structural Elements					
	Foundation Walls				
	Repair/reseal walls to prevent water intrusion per code	$ 10.99	LF	100	$ 1,099.00
	Floor Joists				
	Replace damaged floor joists with code approved dimensional lumber	$ 3.75	SF	800	$ 3,000.00
Exiting					
	Flooring				
	Replace damaged vinyl flooring to create unimpeded emergency egress per code	$ 1.17	SF	800	$ 936.00
	Back Door				
	Modify back door to comply with code for height	$ 250.00	Lump	1	$ 250.00
	Basement Stairs				
	Modify basement stairs to comply with code for run and rise of tread and handrails	$ 1,500.00	Lump	1	$ 1,500.00
Fire Protection					
	Electrical Outlets				
	Install code required AFCI outlets	$ 125.00	EA	8	$ 1,000.00
	Smoke Detectors				
	Install code required smoke detectors	$ 125.00	EA	3	$ 375.00
Exterior Construction					
	Stucco Walls				
	Replace stucco to prevent water intrusion per code	$ 6.34	SF	800	$ 5,072.00
	Windows				
	Replace windows to prevent water intrusion per code	$ 9.80	SF	800	$ 7,840.00
Roof Construction					
					$ -

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical- Electrical					
	Mechanical				
	Replace HVAC system to comply with code	$ 5.34	SF	800	$ 4,272.00
	Electrical				
	Install code required GFCI outlets	$ 125.00	EA	3	$ 375.00
			Total Code Improvements		**$ 25,719**

Ramsey V - Redevelopment TIF District

Photos: Parcel E - Residence - 424 N 54th Ave W

P1120099.JPG

P1120100.JPG

P1120101.JPG

P1120102.JPG

P1120103.JPG

P1120104.JPG

P1120105.JPG

P1120106.JPG

P1120107.JPG

P1120108.JPG

P1120109.JPG

P1120110.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel E - Residence - 424 N 54th Ave W

P1120111.JPG

P1120112.JPG

P1120113.JPG

P1120114.JPG

P1120115.JPG

P1120116.JPG

P1120117.JPG

P1120118.JPG

P1120119.JPG

P1120120.JPG

P1120121.JPG

P1120122.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel E - Residence - 424 N 54th Ave W

P1120123.JPG

P1120124.JPG

P1120125.JPG

P1120126.JPG

P1120127.JPG

P1120128.JPG

P1120129.JPG

P1120130.JPG

P1120131.JPG

P1120132.JPG

P1120133.JPG

P1120134.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel E - Residence - 424 N 54th Ave W

P1120135.JPG

P1120136.JPG

P1120137.JPG

P1120138.JPG

P1120139.JPG

P1120141.JPG

P1120142.JPG

P1120143.JPG

P1120144.JPG

P1120145.JPG

P1120146.JPG

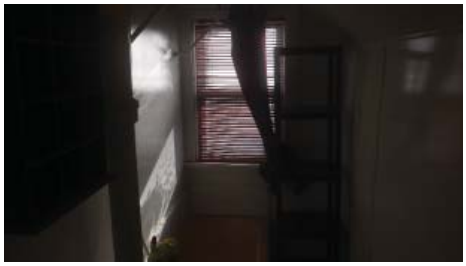
P1120147.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel E - Residence - 424 N 54th Ave W

P1120148.JPG

P1120149.JPG



P1120150.JPG

P1120152.JPG

P1120153.JPG

P1120154.JPG

P1120155.JPG

P1120156.JPG

P1120157.JPG

P1120158.JPG

P1120159.JPG

P1120160.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel E - Residence - 424 N 54th Ave W

P1120161.JPG

P1120162.JPG

P1120163.JPG

P1120164.JPG

P1120165.JPG

P1120166.JPG

P1120167.JPG

P1120168.JPG

P1120169.JPG

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **3/17/2017**

Estimate Name:	**Parcel H - Residence**
	City of Duluth
	414 N 54th Ave W , Duluth , Minnesota , 55807
Building Type:	**Economy 2 Story with Wood Siding - Wood Frame**
Location:	**BEMIDJI, MN**
Story Count:	**2**
Story Height (L.F.):	**8**
Floor Area (S.F.):	**900**
Labor Type:	**RES**
Basement Included:	**No**
Data Release:	**Year 2017**
Cost Per Square Foot:	**$128.00**
Building Cost:	**$115,192.90**

Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

** Area entered is outside the range recommended by RSMeans.

		% of Total	Cost Per S.F.	Cost
01 Site Work		**2.41%**	**2.80**	**2,520.17**
	Footing excavation, building, 26' x 46', 4' deep		2.8	2,520.17
02 Foundation		**9.14%**	**10.63**	**9,576.01**
	Footing systems, 10" thick by 20" wide footing		1.93	1,740.23
	Block wall systems, 8" wall, grouted, full height		6.78	6,105.42
	Floor slab systems, 4" thick slab		1.92	1,730.36
03 Framing		**14.86%**	**17.29**	**15,557.71**
	Floor framing systems, 2" x 8", 16" OC		3.56	3,206.55
	Exterior wall framing systems, 2" x 4", 16" OC		6.15	5,532.20
	Exterior wall framing systems, 2" x 4", 16" OC		0.29	262.07
	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		3.18	2,866.12
	Furring, 1" x 3", 16" OC		0.87	779.09
	Partition framing systems, 2" x 4", 16" OC		3.24	2,911.68
04 Exterior Walls		**24.71%**	**28.76**	**25,881.06**
	Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		14.44	12,994.24
	Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		0.68	615.57
	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		1.05	941.61
	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		0.75	671.93
	Sliding window systems, builder's quality wood window, 3' x 2'		9.43	8,484.71
	Door systems, solid core birch, flush, 3' x 6'-8"		1.84	1,659.32
	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.57	513.68
05 Roofing		**2.08%**	**2.42**	**2,175.13**
	Gable end roofing, asphalt, roof shingles, class A		2.42	2,175.13
06 Interiors		**30.15%**	**35.08**	**31,576.29**
	Wall system, 1/2" drywall, taped & finished		9.62	8,662.21
	Wall system, 1/2" drywall, taped & finished		4.23	3,811.37

	1/2" gypsum wallboard, taped & finished ceilings		2.36	2,121.57
	Lauan, flush door, hollow core, interior		8.61	7,746.02
	Carpet, Olefin, 15 oz		1.92	1,730.48
	Padding, sponge rubber cushion, minimum		0.69	620.04
	Underlayment plywood, 1/2" thick		1.96	1,760.27
	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		1.12	1,011.11
	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.48	430.3
	Stairways 14 risers, oak treads, box stairs		4.09	3,682.92
07 Specialties		**5.22%**	**6.08**	**5,469.86**
	Kitchen, economy grade		2.84	2,551.88
	Sinks, stainless steel, single bowl 16" x 20"		1.69	1,523.33
	Water heater, electric, 30 gallon		1.55	1,394.65
08 Mechanical		**8.44%**	**9.82**	**8,840.95**
	Three fixture bathroom with wall hung lavatory		4.94	4,446.52
	Furnace, gas heating only, 100 MBH, area to 1200 SF		1.13	1,015.38
	Intermittent pilot, 100 MBH furnace		0.27	242.28
	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.7	630.43
	Return duct, sheet metal galvanized, to 1500 SF		0.85	765.96
	Lateral ducts, flexible round 6" insulated, to 1200 SF		0.8	724.01
	Register elbows, to 1500 SF		0.45	404.55
	Floor registers, enameled steel w/damper, to 1500 SF		0.29	259.82
	Return air grille, area to 1500 SF 12" x 12"		0.09	79.01
	Thermostat, manual, 1 set back		0.13	119.63
	Plenum, heating only, 100 MBH		0.17	153.36
09 Electrical		**2.98%**	**3.47**	**3,123.64**
	100 amp electric service		1.25	1,125.56
	Wiring device systems, economy to 1200 S.F.		1.75	1,574.54
	Light fixture systems, economy to 1200 S.F.		0.47	423.54
SubTotal		**100%**	**$116.36**	**$104,720.82**
Contractor Fees (General Conditions,Overhead,Profit)		**10.00%**	**$11.64**	**$10,472.08**
Architectural Fees		**0.00%**	**$0.00**	**$0.00**
User Fees		**0.00%**	**$0.00**	**$0.00**
Total Building Cost			**$128.00**	**$115,192.90**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel H - 414 N 54th Ave W Duluth, MN 55807 - Parcel 010-4470-00590

Residence

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Front Steps - Exterior				
	Modify steps to comply with code for tread height	$ 750.00	Lump	1	$ 750.00
Structural Elements					
	Foundation				
	Repair foundation to prevent water intrusion per code	$ 1,000.00	Lump	1	$ 1,000.00
Exiting					
	Flooring				
	Replace damaged flooring to provide code required unimpeded emergency egress	$ 14.30	SF	900	$ 12,870.00
	Door Hardware				
	Install code require door hardware to provide for an unimpeded emergency egress	$ 125.00	Ea	5	$ 625.00
Fire Protection					
	Smoke Detectors				
	Install code required smoke detectors	$ 150.00	Ea	5	$ 750.00
	Carbon Monoxide Detectors				
	Install code required carbon monoxide detectors	$ 150.00	Ea	4	$ 600.00
Exterior Construction					
	Siding				
	Replace siding to prevent water intrusion per code	$ 15.12	SF	900	$ 13,608.00
	Windows				
	Replace windows to prevent water intrusion per code	$ 9.43	SF	900	$ 8,487.00
	Chimney				
	Replace brick and mortar to prevent water intrusion per code	$ 800.00	Lump	1	$ 800.00
Roof Construction					
	Roofing Material				
	Replace roofing material to prevent water intrusion per code	$ 2.42	SF	900	$ 2,178.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical- Electrical					
	Mechanical				
	Install HVAC system to comply with code	$ 4.88	SF	900	$ 4,392.00
	Plumbing				
	Provide potable water to residence per code	$ 250.00	Lump	1	$ 250.00
	Electrical				
	Provide electrical service to residence per code	$ 250.00	Lump	1	$ 250.00
	Install grounded receptacles per code	$ 125.00	Ea	12	$ 1,500.00
	Install code required AFCI's	$ 130.00	Ea	6	$ 780.00
	Install code required GFCI's	$ 130.00	Ea	4	$ 520.00
		Total Code Improvements			**$ 49,360**

Ramsey V - Redevelopment TIF District

Photos: Parcel H - Residence - 414 N 54th Ave W

P1120225.JPG

P1120226.JPG

P1120227.JPG

P1120228.JPG

P1120229.JPG

P1120230.JPG

P1120231.JPG

P1120232.JPG

P1120233.JPG

P1120234.JPG

P1120235.JPG

P1120236.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel H - Residence - 414 N 54th Ave W

P1120237.JPG

P1120238.JPG

P1120239.JPG

P1120240.JPG

P1120241.JPG

P1120242.JPG

P1120243.JPG

P1120244.JPG

P1120245.JPG

P1120246.JPG

P1120247.JPG

P1120248.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel H - Residence - 414 N 54th Ave W


P1120249.JPG


P1120250.JPG


P1120251.JPG


P1120252.JPG


P1120253.JPG


P1120254.JPG


P1120255.JPG


P1120256.JPG


P1120257.JPG


P1120258.JPG


P1120259.JPG


P1120260.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel H - Residence - 414 N 54th Ave W

P1120261.JPG

P1120262.JPG

P1120263.JPG

P1120264.JPG

P1120265.JPG

P1120266.JPG

P1120267.JPG

P1120268.JPG

P1120269.JPG

P1120270.JPG

P1120272.JPG

P1120273.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel H - Residence - 414 N 54th Ave W

P1120274.JPG

P1120275.JPG

P1120276.JPG

P1120277.JPG

P1120278.JPG

P1120279.JPG

P1120280.JPG

P1120281.JPG

P1120282.JPG

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **10/9/2017**

Estimate Name:	**Parcel K - Residence**
	City of Duluth
	408 N 54th Ave W , Duluth , Minnesota , 55807
Building Type:	**Economy 2 Story with Brick Veneer - Wood Frame**
Location:	**DULUTH, MN**
Story Count:	**2**
Story Height (L.F.):	**8**
Floor Area (S.F.):	**800**
Labor Type:	**RES**
Basement Included:	**No**
Data Release:	**Year 2017 Quarter 3**
Cost Per Square Foot:	**$159.99**
Building Cost:	**$127,993.78**

Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

** Area entered is outside the range recommended by RSMeans.

		% of Total	Cost Per S.F.	Cost
01 Site Work		**2.37%**	**3.45**	**2,756.93**
	Footing excavation, building, 26' x 46', 4' deep		3.45	2,756.93
02 Foundation		**12.33%**	**17.94**	**14,348.91**
	Footing systems, 10" thick by 20" wide footing		2.09	1,671.35
	Block wall systems, 8" wall, grouted, full height		7.35	5,877.07
	Block wall systems, 8" wall, grouted, full height		6.43	5,142.44
	Floor slab systems, 4" thick slab		2.07	1,658.05
03 Framing		**13.74%**	**19.98**	**15,983.40**
	Floor framing systems, 2" x 8", 16" OC		3.85	3,083.15
	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		0.94	754.14
	Floor framing, bridging, wood 1" x 3", joists 16" OC		0.18	146.43
	Box sills, #2 or better pine, 2" x 8"		0.14	112.51
	Exterior wall framing systems, 2" x 4", 16" OC		0.32	252.22
	Exterior wall framing systems, 2" x 4", 16" OC		6.66	5,324.13
	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		3.44	2,751.89
	Furring, 1" x 3", 16" OC		0.94	752.35
	Partition framing systems, 2" x 4", 16" OC		3.51	2,806.58
04 Exterior Walls		**26.64%**	**38.75**	**30,996.70**
	Brick/stone veneer systems, select common brick		22.7	18,156.40
	Brick/stone veneer systems, select common brick		1.08	860.11
	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		1.13	904.09
	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		0.8	639.86
	Sliding window systems, builder's quality wood window, 3' x 2'		10.12	8,099.35
	Door systems, solid core birch, flush, 3' x 6'-8"		2.23	1,786.20
	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.69	550.69
05 Roofing		**1.80%**	**2.61**	**2,089.30**

	Gable end roofing, asphalt, roof shingles, class A		2.61	2,089.30
06 Interiors		**27.39%**	**39.84**	**31,868.58**
	Wall system, 1/2" drywall, taped & finished		4.58	3,666.16
	Wall system, 1/2" drywall, taped & finished		10.42	8,332.19
	1/2" gypsum wallboard, taped & finished ceilings		2.56	2,047.55
	Lauan, flush door, hollow core, interior		9.31	7,445.63
	Carpet, Olefin, 15 oz		2.06	1,649.25
	Padding, sponge rubber cushion, minimum		0.74	592.56
	Underlayment plywood, 1/2" thick		2.1	1,680.32
	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		1.21	964.75
	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.52	412.51
	Stairways 14 risers, oak treads, box stairs		4.94	3,951.83
	Basement stairs, open risers		1.41	1,125.83
07 Specialties		**5.04%**	**7.33**	**5,861.69**
	Kitchen, economy grade		3.41	2,731.09
	Sinks, stainless steel, single bowl 16" x 20"		2.05	1,639.02
	Water heater, electric, 30 gallon		1.86	1,491.58
08 Mechanical		**7.89%**	**11.47**	**9,179.43**
	Three fixture bathroom with wall hung lavatory		5.97	4,775.49
	Furnace, gas heating only, 100 MBH, area to 1200 SF		1.36	1,089.18
	Intermittent pilot, 100 MBH furnace		0.32	257.96
	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.76	610.09
	Return duct, sheet metal galvanized, to 1500 SF		0.93	742.94
	Lateral ducts, flexible round 6" insulated, to 1200 SF		0.87	694.75
	Register elbows, to 1500 SF		0.49	389.69
	Floor registers, enameled steel w/damper, to 1500 SF		0.31	249.49
	Return air grille, area to 1500 SF 12" x 12"		0.09	75.66
	Thermostat, manual, 1 set back		0.16	129.28
	Plenum, heating only, 100 MBH		0.21	164.9
09 Electrical		**2.81%**	**4.09**	**3,273.04**
	100 amp electric service		1.53	1,221.13
	Duplex receptacles using non-metallic sheathed cable		0.16	129.44
	Wiring device systems, economy to 1200 S.F.		1.9	1,517.25
	Light fixture systems, economy to 1200 S.F.		0.51	405.22
SubTotal		**100%**	**$145.45**	**$116,357.98**
Contractor Fees (General Conditions,Overhead,Profit)		**10.00%**	**$14.54**	**$11,635.80**
Architectural Fees		**0.00%**	**$0.00**	**$0.00**
User Fees		**0.00%**	**$0.00**	**$0.00**
Total Building Cost			**$159.99**	**$127,993.78**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel K - 408 N 54th Ave N Duluth, MN 55807 - Parcel 010-4470-00630

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Bathroom				
	Modify bathroom to comply with code for proper distancing	$ 5.97	SF	800	$ 4,776.00
Structural Elements					
	Foundation Wall				
	Protect foundation wall to prevent water intrusion per code	$ 3.00	SF	800	$ 2,400.00
	Exterior Brick				
	Repair/replace damaged/missing brick to prevent water intrusion per code	$ 11.35	SF	800	$ 9,080.00
Exiting					
	Basement Stairs				
	Install code required hand railing	$ 100.00	EA	1	$ 100.00
	Carbon Monoxide Detectors				
	Install code required carbon monoxide detectors	$ 125.00	EA	3	$ 375.00
	Main Stair Way to Second Floor				
	Modify rise and run of treads to comply with code	$ 250.00	EA	16	$ 4,000.00
	Basement				
	Increase floor to ceiling height in basement to comply with code	$ 20.00	SF	800	$ 16,000.00
Fire Protection					
	Electrical Outlets				
	Install code required AFCI's	$ 125.00	EA	10	$ 1,250.00
	Basement Stairs				
	Enclose basement stairs per code	$ 500.00	Lump	1	$ 500.00
	Smoke Detector				
	Install code required smoke detectors	$ 125.00	EA	4	$ 500.00
Exterior Construction					
	Windows				
	Replace rotting/damaged windows to prevent water intrusion per code	$ 10.12	SF	800	$ 8,096.00
Roof Construction					
	Front Door Vestibule				
	Install code required flashing on roof to prevent water intrusion per code	$ 100.00	Lump	1	$ 100.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical- Electrical					
	Mechanical				
	Replace HVAC system to comply with code	$ 1.36	SF	800	$ 1,088.00
	Electrical				
	Install code compliant grounded electrical outlets in residence	$ 0.16	SF	800	$ 128.00
	Install code required GFCI's in kitchen and bathroom	$ 150.00	EA	2	$ 300.00
				Total Code Improvements	**$ 48,693**

Ramsey V - Redevelopment TIF District

Photos: Parcel K - Residence - 408 N 54th Ave W

P1150614.JPG

P1150615.JPG

P1150616.JPG

P1150617.JPG

P1150618.JPG

P1150619.JPG

P1150620.JPG

P1150621.JPG

P1150622.JPG

P1150623.JPG

P1150624.JPG

P1150625.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel K - Residence - 408 N 54th Ave W


P1150626.JPG


P1150627.JPG


P1150628.JPG


P1150629.JPG


P1150630.JPG


P1150631.JPG


P1150632.JPG


P1150633.JPG


P1150634.JPG


P1150635.JPG


P1150636.JPG


P1150637.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel K - Residence - 408 N 54th Ave W


P1150638.JPG


P1150639.JPG


P1150640.JPG


P1150641.JPG


P1150642.JPG


P1150643.JPG


P1150644.JPG


P1150645.JPG


P1150646.JPG


P1150647.JPG


P1150648.JPG


P1150649.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel K - Residence - 408 N 54th Ave W

P1150650.JPG

P1150651.JPG

P1150652.JPG

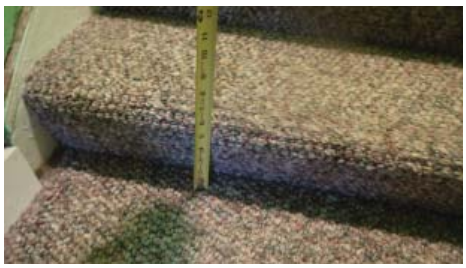
P1150653.JPG

P1150654.JPG

P1150655.JPG

P1150656.JPG

P1150657.JPG



P1150658.JPG

P1150659.JPG

P1150661.JPG

P1150662.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel K - Residence - 408 N 54th Ave W

P1150663.JPG

P1150664.JPG

P1150665.JPG

P1150666.JPG

P1150667.JPG

P1150668.JPG

P1150669.JPG

P1150670.JPG

P1150671.JPG

P1150672.JPG

P1150673.JPG

P1150674.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel K - Residence - 408 N 54th Ave W

P1150675.JPG

P1150676.JPG

P1150677.JPG

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **3/17/2017**

Estimate Name:	**Parcel L - Residential Building** 406 N 54th W , Duluth , Minnesota
Building Type:	**Economy 2 Story with Vinyl Siding - Wood Frame**
Location:	**DULUTH, MN 55317**
Story Count:	**2**
Story Height (L.F.):	**8**
Floor Area (S.F.):	**800**
Labor Type:	**RES**
Basement Included:	**No**
Data Release:	**Year 2017**
Cost Per Square Foot:	**$147.28**
Building Cost:	**$117,807.83**

Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

** Area entered is outside the range recommended by RSMeans.

		% of Total	Cost Per S.F.	Cost
01 Site Work		**2.52%**	**3.37**	**2,699.06**
	Footing excavation, building, 26' x 46', 4' deep		3.37	2,699.06
02 Foundation		**13.03%**	**17.45**	**13,957.56**
	Footing systems, 10" thick by 20" wide footing		2.03	1,624.34
	Block wall systems, 8" wall, grouted, full height		7.15	5,719.48
	Block wall systems, 8" wall, grouted, full height		6.26	5,004.54
	Floor slab systems, 4" thick slab		2.01	1,609.20
03 Framing		**14.52%**	**19.46**	**15,549.99**
	Floor framing systems, 2" x 8", 16" OC		3.75	2,998.47
	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		0.92	732.07
	Floor framing, bridging, wood 1" x 3", joists 16" OC		0.18	142.97
	Box sills, #2 or better pine, 2" x 8"		0.14	109.24
	Exterior wall framing systems, 2" x 4", 16" OC		6.48	5,180.70
	Exterior wall framing systems, 2" x 4", 16" OC		0.31	245.42
	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		3.34	2,674.03
	Furring, 1" x 3", 16" OC		0.92	733.57
	Partition framing systems, 2" x 4", 16" OC		3.42	2,733.52
04 Exterior Walls		**22.55%**	**30.19**	**24,149.97**
	Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		14.97	11,977.69
	Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		0.71	567.41
	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		1.1	878.52
	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		0.77	618.69
	Sliding window systems, builder's quality wood window, 3' x 2'		9.8	7,842.86
	Door systems, solid core birch, flush, 3' x 6'-8"		2.17	1,732.11
	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.67	532.69
05 Roofing		**1.90%**	**2.54**	**2,030.68**

	Gable end roofing, asphalt, roof shingles, class A		2.54	2,030.68
06 Interiors		**28.90%**	**38.68**	**30,951.49**
	Wall system, 1/2" drywall, taped & finished		10.13	8,105.27
	Wall system, 1/2" drywall, taped & finished		4.46	3,566.32
	1/2" gypsum wallboard, taped & finished ceilings		2.49	1,995.73
	Lauan, flush door, hollow core, interior		9.05	7,239.81
	Carpet, Olefin, 15 oz		1.99	1,595.49
	Padding, sponge rubber cushion, minimum		0.72	574.2
	Underlayment plywood, 1/2" thick		2.03	1,627.10
	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		1.17	933.94
	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.5	400.47
	Stairways 14 risers, oak treads, box stairs		4.78	3,824.78
	Basement stairs, open risers		1.36	1,088.38
07 Specialties		**5.29%**	**7.09**	**5,668.83**
	Kitchen, economy grade		3.3	2,639.14
	Sinks, stainless steel, single bowl 16" x 20"		1.99	1,588.93
	Water heater, electric, 30 gallon		1.8	1,440.76
08 Mechanical		**8.31%**	**11.12**	**8,904.34**
	Three fixture bathroom with wall hung lavatory		5.78	4,624.46
	Furnace, gas heating only, 100 MBH, area to 1200 SF		1.32	1,053.97
	Intermittent pilot, 100 MBH furnace		0.31	248.5
	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.74	595.61
	Return duct, sheet metal galvanized, to 1500 SF		0.91	726.26
	Lateral ducts, flexible round 6" insulated, to 1200 SF		0.84	674.85
	Register elbows, to 1500 SF		0.47	379.4
	Floor registers, enameled steel w/damper, to 1500 SF		0.3	242.44
	Return air grille, area to 1500 SF 12" x 12"		0.09	73.4
	Thermostat, manual, 1 set back		0.16	125.66
	Plenum, heating only, 100 MBH		0.2	159.79
09 Electrical		**2.97%**	**3.99**	**3,186.11**
	100 amp electric service		1.49	1,189.68
	Duplex receptacles using non-metallic sheathed cable		0.16	126.02
	Wiring device systems, economy to 1200 S.F.		1.85	1,477.49
	Light fixture systems, economy to 1200 S.F.		0.49	392.92
SubTotal		**100%**	**$133.89**	**$107,098.03**
Contractor Fees (General Conditions,Overhead,Profit)		**10.00%**	**$13.39**	**$10,709.80**
Architectural Fees		**0.00%**	**$0.00**	**$0.00**
User Fees		**0.00%**	**$0.00**	**$0.00**
Total Building Cost			**$147.28**	**$117,807.83**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel L - 406 N 54th Ave W Duluth, MN 55807 - Parcel 010-4470-00640

Residence

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
					$ -
Structural Elements					
	Beam Support				
	Install code compliant columns and beams	$ 2,500.00	Lump	1	$ 2,500.00
	Foundation Walls				
	Repair foundation walls to prevent water intrusion per code	$ 6.26	SF	800	$ 5,008.00
Exiting					
	Basement Stairs				
	Modify stair width to become code compliant	$ 273.00	Ea	14	$ 3,822.00
	Add code compliant hand railings	$ 250.00	Ea	1	$ 250.00
	Second Floor Stairs				
	Modify stair tread depth to become code compliant	$ 273.00	Ea	10	$ 2,730.00
	Add code compliant hand railings	$ 250.00	Ea	1	$ 250.00
Fire Protection					
	Smoke Detectors				
	Install code compliant smoke detectors	$ 130.00	Ea	5	$ 650.00
Exterior Construction					
					$ -
Roof Construction					
	Chimney				
	Repair/replace brick and mortar to prevent water intrusion to comply with code	$ 500.00	Lump	1	$ 500.00
Mechanical- Electrical					
	Plumbing				
	Connect potable water source to building	$ 250.00	Lump	1	$ 250.00
	Install code compliant waste/vent lines	$ 1.12	AD	800	$ 896.00
	Mechanical				
	Replace HVAC system with code compliant system	$ 9.80	SF	800	$ 7,840.00
	Electrical				
	Install code compliant electrical devices	$ 2.01	SF	800	$ 1,608.00
				Total Code Improvements	**$ 26,304**

Ramsey V - Redevelopment TIF District

Photos: Parcel L - Residential Building - 406 N 54th Ave W

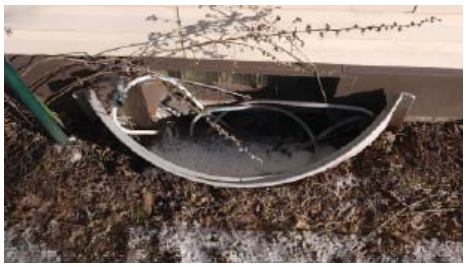

P1120170.JPG


P1120171.JPG

P1120172.JPG


P1120173.JPG


P1120174.JPG


P1120175.JPG


P1120176.JPG


P1120177.JPG


P1120178.JPG


P1120179.JPG


P1120180.JPG


P1120182.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel L - Residential Building - 406 N 54th Ave W


P1120183.JPG


P1120184.JPG


P1120185.JPG


P1120186.JPG


P1120187.JPG


P1120188.JPG


P1120189.JPG


P1120190.JPG


P1120191.JPG


P1120192.JPG


P1120193.JPG


P1120194.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel L - Residential Building - 406 N 54th Ave W

P1120195.JPG

P1120196.JPG

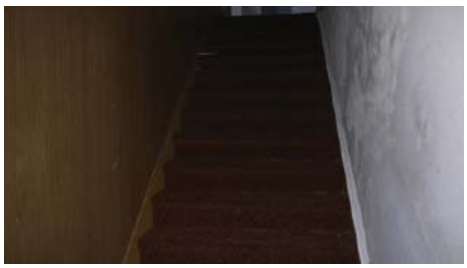
P1120198.JPG

P1120199.JPG

P1120200.JPG

P1120201.JPG

P1120202.JPG



P1120204.JPG

P1120205.JPG

P1120206.JPG

P1120207.JPG

P1120208.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel L - Residential Building - 406 N 54th Ave W


P1120209.JPG


P1120210.JPG


P1120211.JPG


P1120212.JPG


P1120213.JPG


P1120214.JPG


P1120215.JPG


P1120216.JPG


P1120217.JPG


P1120218.JPG


P1120219.JPG

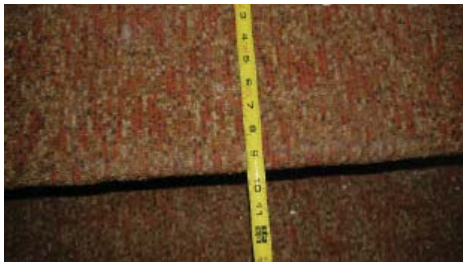

P1120220.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel L - Residential Building - 406 N 54th Ave W

P1120221.JPG

P1120222.JPG



P1120223.JPG

P1120224.JPG

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **3/17/2017**

Estimate Name:	**Parcel R - Residential Building**
	409 N 53rd Ave W , Duluth , Minnesota , 55807
Building Type:	**Economy 2 Story with Stucco on Wood Frame**
Location:	**DULUTH, MN**
Story Count:	**2**
Story Height (L.F.):	**8**
Floor Area (S.F.):	**1100**
Labor Type:	**RES**
Basement Included:	**No**
Data Release:	**Year 2017**
Cost Per Square Foot:	**$125.51**
Building Cost:	**$138,080.45**

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		**2.15%**	**2.45**	**2,699.06**
	Footing excavation, building, 26' x 46', 4' deep		2.45	2,699.06
02 Foundation		**14.06%**	**16.05**	**17,648.10**
	Footing systems, 10" thick by 20" wide footing		1.85	2,030.43
	Block wall systems, 8" wall, grouted, full height		6.5	7,149.34
	Block wall systems, 8" wall, grouted, full height		5.69	6,255.68
	Floor slab systems, 4" thick slab		2.01	2,212.65
03 Framing		**16.49%**	**18.84**	**20,702.98**
	Floor framing systems, 2" x 8", 16" OC		3.75	4,122.90
	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		0.92	1,006.60
	Floor framing, bridging, wood 1" x 3", joists 16" OC		0.18	196.58
	Box sills, #2 or better pine, 2" x 8"		0.14	150.21
	Exterior wall framing systems, 2" x 4", 16" OC		5.89	6,475.87
	Exterior wall framing systems, 2" x 4", 16" OC		0.28	306.78
	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		3.34	3,676.79
	Furring, 1" x 3", 16" OC		0.92	1,008.66
	Partition framing systems, 2" x 4", 16" OC		3.42	3,758.59
04 Exterior Walls		**17.44%**	**19.89**	**21,897.84**
	Stucco, 2 coats		5.5	6,053.95
	Stucco, 2 coats		0.26	286.79
	Painting, lath, metal lath expanded 2.5 lb/SY, painted		1.34	1,470.21
	Painting, lath, metal lath expanded 2.5 lb/SY, painted		0.06	69.65
	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		1	1,098.16
	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		0.77	850.7
	Sliding window systems, builder's quality wood window, 3' x 2'		8.91	9,803.58
	Door systems, solid core birch, flush, 3' x 6'-8"		1.57	1,732.11

	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.48	532.69
05 Roofing		**2.22%**	**2.54**	**2,792.19**
	Gable end roofing, asphalt, roof shingles, class A		2.54	2,792.19
06 Interiors		**32.08%**	**36.60**	**40,270.08**
	Wall system, 1/2" drywall, taped & finished		4.05	4,457.90
	Wall system, 1/2" drywall, taped & finished		10.13	11,144.74
	1/2" gypsum wallboard, taped & finished ceilings		2.49	2,744.13
	Lauan, flush door, hollow core, interior		9.05	9,954.73
	Carpet, Olefin, 15 oz		1.99	2,193.81
	Padding, sponge rubber cushion, minimum		0.72	789.52
	Underlayment plywood, 1/2" thick		2.03	2,237.27
	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		1.17	1,284.17
	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.5	550.65
	Stairways 14 risers, oak treads, box stairs		3.48	3,824.78
	Basement stairs, open risers		0.99	1,088.38
07 Specialties		**4.52%**	**5.15**	**5,668.83**
	Kitchen, economy grade		2.4	2,639.14
	Sinks, stainless steel, single bowl 16" x 20"		1.44	1,588.93
	Water heater, electric, 30 gallon		1.31	1,440.76
08 Mechanical		**7.90%**	**9.00**	**9,913.82**
	Three fixture bathroom with wall hung lavatory		4.2	4,624.46
	Furnace, gas heating only, 100 MBH, area to 1200 SF		0.96	1,053.97
	Intermittent pilot, 100 MBH furnace		0.23	248.5
	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.74	818.96
	Return duct, sheet metal galvanized, to 1500 SF		0.91	998.61
	Lateral ducts, flexible round 6" insulated, to 1200 SF		0.84	927.92
	Register elbows, to 1500 SF		0.47	521.68
	Floor registers, enameled steel w/damper, to 1500 SF		0.3	333.35
	Return air grille, area to 1500 SF 12" x 12"		0.09	100.92
	Thermostat, manual, 1 set back		0.11	125.66
	Plenum, heating only, 100 MBH		0.15	159.79
09 Electrical		**3.13%**	**3.58**	**3,934.78**
	100 amp electric service		1.08	1,189.68
	Duplex receptacles using non-metallic sheathed cable		0.16	173.28
	Wiring device systems, economy to 1200 S.F.		1.85	2,031.55
	Light fixture systems, economy to 1200 S.F.		0.49	540.27
SubTotal		**100%**	**$114.10**	**$125,527.68**
Contractor Fees (General Conditions,Overhead,Profit)		**10.00%**	**$11.41**	**$12,552.77**
Architectural Fees		**0.00%**	**$0.00**	**$0.00**
User Fees		**0.00%**	**$0.00**	**$0.00**
Total Building Cost			**$125.51**	**$138,080.45**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel R - 409 N 53rd Ave W, Duluth, MN 55807 - Parcel #010-4470-00450

Residence

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Exterior Steps:				
	Replace front and rear ext. concrete steps- non-code compliant for risers, threshold and handrail	$ 3,800.00	Lump	1	$ 3,800.00
	Flooring:				
	Modify threshold between kitchen and living room to meet code for required transition	$ 800.00	Lump	1	$ 800.00
	Replace cracked and buckling linoleum to meet code requirements	$ 3.25	SF	120	$ 390.00
	Door exiting hardware:				
	Replace door hardware for exiting per code	$ 250.00	EA	2	$ 500.00
	Interior stairs:				
	Replace basement stairs to meet code with treads, risers and handrails	$ 1,088.00	Lump	1	$ 1,088.00
	Replace/repair stairs leading to second floor to meet code for winding stair treads	$ 3,800.00	Lump	1	$ 3,800.00
					$ -
Structural Elements					
					$ -
Fire Protection					
	Fire alarms:				$ -
	Install smoke detectors all floors to meet code	$ 250.00	EA	5	$ 1,250.00
	Install CO detectors to meet code	$ 250.00	EA	3	$ 750.00
					$ -
Exterior Construction					
	Chimney:				
	Repair/repoint joints and brick work on chimney to current code requirements to prevent water intrusion	$ 9.50	SF	30	$ 285.00
	Siding/skirting:				
	Repair cracked stucco siding to code requirements to prevent water intrusion	$ 3.50	SF		$ -
	Repair/replace cracked and peeling foundation skirting on back porch addition to meet code requirements	$ 2.50	SF	48	$ 120.00
	Paint all stucco and wood surfaces to code requirements to prevent water intrusion	$ 2.50	SF	1200	$ 3,000.00
					$ -

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Roof Construction					
	Roof:				
	Install proper roof flashing where roof meets walls to prevent water intrusion per code	$ 3.00	LF	80	$ 240.00
					$ -
Mechanical- Electrical					
	Plumbing:				
	Install pressure relief drain to floor on hot water tank to meet code	$ 5.00	LF	6	$ 30.00
	Replace hot water tank venting to meet code	$ 550.00	Lump	1	$ 550.00
	Remove non-compliant toilet in first floor bedroom	$ 850.00	Lump	1	$ 850.00
	Mechanical:				
	Replace HVAC system with code compliant system	$ 2,300.00	Lump	1	$ 2,300.00
	Electrical:				
	Install electrical outlets in most rooms that do not meet the 6'/12' code rule for spacing	$ 100.00	EA	24	$ 2,400.00
	Replace non-grounded outlets with code compliant grounded outlets	$ 100.00	EA	12	$ 1,200.00
	Install code required AFCI outlets in living room, bedrooms and hallways	$ 250.00	EA	12	$ 3,000.00
	Install GFCI outlets in kitchen and bathroom per code	$ 200.00	EA	3	$ 600.00
	Install exterior outlets to front and rear of house per code	$ 250.00	EA	2	$ 500.00
			Total Code Improvements		**$ 27,453**

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W

P1120006.JPG

P1120007.JPG

P1120008.JPG

P1120009.JPG

P1120010.JPG

P1120011.JPG

P1120012.JPG

P1120013.JPG

P1120014.JPG

P1120015.JPG

P1120016.JPG

P1120017.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W


P1120018.JPG


P1120019.JPG


P1120020.JPG


P1120021.JPG


P1120022.JPG


P1120023.JPG


P1120024.JPG


P1120025.JPG


P1120026.JPG


P1120028.JPG


P1120029.JPG


P1120030.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W


P1120031.JPG


P1120032.JPG


P1120033.JPG


P1120034.JPG


P1120035.JPG


P1120036.JPG


P1120037.JPG


P1120038.JPG


P1120039.JPG


P1120040.JPG


P1120042.JPG


P1120043.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W

P1120044.JPG

P1120045.JPG

P1120046.JPG

P1120047.JPG

P1120048.JPG

P1120049.JPG

P1120050.JPG

P1120052.JPG

P1120053.JPG

P1120054.JPG

P1120055.JPG

P1120056.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W

P1120057.JPG

P1120060.JPG

P1120061.JPG

P1120062.JPG

P1120063.JPG

P1120064.JPG

P1120065.JPG

P1120066.JPG

P1120067.JPG

P1120068.JPG

P1120070.JPG

P1120071.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W

P1120072.JPG

P1120073.JPG

P1120074.JPG

P1120075.JPG

P1120076.JPG

P1120077.JPG

P1120078.JPG

P1120079.JPG

P1120080.JPG

P1120081.JPG

P1120082.JPG

P1120083.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W

P1120084.JPG

P1120085.JPG

P1120086.JPG

P1120087.JPG

P1120088.JPG

P1120089.JPG

P1120090.JPG

P1120091.JPG

P1120092.JPG

P1120093.JPG

P1120094.JPG

P1120095.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel R - Residential Building - 409 N 54th Ave W

P1120096.JPG

P1120097.JPG

Ramsey V - Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **3/17/2017**

Estimate Name:	**Parcel S - Mixed Use Building** 5305 Ramsey St , Duluth , Minnesota , 55807
Building Type:	**Average 2 Story with Solid Masonry**
Location:	**DULUTH, MN**
Story Count:	**2**
Story Height (L.F.):	**8**
Floor Area (S.F.):	**1200**
Labor Type:	**COM**
Basement Included:	**Yes**
Data Release:	**Year 2017**
Cost Per Square Foot:	**$298.79**
Building Cost:	**$358,551.60**

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		**0.85%**	**2.31**	**2,772.00**
	Footing excavation, building, 26' x 46', 4' deep		2.31	2,772.00
02 Foundation		**7.85%**	**21.32**	**25,584.00**
	Footing systems, 10" thick by 20" wide footing		2.35	2,820.00
	Block wall systems, 8" wall, grouted, full height		8.28	9,936.00
	Block wall systems, 8" wall, grouted, full height		7.24	8,688.00
	Floor slab systems, 4" thick slab		3.45	4,140.00
03 Framing		**5.86%**	**15.92**	**19,104.00**
	Floor framing systems, 2" x 10", 16" OC		7.39	8,868.00
	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		1.57	1,884.00
	Floor framing, bridging, wood 1" x 3", joists 16" OC		0.31	372.00
	Box sills, #2 or better pine, 2" x 8"		0.23	276.00
	Girders, including lally columns, 3 pieces spiked together, 2" x 8"		1.27	1,524.00
	Partition framing systems, 2" x 4", 16" OC		4.18	5,016.00
	Partition framing, wood studs, #2 or better, 2" x 4", 24" OC		0.97	1,164.00
04 Exterior Walls		**25.07%**	**68.10**	**81,720.00**
	Furring, wood, 1" x 3", 12" OC		2.97	3,564.00
	Brick/stone veneer systems, red faced common brick		1.23	1,476.00
	Brick/stone veneer systems, red faced common brick		26	31,200.00
	Brick, select common, running bond		23.56	28,272.00
	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 15" wide		1.33	1,596.00
	Double hung window systems, builder's quality wood window 2' x 3'		10.1	12,120.00
	Door systems, solid core birch, flush, 3' x 6'-8"		2.23	2,676.00
	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.68	816.00
05 Roofing		**1.60%**	**4.35**	**5,220.00**
	Gable end roofing, asphalt, roof shingles, class A		4.35	5,220.00

06 Interiors		**23.46%**	**63.73**	**76,476.00**
	Wall system, 1/2" drywall, taped & finished		2.57	3,084.00
	Wall system, 1/2" drywall, taped & finished		12.4	14,880.00
	Wall system, 1/2" drywall, taped & finished		5.16	6,192.00
	1/2" gypsum wallboard, taped & finished ceilings		4.27	5,124.00
	Suspended ceiling 2' x 4' grid, film faced fiberglass, 5/8" thick		4.2	5,040.00
	Birch, flush door, hollow core, interior		6.66	7,992.00
	Closet door, bi-fold, pine, louvered, 6'-0" x 6'-8"		6.22	7,464.00
	Carpet, Olefin, 22 oz		1.69	2,028.00
	Carpet, tile, foam backed, needle punch		4.81	5,772.00
	Padding, felt, 32 oz to 56 oz, minimum		0.72	864.00
	Resilient flooring, vinyl sheet goods, backed, .070" thick, maximum		1.8	2,160.00
	Resilient flooring, prefinished, oak, 2-1/2" wide		5.83	6,996.00
	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.86	1,032.00
	Resilient flooring, subfloor, plywood, 1/2" thick		1.36	1,632.00
	Resilient flooring, ceramic tile, color group 2, 1" x 1"		0.97	1,164.00
	Stairways 14 risers, oak treads, box stairs		3.28	3,936.00
	Basement stairs, open risers		0.93	1,116.00
07 Specialties		**23.31%**	**63.31**	**75,972.00**
	Kitchen, average grade		5.77	6,924.00
	Sinks, stainless steel, single bowl 22" x 25"		1.43	1,716.00
	Water heater, electric, 40 gallon		1.32	1,584.00
	Hydraulic, passenger elevator, 1500 lb, 2 floors, 100 FPM		54.79	65,748.00
08 Mechanical		**5.97%**	**16.22**	**19,464.00**
	Three fixture bathroom installed with vanity		4.31	5,172.00
	Furnace, gas heating only, 100 MBH, area to 1200 SF		0.9	1,080.00
	Intermittent pilot, 100 MBH furnace		0.21	252.00
	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		1.28	1,536.00
	Return duct, sheet metal galvanized, to 1500 SF		1.56	1,872.00
	Lateral ducts, flexible round 6" insulated, to 1200 SF		1.45	1,740.00
	Register elbows, to 1500 SF		0.81	972.00
	Floor registers, enameled steel w/damper, to 1500 SF		0.52	624.00
	Return air grille, area to 1500 SF 12" x 12"		0.16	192.00
	Thermostat, manual, 1 set back		0.11	132.00
	Plenum, heating only, 100 MBH		0.14	168.00
	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF		3.5	4,200.00
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		1.27	1,524.00
09 Electrical		**6.03%**	**16.37**	**19,644.00**
	200 amp electric service		1.64	1,968.00
	Electric perimeter heating system, 6' baseboard heater		3.57	4,284.00
	Duplex receptacles using non-metallic sheathed cable		1.35	1,620.00
	Wiring device systems, average to 1200 S.F.		3.73	4,476.00
	Fluorescent strip, recessed, 4' x 2', 4' lamps, economy		1.26	1,512.00
	Light fixture systems, average to 1200 S.F.		1.26	1,512.00
	Communication and alarm systems, includes outlets, boxes, conduit and wire, sound systems, 30 outlets		1.71	2,052.00

Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		1	1,200.00
Fire alarm command center, addressable without voice, excl. wire & conduit		0.85	1,020.00
SubTotal	**100%**	**$271.63**	**$325,956.00**
Contractor Fees (General Conditions,Overhead,Profit)	**10.00%**	**$27.16**	**$32,595.60**
Architectural Fees	**0.00%**	**$0.00**	**$0.00**
User Fees	**0.00%**	**$0.00**	**$0.00**
Total Building Cost		**$298.79**	**$358,551.60**

Ramsey V - Redevelopment TIF District

Code Deficiency Cost Report

Parcel S - 5305 Ramsey St Duluth, MN 55807 - Parcel 010-4470-00490

Mixed Use Building

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Potable Water				
	Connect potable water to building	$ 250.00	Lump	1	$ 250.00
	Elevator				
	Install elevator to create ADA accessible route to all levels	$ 54.79	SF	1200	$ 65,748.00
	Thresholds				
	Modify thresholds to comply with ADA code for height	$ 500.00	EA	2	$ 1,000.00
	Restrooms				
	Install ADA code compliant restroom	$ 4.31	SF	1200	$ 5,172.00
Structural Elements					
					$ -
Exiting					
	Vinyl Flooring				
	Flooring should be replaced to eliminate the trip hazard, creating a code required unimpeded emergency egress from building	$ 1.80	SF	1200	$ 2,160.00
	Stair Railings				
	Install code required stair railings on both stairways	$ 200.00	EA	2	$ 400.00
Fire Protection					
	Smoke Detectors				
	Install code compliant smoke detectors	$ 125.00	EA	6	$ 750.00
	Building Sprinkler System				
	Install code compliant building sprinkler system	$ 4.77	SF	1200	$ 5,724.00
	Emergency Notification System				
	Install code required emergency notification system	$ 0.85	SF	1200	$ 1,020.00
	Arc Fault Circuit Interrupters				
	Install code required AFCI outlets	$ 125.00	EA	4	$ 500.00
Exterior Construction					
	Deck				
	Vertical deck railing members should be modified to comply with code for spacing	$ 500.00	Lump	1	$ 500.00
	Windows				
	Replace windows to prevent water intrusion per code	$ 10.10	SF	1200	$ 12,120.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Roof Construction					
					$ -
Mechanical- Electrical					
	Mechanical				
	Install code compliant HVAC system	$ 7.14	SF	1200	$ 8,568.00
	Electrical				
	Install all code required GFCI outlets	$ 125.00	EA	3	$ 375.00
	Install code required carbon monoxide detectors	$ 125.00	EA	6	$ 750.00
			Total Code Improvements		**$ 105,037**

Ramsey V - Redevelopment TIF District

Photos: Parcel S - Mixed Use Building - 5305 Ramsey Street

P1120283.JPG


P1120285.JPG


P1120286.JPG


P1120287.JPG


P1120288.JPG


P1120289.JPG


P1120290.JPG


P1120291.JPG


P1120292.JPG


P1120293.JPG


P1120294.JPG


P1120296.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel S - Mixed Use Building - 5305 Ramsey Street


P1120298.JPG


P1120299.JPG


P1120300.JPG


P1120301.JPG


P1120302.JPG


P1120303.JPG


P1120304.JPG


P1120305.JPG


P1120306.JPG


P1120307.JPG


P1120308.JPG


P1120309.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel S - Mixed Use Building - 5305 Ramsey Street


P1120310.JPG


P1120311.JPG


P1120312.JPG


P1120313.JPG


P1120314.JPG


P1120315.JPG


P1120316.JPG


P1120317.JPG


P1120318.JPG


P1120319.JPG


P1120320.JPG


P1120321.JPG

Ramsey V - Redevelopment TIF District

Photos: Parcel S - Mixed Use Building - 5305 Ramsey Street

P1120322.JPG

P1120323.JPG

P1120324.JPG

P1120325.JPG

P1120326.JPG

Appendix G

Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 30 (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 30 is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

   The District consists of 17 parcels, with plans to redevelop the area for housing purposes. At least 70 percent of the area of the parcels in 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 in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix F of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that 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 District permitted by the TIF Plan.*

   The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by substandard buildings, the high cost of land assembly from multiple owners and demolition costs, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter and a proforma as justification that the developer would not have gone forward without tax increment assistance.

   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 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 District permitted by the TIF Plan: This finding is justified on the grounds that the cost of assembling multiple parcels of land from various land owners and demolition and site improvement costs add to the total redevelopment cost. Historically, these costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

   Therefore, the City concludes as follows:

   a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is $0.

   b. If the proposed development occurs, the total increase in market value will be $4,329,444.

c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be $1,920,606.

d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than $2,408,838 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. Finding that the TIF Plan for the District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 17 by private enterprise.

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high quality development to the City.

Through the implementation of the TIF Plan, DEDA and the City will increase the availability of safe and decent life-cycle housing in the City.

But-For Analysis	
Current Market Value	1,170,556
New Market Value - Estimate	5,500,000
Difference	4,329,444
Present Value of Tax Increment	1,920,606
Difference	2,408,838
Value Likely to Occur Without TIF is Less Than:	**2,408,838**