

REPORT OF INSPECTION PROCEDURES AND RESULTS
FOR
DETERMINING QUALIFICATIONS
OF A
TAX INCREMENT FINANCING DISTRICT

131 WEST 1st STREET
REDEVELOPMENT TIF DISTRICT

Prepared for

CITY OF DULUTH, MINNESOTA
November 22, 2022



Table of Contents

Part 1: Executive Summary	2
Purpose of the Evaluation.....	2
Scope of Work	2
Conclusion	3
Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements	3
Interior Inspection	3
Exterior Inspection and Other Means	3
Documentation.....	3
Qualification Requirements.....	3
1. Coverage Test	3
2. Condition of Buildings Test	4
3. Distribution of Substandard Buildings	5
Part 3: Procedures Followed	5
Part 4: Findings	5
1. Coverage Test	5
2. Condition of Building Test	6
3. Distribution of Substandard Structures	8
Part 5: Team Credentials	9
Appendices.....	9
APPENDIX A Property Condition Assessment Summary Sheet	
APPENDIX B Building Code, Condition Deficiency and Context Analysis Reports	
APPENDIX C Building Replacement Cost Reports	
Code Deficiency Cost Reports	
Photographs	

Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the City of Duluth to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located at the intersection of North 2nd Avenue West and West 1st Street in Duluth, MN (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether two (2) buildings on one (1) parcel, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1: Proposed TIF District

Scope of Work

The proposed TIF District consists of one (1) parcel with two (2) structures. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are 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 100 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

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

Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

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

Interior Inspection

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

Exterior Inspection and Other Means

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

Documentation

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

Qualification Requirements

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

1. COVERAGE TEST

- a. *Minnesota Statutes, Section 469.174, Subdivision 10(a)(1)* states:

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

- b. 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."

2. CONDITION OF BUILDINGS TEST

- a. 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;"

- b. 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."

- i. 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.
- c. 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 follows 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 based on 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."

- i. 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:
- 1) 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.
 - 2) 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*..."
 - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
 - 4) 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.
 - 5) 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.
 - 6) 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. 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.

3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. 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..."
- b. 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 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 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 two buildings on the interior and exterior on September 19, 2022.

Part 4: Findings

1. Coverage Test

- a. The total square foot area of the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- c. 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 100 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

2. Condition of Building Test

a. BUILDING INSPECTION

- i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether 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.

b. REPLACEMENT COST

- i. 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 2022.
- ii. 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.

- iii. 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.

c. CODE DEFICIENCIES

- i. 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.
- ii. 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.
- iii. 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 a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2022; 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

Two (2) out of two (2) buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then 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.
- ii. 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.
- iii. 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.
- iv. 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, two (2) out of two (2) buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total

significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

3. Distribution of Substandard Structures

- e. 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 34 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 master's 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, Chair of a Metropolitan Planning Organization, and Chair of the Edina Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. 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.

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, Condition Deficiency and Context Analysis Reports
- APPENDIX C** Building Replacement Cost Reports
 - Code Deficiency Cost Reports
 - Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

131 West 1st Street Redevelopment TIF District

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
1A	010-0940-00290	131 West 1st Street	Improved	Interior/Exterior	28,000	28,000	100.0%	28,000	1	\$12,321,498	\$1,848,225	\$4,331,682	1	1
1B	010-0940-00290	131 West 1st Street	Improved	Interior/Exterior	see above	see above	see above	see above	1	\$3,638,996	\$545,849	\$717,206	1	1
TOTALS					28,000	Total Coverage Percent:		28,000	2	Percent of buildings exceeding 15 percent code deficiency threshold:			2	2
					100.0%			Percent of buildings determined substandard:					100.0%	100.0%

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Percent of buildings determined substandard:

100.0%

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APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

131 West 1st Street Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel 1A

Six Story Office Building

Address: 131 West 3rd Street, Duluth, Minnesota 55802
Parcel ID: 010-0940-00290
Inspection Date(s) & Time(s): September 19, 2022, 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:	\$12,321,498
Estimated Cost to Correct Building Code Deficiencies:	\$4,331,682
Percentage of Replacement Cost for Building Code Deficiencies:	35.2%

DEFECTS IN STRUCTURAL ELEMENTS

1. Foundation walls are showing signs of water intrusion which is contrary to code.
2. Interior block bearing walls are cracking showing signs of differential settlement.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible parking.
 - b. There is no code required accessible route into the building.
 - c. There is no code compliant accessible system to access all levels of the building.
 - d. Restrooms do not fully comply with accessibility code.
 - e. Staff break rooms do not comply with accessibility code.
 - f. Drinking fountains do not comply with accessibility code.
2. Light and Ventilation
 - a. The electrical wiring system does not comply with code.
 - b. The lighting system does not comply with code.
 - c. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Exterior stairs do not comply with code for proper exiting.
 - b. Interior stairs do not comply with code.
 - c. Door hardware does not fully comply with code.

- d. Thresholds do not comply with code for maximum height.
 - e. Carpeting is damaged creating an impediment to emergency egress which is contrary to code.
 - f. Smoke detectors do not comply with code.
 - g. The emergency lighting system is not code compliant.
 - h. The emergency notification system is not code compliant.
 - i. The building sprinkler system is not code compliant.
 - j. There is no code required fire caulking at through wall and floor penetrations.
4. Layout and Condition of Interior Partitions/Materials
- a. Ceiling tile is water stained and should be replaced.
 - b. Wallpaper is delaminating and should be repaired/replaced.
 - c. Interior walls should be repaired/repainted.
 - d. Carpeting is worn and should be replaced.
 - e. Interior doors are damaged and should be repaired/replaced.
5. Exterior Construction
- a. Windows are failing allowing for water intrusion which is contrary to code.
 - b. Graffiti should be removed per city code.
 - c. Exterior brick and mortar are cracked/missing allowing for water intrusion which is contrary to code.
 - d. Failed roofing material should be replaced to prevent water intrusion per code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Foundation wall should be protected from water intrusion per code.
- 2. Code required accessible parking should be established.
- 3. A code required accessible route into the building should be created.
- 4. The elevator system should be made code compliant for access to all levels.
- 5. Code compliant restrooms should be created for accessibility.
- 6. Code compliant drinking fountains should be installed.
- 7. Staff break room should be modified to comply with accessibility code.
- 8. The electrical wiring system should be modified to comply with code.
- 9. A code compliant lighting system should be installed.
- 10. A code compliant HVAC system should be installed.
- 11. Exterior stairs do not comply with code for proper exiting.
- 12. Interior stairs do not comply with code.
- 13. Door hardware which is not code compliant should be replaced.
- 14. Thresholds do not comply with code.
- 15. Damaged/torn carpeting should be repaired/replaced to create a code required unimpeded means of emergency egress.
- 16. Code compliant smoke detectors should be installed.
- 17. Code compliant emergency lighting should be installed.
- 18. A code compliant emergency notification system should be installed.

19. A code compliant building sprinkler system should be installed.
20. Code required fire caulking should be installed in all through wall and floor penetrations.
21. Failed windows should be replaced to prevent water intrusion per code.
22. Damaged/cracked exterior brick and mortar should be repaired/replaced to prevent water intrusion per code.
23. Failed roofing material should be replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This six-story office building is currently unoccupied. Exterior surfaces are damaged allowing for water intrusion which is contrary to code. There is no code required accessible route into the building. The elevator system is not code compliant. The smoke detectors are not code compliant. The emergency lighting system is not code compliant. The emergency notification system is not code compliant. The building sprinkler system is not code compliant. Restrooms are not code compliant for accessibility. There is non-compliant door hardware in the building. Carpeting is worn and damaged and should be replaced to create a code required unimpeded means for emergency egress. Walls are damaged and should be repaired/repainted. The HVAC system does not comply with code. The electrical wiring and lighting systems do not comply with code. The foundation is showing signs of water intrusion which is contrary to code. Windows are failing allowing for water intrusion which is contrary to code. The roofing material is failing allowing for water intrusion which is contrary to code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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131 West 1st Street Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel 1B

One Story Office Building

Address: 131 West 1st Street, Duluth, Minnesota 55802
Parcel ID: 010-0940-00290
Inspection Date(s) & Time(s): September 19, 2022, 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:	\$3,638,996
Estimated Cost to Correct Building Code Deficiencies:	\$717,206
Percentage of Replacement Cost for Building Code Deficiencies:	19.7%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible parking
 - b. Stairways do not comply with code.
 - c. There is no code required accessible route to all levels of the building.
2. Light and Ventilation
 - a. Electrical wiring does not comply with code.
 - b. The lighting system does not comply with code.
 - c. The HVAC system is not code compliant.
3. Fire Protection/Adequate Egress
 - a. Thresholds do not comply with code for maximum height.
 - b. Door hardware is not fully code compliant.
 - c. Flooring is damaged creating and impediment to emergency egress which is contrary to code.
 - d. Smoke detectors do not comply with code.
 - e. Through wall penetrations do not have code required fire caulking.

- f. The emergency lighting system does not comply with code.
 - g. The emergency notification system does not comply with code.
 - h. The building sprinkler system does not comply with code.
4. Layout and Condition of Interior Partitions/Materials
- a. Interior walls should be repaired/repainted.
 - b. Interior acoustical ceilings should be repaired/replaced.
5. Exterior Construction
- a. Expansion joint caulking is failing allowing for water intrusion which is contrary to code.
 - b. Exterior brick/block and mortar is damaged/cracked allowing for water intrusion which is contrary to code.
 - c. Graffiti is present on exterior surfaces and should be removed per code.
 - d. Roofing material has failed allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Steel lintels should be protected from rusting per code.
- 2. Code require accessible parking should be created.
- 3. Stairways should be modified to comply with code.
- 4. A code required accessible route to all levels should be created.
- 5. Electrical wiring does not comply with code.
- 6. The lighting system does not comply with code.
- 7. A code compliant HVAC system should be installed.
- 8. Thresholds should be modified to comply with code for maximum height.
- 9. Code compliant door hardware should be installed.
- 10. Damaged flooring should be repaired/replaced to create a code required unimpeded means for emergency egress.
- 11. Code required fire caulking should be installed at all through wall penetrations.
- 12. Code compliant smoke detectors should be installed.
- 13. Code compliant emergency lighting should be installed.
- 14. A code compliant emergency notification system should be installed.
- 15. A code compliant building sprinkler system should be installed.
- 16. Failed windows should be replaced to prevent water intrusion per code.
- 17. Failed caulking should be replaced to prevent water intrusion per code.
- 18. Exterior brick and mortar that is damaged/missing should be replaced to prevent water intrusion per code.
- 19. Graffiti should be removed to comply with code.
- 20. Failed roofing material should be removed/replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This former supermarket building was converted to office space. Exterior brick, mortar and caulking is failing allowing for water intrusion which is contrary to code. Roofing material and windows are failing allowing for water intrusion which is contrary to code. Electrical wiring and lighting do not comply with code. Interior walls should be repaired/repainted. The HVAC system does not comply with code. There is no code compliant access to all levels of the building. Damaged/missing ceiling tile should be replaced. Graffiti should be removed per city code. Door hardware does not fully comply with code. Life safety systems do not comply with code. Damaged flooring should be repaired/replaced to create a code required unimpeded means for emergency egress. Stairs are not code compliant.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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APPENDIX C

Building Replacement Cost Reports

Code Deficiency Cost Reports

Photographs

131 West 1st Street Redevelopment TIF District


Replacement Cost Report

RSMeans data
by BIRDAIAN

Square Foot Cost Estimate Report

Date:

9/20/2022

Estimate Name:	131 W 1st St 6 story	
Building Type:	Office, 5-10 Story with Brick Veneer / Reinforced Concrete	
Location:	DULUTH, MN	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Story Count:	6	
Story Height (L.F.):	12.00	
Floor Area (S.F.):	45000	
Labor Type:	OPN	
Basement Included:	Yes	
Data Release:	Year 2022 Quarter 3	
Cost Per Square Foot:	\$273.81	
Building Cost:	\$12,321,498.42	

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		4.16%	\$9.90	\$445,594.23
A1010	Standard Foundations			\$5.09	\$228,853.93
A10101103100	Strip footing, concrete, reinforced, load 14.8 KLF, soil bearing capacity 6 KSF, 12" deep x 32" wide	380		\$0.55	\$24,702.47
A10102108010	Spread footings, 3000 PSI concrete, load 500K, soil bearing capacity 6 KSF, 9' - 6" square x 30" deep	52.08		\$4.54	\$204,151.46
A1030	Slab on Grade			\$1.21	\$54,600.53
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	7500		\$1.21	\$54,600.53
A2010	Basement Excavation			\$0.72	\$32,484.53
A20101104620	Excavate and fill, 10,000 SF, 8' deep, sand, gravel, or common earth, on site storage	7500		\$0.72	\$32,484.53
A2020	Basement Walls			\$2.88	\$129,655.24
A20201107280	Foundation wall, CIP, 12' wall height, pumped, .52 CY/LF, 24.29 PLF, 14" thick	380		\$2.88	\$129,655.24
B	Shell		56.25%	\$133.93	\$6,026,887.24
B1010	Floor Construction			\$93.86	\$4,223,871.47
B10102031250	Cast-in-place concrete column, 20" square, tied, 500K load, 12' story height, 394 lbs/LF, 4000PSI	624.91		\$2.40	\$107,913.14
B10102049913	Cast-in-place concrete column, 12", square, tied, minimum reinforcing, 150K load, 10'-14' story height, 135 lbs/LF, 4000PSI	760		\$1.31	\$59,045.01
B10102049918	Cast-in-place concrete column, 16", square, tied, minimum reinforcing, 300K load, 10'-14' story height, 240 lbs/LF, 4000PSI	760		\$1.84	\$83,020.88
B10102049924	Cast-in-place concrete column, 20", square, tied, minimum reinforcing, 500K load, 10'-14' story height, 375 lbs/LF, 4000PSI	1520		\$5.40	\$242,886.88
B10102154450	Concrete I beam, precast, 18" x 36", 790 PLF, 25' span, 6.44 KLF superimposed load	5783.6		\$59.56	\$2,680,416.36
B10102221720	Flat slab, concrete, with drop panels, 6" slab/2.5" panel, 12" column, 15'x15' bay, 75 PSF superimposed load, 153 PSF total load	7500		\$3.10	\$139,650.00
B10102357550	Precast concrete double T beam, 2" topping, 24" deep x 8' wide, 50' span, 30 PSF superimposed load, 120 PSF total load	37500		\$16.76	\$754,269.00
B10102357800	Precast concrete double T beam, 2" topping, 24" deep x 8' wide, 50' span, 75 PSF superimposed load, 165 PSF total load	7500		\$3.48	\$156,670.20
B2010	Exterior Walls			\$22.33	\$1,004,852.91
B20101321201	Brick wall, composite double wythe, standard face/CMU back-up, 8" thick, perlite core fill, 3" XPS	21888		\$22.33	\$1,004,852.91
B2020	Exterior Windows			\$15.22	\$685,003.57
B20201066850	Windows, aluminum, sliding, insulated glass, 5' x 3'	364.8		\$15.22	\$685,003.57
B2030	Exterior Doors			\$0.48	\$21,635.86
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	1.69		\$0.33	\$14,977.36
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	1.69		\$0.15	\$6,658.50

B3010	Roof Coverings			\$1.75	\$78,613.46
B30101203400	Roofing, single ply membrane, EPDM, 60 mils, loosely laid, stone ballast	7500		\$0.37	\$16,575.53
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	7500		\$0.88	\$39,775.05
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	380		\$0.31	\$13,968.71
B30104300040	Flashing, aluminum, no backing sides, .019"	380		\$0.09	\$4,269.40
B30106305200	Gravel stop, aluminum, extruded, 4", duranodic, .050" thick	380		\$0.09	\$4,024.77
B3020	Roof Openings			\$0.29	\$12,909.97
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	3.38		\$0.13	\$5,825.29
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	3.38		\$0.16	\$7,084.68
C	Interiors		11.82%	\$28.15	\$1,266,537.08
C1010	Partitions			\$3.48	\$156,383.16
C10101049000	Concrete block (CMU) partition, light weight, hollow, 6" thick, no finish, foamed in insulation	4500		\$1.08	\$48,546.95
C10101265400	Metal partition, 5/8" fire rated gypsum board face, no base, 3'-5/8" @ 24" OC framing, same opposite face, no insulation	6000		\$0.62	\$27,718.62
C10101265425	Metal partition, 5/8" fire rated gypsum board face, no base, 3'-5/8" @ 24" OC framing, same opposite face, sound attenuation insulation	4500		\$0.61	\$27,593.73
C10101280646	Furring 1 side only, steel channels, 3/4", 24" OC	4500		\$0.20	\$8,944.34
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	4500		\$0.10	\$4,481.01
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	21888		\$0.48	\$21,795.63
C10101280960	Add for the following: taping and finishing	4500		\$0.07	\$2,950.70
C10101280960	Add for the following: taping and finishing	21888		\$0.32	\$14,352.18
C1020	Interior Doors			\$4.38	\$197,324.87
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	127.48		\$4.38	\$197,324.87
C1030	Fittings			\$0.23	\$10,310.16
C10301100420	Toilet partitions, cubicles, ceiling hung, plastic laminate	9.56		\$0.23	\$10,310.16
C2010	Stair Construction			\$4.14	\$186,457.05
C20101100720	Stairs, steel, pan tread for conc in-fill, picket rail, 12 risers w/ landing	14.62		\$4.14	\$186,457.05
C3010	Wall Finishes			\$0.93	\$42,042.25
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	30000		\$0.54	\$24,307.50
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	21888		\$0.39	\$17,734.75
C3020	Floor Finishes			\$5.11	\$230,049.14
C30204100080	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 35 oz	27000		\$3.56	\$160,236.36
C30204101600	Vinyl, composition tile, maximum	13500		\$0.73	\$32,644.49
C30204101720	Tile, ceramic natural clay	4500		\$0.83	\$37,168.29
C3030	Ceiling Finishes			\$9.87	\$443,970.45
C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support	45000		\$9.87	\$443,970.45
D	Services		27.77%	\$66.12	\$2,975,327.90
D1010	Elevators and Lifts			\$18.28	\$822,430.13
D10101109400	Traction, geared passenger, 3500 lb, 8 floors, 12' story height, 2 car group, 200 FPM	2.25		\$18.28	\$822,430.13
D2010	Plumbing Fixtures			\$2.30	\$103,323.09
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	9.56		\$0.96	\$43,084.70
D20102102000	Urinal, vitreous china, wall hung	3.38		\$0.11	\$5,060.27
D20103101560	Lavatory w/trim, vanity top, PE on Cl, 20" x 18"	6.19		\$0.27	\$12,146.53
D20104404340	Service sink w/trim, PE on Cl, wall hung w/rim guard, 24" x 20"	4.5		\$0.68	\$30,423.71
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	4.5		\$0.28	\$12,607.88

D2020	Domestic Water Distribution			\$0.80	\$35,821.44
D20202502060	Gas fired water heater, commercial, 100 < F rise, 200 MBH input, 192 GPH	1.8		\$0.80	\$35,821.44
D2040	Rain Water Drainage			\$0.35	\$15,947.91
D20402104280	Roof drain, CI, soil,single hub, 5" diam, 10' high	3.38		\$0.23	\$10,482.26
D20402104320	Roof drain, CI, soil,single hub, 5" diam, for each additional foot add	87.4		\$0.12	\$5,465.65
D3050	Terminal & Package Units			\$18.53	\$833,937.75
D30501553960	Rooftop, multizone, air conditioner, offices, 25,000 SF, 79.16 ton	45000		\$18.53	\$833,937.75
D4010	Sprinklers			\$3.16	\$142,002.62
D40104100620	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF	5850		\$0.51	\$22,857.12
D40104100740	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 10,000 SF	39600		\$2.48	\$111,557.56
D40104108940	Standard High Rise Accessory Package 8 story	0.56		\$0.17	\$7,587.94
D4020	Standpipes			\$2.29	\$102,828.18
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	1.35		\$0.38	\$17,105.07
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	9.45		\$0.62	\$27,868.66
D40204103650	Fire pump, electric, with controller, 5" pump, 100 HP, 1000 GPM	1		\$1.15	\$51,777.60
D40204103700	Fire pump, electric, for jockey pump system, add	1		\$0.14	\$6,076.85
D5010	Electrical Service/Distribution			\$2.67	\$120,294.33
D50101301400	Underground service installation, includes excavation, backfill, and compaction, 100' length, 4' depth, 3 phase, 4 wire, 277/480 volts, 800 A	1.25		\$1.17	\$52,599.13
D50102300200	Feeder installation 600 V, including RGS conduit and XHHW wire, 60 A	100		\$0.04	\$2,009.11
D50102300280	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	100		\$0.12	\$5,232.75
D50102300400	Feeder installation 600 V, including RGS conduit and XHHW wire, 800 A	100		\$0.53	\$23,994.70
D50102400540	Switchgear installation, incl switchboard, panels & circuit breaker, 277/480 V, 800 A	1.2		\$0.81	\$36,458.64
D5020	Lighting and Branch Wiring			\$14.75	\$663,639.39
D50201100640	Receptacles incl plate, box, conduit, wire, 16.5 per 1000 SF, 2.0 W per SF, with transformer	45000		\$5.31	\$238,984.65
D50201350320	Miscellaneous power, 1.2 watts	45000		\$0.38	\$17,194.50
D50201400280	Central air conditioning power, 4 watts	45000		\$0.73	\$32,709.15
D50201452080	Motor installation, three phase, 460 V, 15 HP motor size	4		\$0.24	\$10,578.86
D50201550440	Motor feeder systems, three phase, feed to 200 V 5 HP, 230 V 7.5 HP, 460 V 15 HP, 575 V 20 HP	200		\$0.06	\$2,499.37
D50201700320	Motor connections, three phase, 200/230/460/575 V, up to 5 HP	1		\$0.00	\$127.73
D50201700560	Motor connections, three phase, 200/230/460/575 V, up to 100 HP	1		\$0.01	\$595.09
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	51750		\$8.02	\$360,950.04
D5030	Communications and Security			\$3.00	\$135,103.06
D50303101020	Telephone wiring for offices & laboratories, 8 jacks/MSF	33750		\$1.72	\$77,455.24
D50309100456	Communication and alarm systems, fire detection, addressable, 100 detectors, includes outlets, boxes, conduit and wire	0.56		\$1.08	\$48,659.29
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	0.56		\$0.20	\$8,988.53
D50309200110	Internet wiring, 8 data/voice outlets per 1000 S.F.	1		\$0.00	\$0.00

E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal		100%	\$238.10	\$10,714,346.45
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$35.71	\$1,607,151.97
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$273.81	\$12,321,498.42

131 West 1st Street Redevelopment TIF District

Code Deficiency Cost Report

Parcel 1A - 131 West 1st Street, Duluth, Minnesota 55802

Parcel ID 010-0940-00290

Building Name or Type

Six Story Office Building

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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Accessibility Items

Access

Create a code required accessible route into the building	\$ 1,500.00	Lump	1	\$	1,500.00
Install a code compliant elevator	\$ 18.28	SF	45,000	\$	822,600.00

Restrooms

Modify restrooms to comply with accessibility code	\$ 1.57	SF	48,000	\$	75,360.00
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Drinking Fountains

Install code compliant drinking fountains	\$ 0.28	SF	48,000	\$	13,440.00
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Staff Break Room

Modify staff break room to comply with accessibility code	\$ 8.30	SF	2,400	\$	19,920.00
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Structural Elements

Foundation Walls

Protect foundation wall from water intrusion per code	\$ 5.00	SF	7,500	\$	37,500.00
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Exiting

Exterior Stairs

Modify exterior stairs to comply with code for secondary exit	\$ 7.31	SF	45,000	\$	328,950.00
Modify interior stairs to comply with code	\$ 2.00	SF	45,000	\$	90,000.00

Thresholds

Modify thresholds to comply with code for maximum height	\$ 1,500.00	Lump	1	\$	1,500.00
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Door Hardware

Install code compliant door hardware	\$ 250.00	EA	75	\$	18,750.00
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Carpeting

Repair/replace damaged carpeting to create an unimpeded means for emergency egress per code	\$ 3.56	SF	27,000	\$	96,120.00
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Fire Protection

Smoke Detectors

Install code required smoke detectors	\$ 2.24	SF	45,000	\$	100,800.00
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Emergency Lighting System

Install code compliant emergency lighting system	\$ 1.55	SF	45,000	\$	69,750.00
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Emergency Notification System

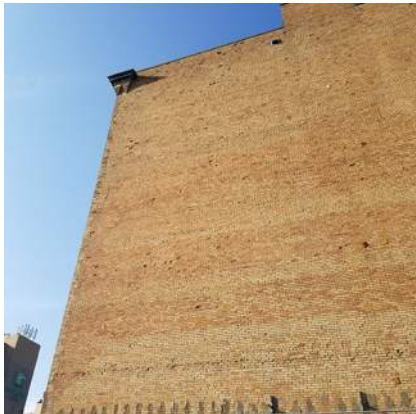
Install code compliant emergency notification system	\$ 0.20	SF	45,000	\$	9,000.00
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Building Sprinkler System

Install code compliant building sprinkler system	\$ 5.45	SF	45,000	\$	245,250.00
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Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Fire Caulking				
	Install code required fire caulking at all wall and floor penetrations per code	\$ 0.10	SF	45,000	\$ 4,500.00
Exterior Construction					
	Concrete Block and Mortar				
	Repair/replace damaged concrete block and mortar to prevent water intrusion per code	\$ 9.00	Lump	21,888	\$ 196,992.00
	Windows				
	Replace failed windows to prevent water intrusion per code	\$ 15.22	Lump	45,000	\$ 684,900.00
Roof Construction					
	Roofing Material				
	Remove failed roofing material	\$ 0.55	SF	7,500	\$ 4,125.00
	Install roofing material to prevent water intrusion per code	\$ 1.75	SF	7,500	\$ 13,125.00
Mechanical- Electrical					
	Mechanical				
	Install code compliant HVAC system	\$ 18.53	SF	45,000	\$ 833,850.00
	Electrical				
	Install code complaint electrical wiring	\$ 6.73	SF	45,000	\$ 302,850.00
	Install code compliant lighting system	\$ 8.02	SF	45,000	\$ 360,900.00
Total Code Improvements					\$ 4,331,682

131 West 1st Street Redevelopment TIF District | Parcel 1A



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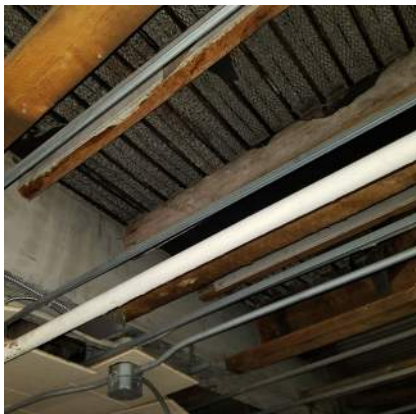
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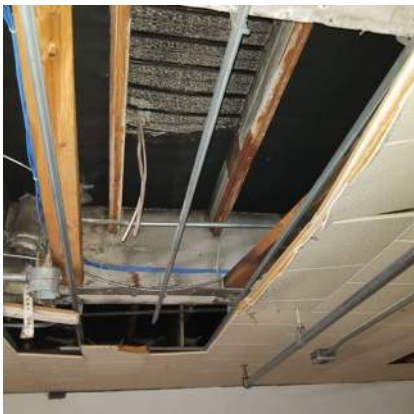
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131 West 1st Street Redevelopment TIF District | Parcel 1A



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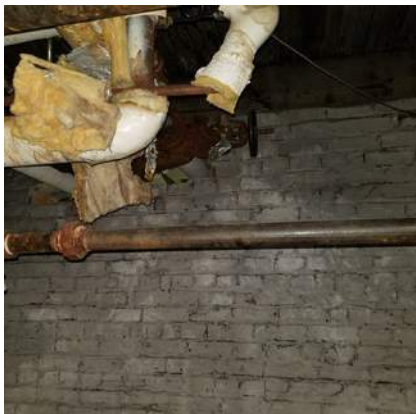
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131 West 1st Street Redevelopment TIF District | Parcel 1A



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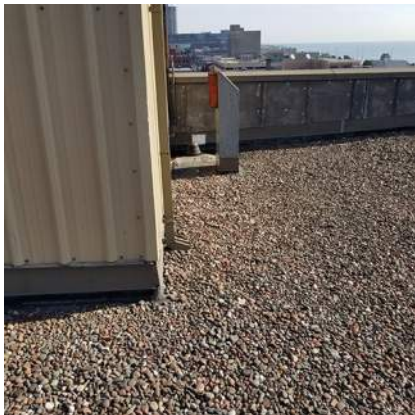
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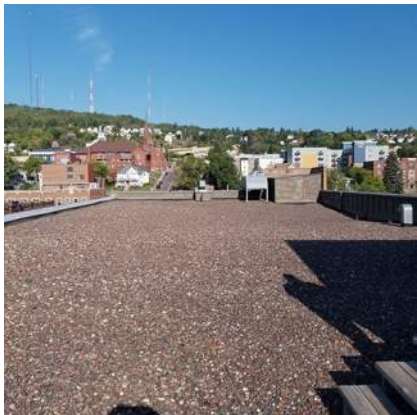
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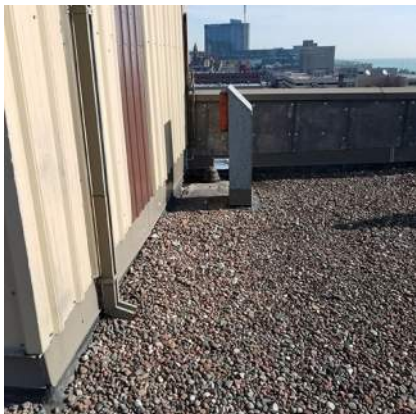
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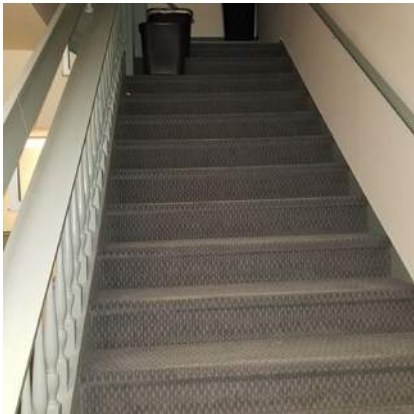


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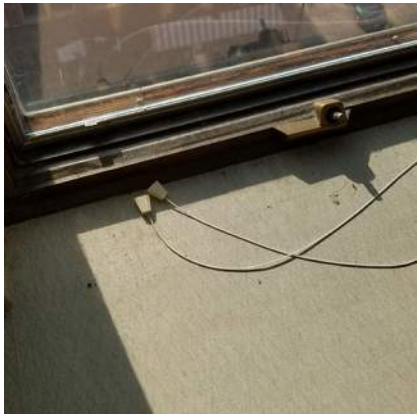
131 West 1st Street Redevelopment TIF District | Parcel 1A



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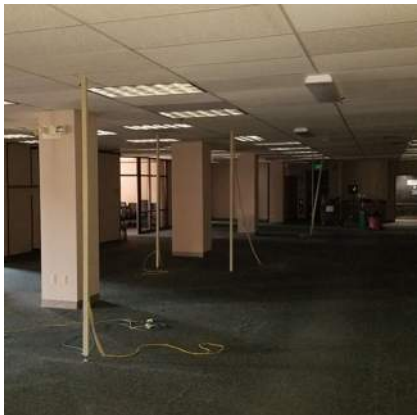
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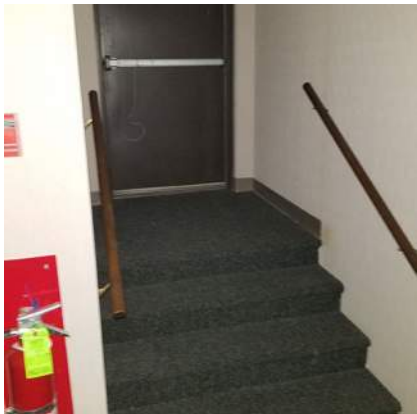
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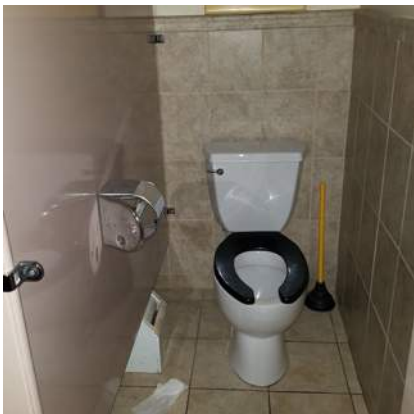
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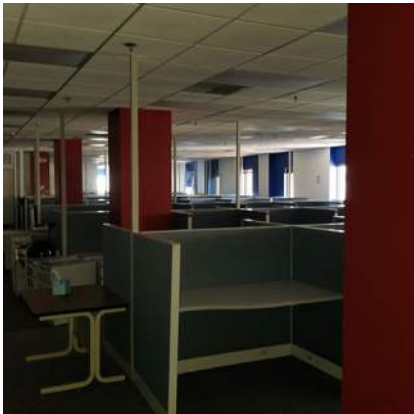


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131 West 1st Street Redevelopment TIF District | Parcel 1A



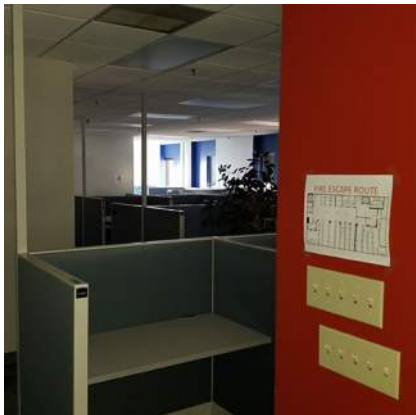
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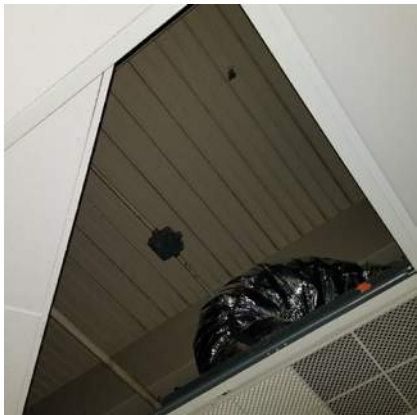
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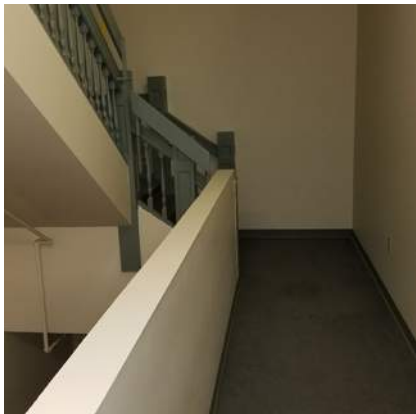
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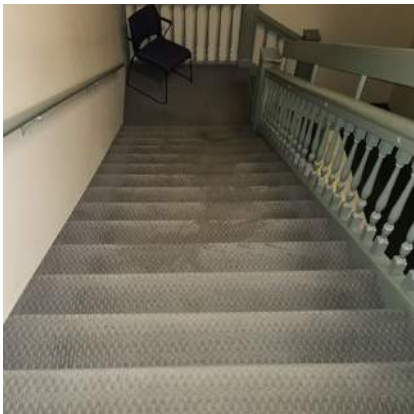
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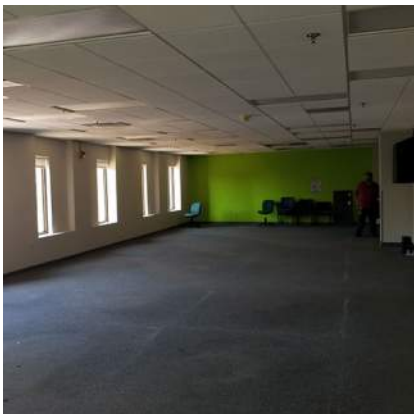
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131 West 1st Street Redevelopment TIF District | Parcel 1A



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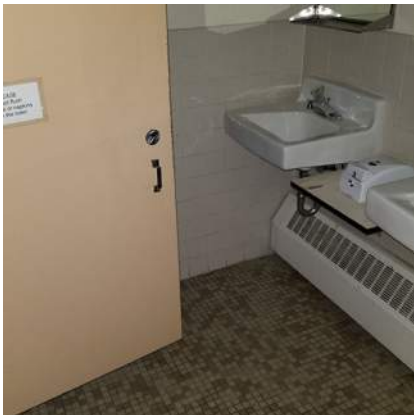
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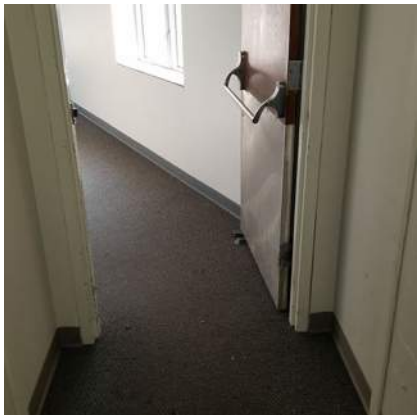
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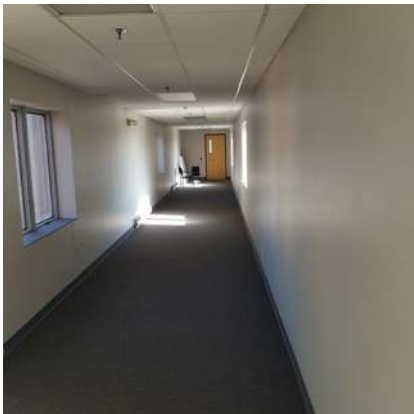
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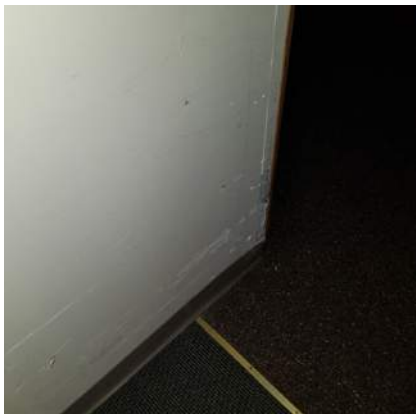
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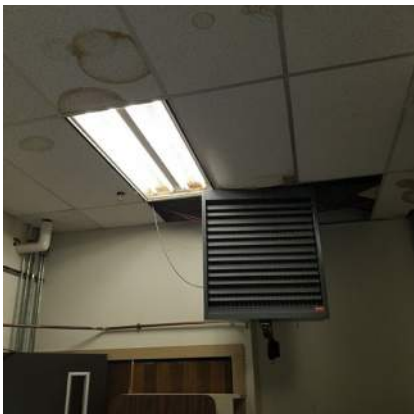
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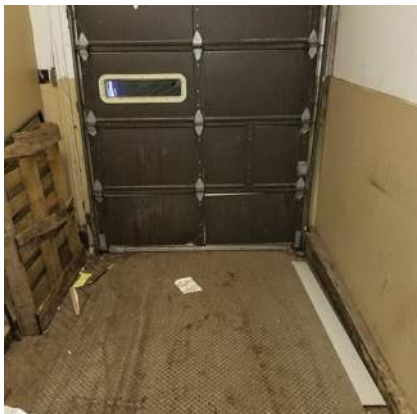
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131 West 1st Street Redevelopment TIF District | Parcel 1A



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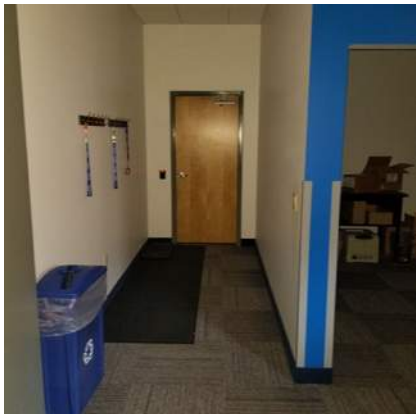
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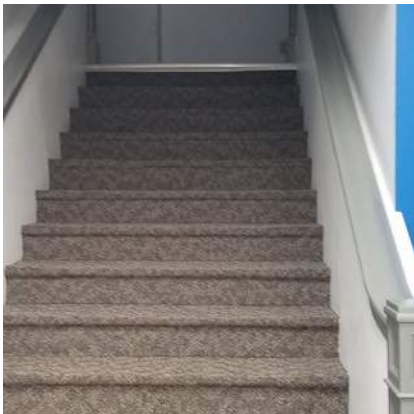
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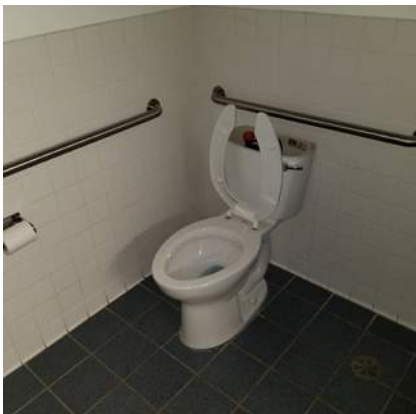
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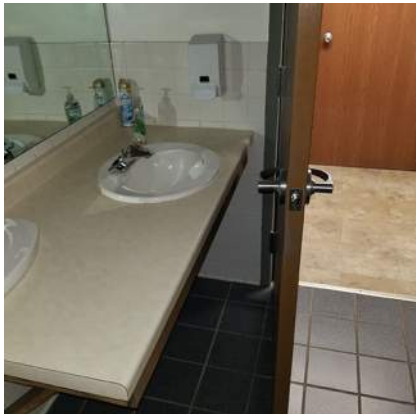


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131 West 1st Street Redevelopment TIF District | Parcel 1A



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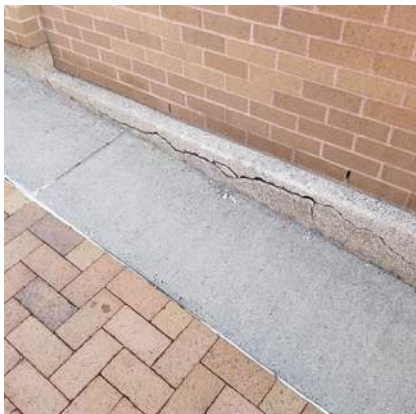
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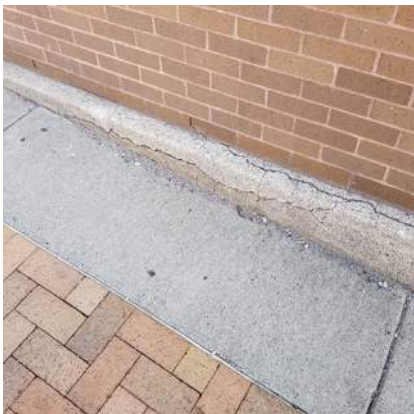
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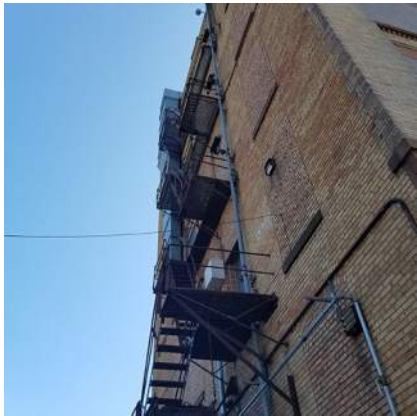
131 West 1st Street Redevelopment TIF District | Parcel 1A



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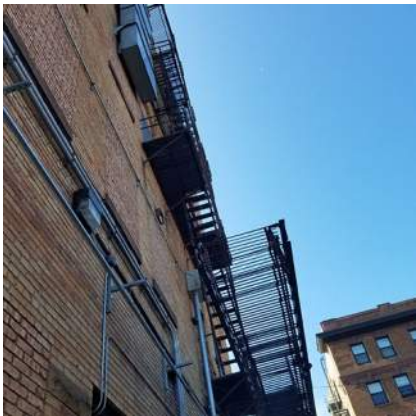
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131 West 1st Street Redevelopment TIF District

Replacement Cost Report

RSMeans data
from BIRLIAN

Square Foot Cost Estimate Report

Date:

10/9/2022

Estimate Name: **131 W 1st St 1 Story Building**
 Building Type: **Brick Veneer / Reinforced Concrete**
 Location: **DULUTH, MN**
 Story Count: **1**
 Story Height (L.F.): **16.00**
 Floor Area (S.F.): **15100**
 Labor Type: **STD**
 Basement Included: **Yes**
 Data Release: **Year 2021 Quarter 1**
 Cost Per Square Foot: **\$240.99**
 Building Cost: **\$3,638,996.84**



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

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		12.86%	\$26.95	\$406,910.69
A1010	Standard Foundations			\$5.09	\$76,807.62
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	550		\$1.78	\$26,808.38
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	99.8		\$3.31	\$49,999.24
A1030	Slab on Grade			\$6.54	\$98,813.80
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	15100		\$6.54	\$98,813.80
A2010	Basement Excavation			\$4.26	\$64,291.12
A20101104620	Excavate and fill, 10,000 SF, 8' deep, sand, gravel, or common earth, on site storage	15100		\$4.26	\$64,291.12
A2020	Basement Walls			\$11.06	\$166,998.15
A20201107260	Foundation wall, CIP, 12' wall height, pumped, .444 CY/LF, 21.59 PLF, 12" thick	550		\$11.06	\$166,998.15
B	Shell		57.99%	\$121.53	\$1,835,069.95
B1010	Floor Construction			\$81.49	\$1,230,508.24
B10102030860	Cast-in-place concrete column, 12" square, tied, 200K load, 12' story height, 142 lbs/LF, 4000PSI	1197.56		\$7.87	\$118,903.14
B10102049918	Cast-in-place concrete column, 16", square, tied, minimum reinforcing, 300K load, 10'-14' story height, 240 lbs/LF, 4000PSI	588.5		\$4.46	\$67,282.03
B10102154450	Concrete I beam, precast, 18" x 36", 790 PLF, 25' span, 6.44 KLF superimposed load	1309		\$33.11	\$499,911.29
B10102221720	Flat slab, concrete, with drop panels, 6" slab/2.5" panel, 12" column, 15'x15' bay, 75 PSF superimposed load, 153 PSF total load	15100		\$17.93	\$270,724.88
B10102357800	Precast concrete double T beam, 2" topping, 24" deep x 8' wide, 50' span, 75 PSF superimposed load, 165 PSF total load	15100		\$18.12	\$273,686.90
B2010	Exterior Walls			\$24.62	\$371,789.66
B20101321201	Brick wall, composite double wythe, standard face/CMU back-up, 8" thick, perlite core fill, 3" XPS	7480		\$24.62	\$371,789.66
B2020	Exterior Windows			\$5.48	\$82,764.37
B20202101100	Aluminum flush tube frame, for 1/4" glass, 1-3/4"x4", 5'x6' opening, no intermediate horizontals	88		\$0.19	\$2,813.11
B20202202500	Glazing panel, plate glass, 1/2" thick, tinted	1232		\$5.29	\$79,951.26
B2030	Exterior Doors			\$1.60	\$24,096.02
B20301108200	Door, aluminum & glass, sliding entrance, 5' x 7' door, electric operator, 12'-0" x 7'-6" opening	1.37		\$1.08	\$16,344.27
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	1.37		\$0.26	\$3,973.18
B20302204550	Door, steel 24 gauge, overhead, sectional, electric operator, 8'-0" x 8'-0" opening	1.03		\$0.25	\$3,778.57

B3010	Roof Coverings			\$7.81	\$117,958.44
B30101203400	Roofing, single ply membrane, EPDM, 60 mils, loosely laid, stone ballast	15100		\$1.99	\$30,037.22
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	15100		\$4.20	\$63,481.91
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	550		\$1.13	\$17,101.37
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	550		\$0.49	\$7,337.94
B3020	Roof Openings			\$0.53	\$7,953.22
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1		\$0.09	\$1,365.50
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3'; not incl hand winch operator	4		\$0.44	\$6,587.72
C	Interiors		8.29%	\$17.37	\$262,266.66
C1010	Partitions			\$2.94	\$44,447.54
C10101045500	Concrete block (CMU) partition, light weight, hollow, 6" thick, no finish	906		\$0.70	\$10,591.29
C10101265800	Metal partition, 5/8" fire rated gypsum board face, 1/4" sound deadening gypsum board, 2-1/2" @ 24", same opposite face, no insulation	2718		\$1.33	\$20,023.26
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	7480		\$0.55	\$8,285.07
C10101280960	Add for the following: taping and finishing	7480		\$0.37	\$5,547.92
C1020	Interior Doors			\$0.64	\$9,720.10
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	7.55		\$0.64	\$9,720.10
C1030	Fittings			\$0.09	\$1,354.21
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	1.03		\$0.09	\$1,354.21
C3010	Wall Finishes			\$1.32	\$19,959.92
C30102202000	2 coats paint on masonry with block filler	1812		\$0.46	\$6,980.37
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	5436		\$0.36	\$5,462.75
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	7480		\$0.50	\$7,516.80
C3020	Floor Finishes			\$3.26	\$49,177.08
C30204101600	Vinyl, composition tile, maximum	15100		\$3.26	\$49,177.08
C3030	Ceiling Finishes			\$9.11	\$137,607.81
C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support	15100		\$9.11	\$137,607.81
D	Services		20.86%	\$43.72	\$660,097.78
D1010	Elevators and Lifts			\$5.26	\$79,370.40
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1		\$5.26	\$79,370.40
D2010	Plumbing Fixtures			\$1.44	\$21,769.22
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	1.03		\$0.25	\$3,838.43
D20102102000	Urinal, vitreous china, wall hung	0.34		\$0.04	\$536.20
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	0.69		\$0.08	\$1,201.80
D20104102000	Kitchen sink w/trim, countertop, stainless steel, 43" x 22" double bowl	4.46		\$0.81	\$12,183.20
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	0.34		\$0.11	\$1,692.08
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	0.69		\$0.15	\$2,317.51
D2020	Domestic Water Distribution			\$0.31	\$4,641.03
D20202501900	Gas fired water heater, commercial, 100< F rise, 115 MBH input, 110 GPH	0.34		\$0.31	\$4,641.03
D2040	Rain Water Drainage			\$1.30	\$19,658.17
D20402104360	Roof drain, CI, soil, single hub, 6" diam, 10' high	2.92		\$0.69	\$10,446.89
D20402104400	Roof drain, CI, soil, single hub, 6" diam, for each additional foot add	120.11		\$0.61	\$9,211.28
D3050	Terminal & Package Units			\$5.63	\$85,044.86
D30501503420	Rooftop, single zone, air conditioner, food supermarkets, 44,000 SF, 80 ton	15100		\$5.63	\$85,044.86

D4010	Sprinklers			\$3.87	\$58,390.79
D40104100620	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF	15100		\$3.87	\$58,390.79
D4020	Standpipes			\$0.72	\$10,895.64
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	0.34		\$0.26	\$3,877.02
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	2.75		\$0.46	\$7,018.62
D5010	Electrical Service/Distribution			\$8.10	\$122,315.09
D50101200520	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 1600 A	1.25		\$2.19	\$33,050.38
D50102300520	Feeder installation 600 V, including RGS conduit and XHHW wire, 1600 A	100		\$2.80	\$42,240.10
D50102400360	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 1600 A	1.2		\$3.11	\$47,024.61
D5020	Lighting and Branch Wiring			\$14.58	\$220,135.17
D50201100480	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 W per SF, with transformer	15704		\$3.96	\$59,823.45
D50201350280	Miscellaneous power, 1 watt	15100		\$0.34	\$5,203.16
D50201400280	Central air conditioning power, 4 watts	15100		\$0.77	\$11,611.45
D50202100540	Fluorescent fixtures recess mounted in ceiling, 2.4 watt per SF, 60 FC, 15 fixtures @ 32 watt per 1000 SF	15100		\$9.50	\$143,497.11
D5030	Communications and Security			\$2.51	\$37,877.41
D50309100456	Communication and alarm systems, fire detection, addressable, 100 detectors, includes outlets, boxes, conduit and wire	0.38		\$2.13	\$32,207.85
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	0.34		\$0.30	\$4,575.82
D50309200102	Internet wiring, 2 data/voice outlets per 1000 S.F.	1.51		\$0.07	\$1,093.74
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$209.56	\$3,164,345.08
Contractor Fees (General Conditions,Overhead,Profit)			15.0%	\$31.43	\$474,651.76
Architectural Fees			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$240.99	\$3,638,996.84

131 West 1st Street Redevelopment TIF District

Code Deficiency Cost Report

Parcel 1B - 131 West 31st Street, Duluth, Minnesota 55802

Parcel ID 010-0940-00290

Building Name or Type

One Story Office Building

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Parking				
	Create code required accessible parking	\$ 100.00	EA	1	\$ 100.00
	Accessible Route				
	Create a code required accessible route to all levels	\$ 5.26	SF	15,100	\$ 79,426.00
Structural Elements					
	Steel Lintels				
	Protect steel lintels from rusting per code	\$ 500.00	Lump	1	\$ 500.00
Exiting					
	Stairs				
	Modify stairs to comply with code	\$ 3.27	SF	15,100	\$ 49,377.00
	Thresholds				
	Modify thresholds to comply with maximum height	\$ 250.00	EA	3	\$ 750.00
	Door Hardware				
	Install code compliant door hardware	\$ 250.00	EA	10	\$ 2,500.00
	Flooring				
	Repair/replace damaged flooring to create a code required unimpeded means for emergency egress	\$ 1,000.00	Lump	1	\$ 1,000.00
Fire Protection					
	Fire Caulking				
	Install code required fire caulking at through wall, floor, and ceiling penetrations	\$ 0.27	SF	15,100	\$ 4,077.00
	Smoke Detectors				
	Install code compliant smoke detectors	\$ 2.13	SF	15,100	\$ 32,163.00
	Emergency Lighting				
	Install code compliant emergency lighting system	\$ 2.25	SF	15,100	\$ 33,975.00
	Emergency Notification System				
	Install a code compliant emergency notification system	\$ 0.30	SF	15,100	\$ 4,530.00
	Building Sprinkler System				
	Install a code compliant building sprinkler system	\$ 4.59	SF	15,100	\$ 69,309.00
Exterior Construction					
	Windows				
	Replace failing windows to prevent water intrusion per code	\$ 0.25	SF	15,100	\$ 3,775.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Expansion Joint Caulking				
	Replace failed expansion joint caulking to prevent water intrusion per code	\$ 0.20	SF	15,100	\$ 3,020.00
	Brick and Mortar				
	Replace/repair damaged/missing brick and mortar to prevent water intrusion per code	\$ 1,500.00	Lump	1	\$ 1,500.00
	Graffiti				
	Remove graffiti per city code	\$ 250.00	Lump	1	\$ 250.00
Roof Construction					
	Roofing Material				
	Remove/replace failed roofing material to prevent water intrusion per code	\$ 8.34	SF	15,100	\$ 125,934.00
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 5.63	SF	15,100	\$ 85,013.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 5.07	SF	15,100	\$ 76,557.00
	Install a code compliant electrical lighting system	\$ 9.50	SF	15,100	\$ 143,450.00
Total Code Improvements					\$ 717,206

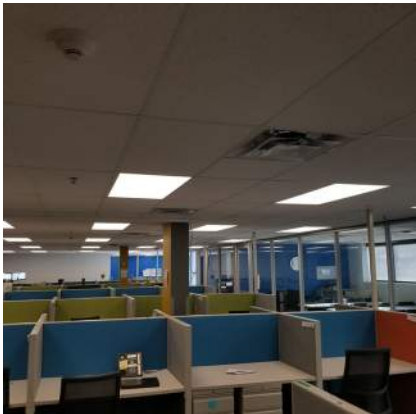
131 West 1st Street Redevelopment TIF District | Parcel 1B



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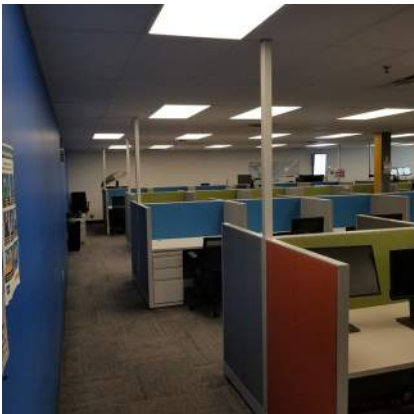
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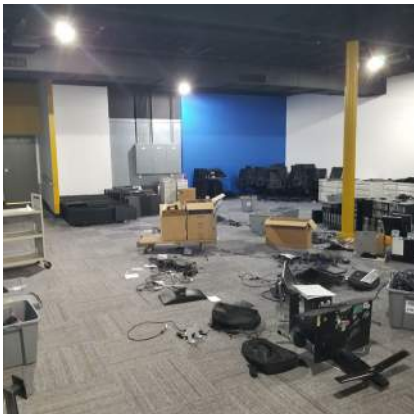
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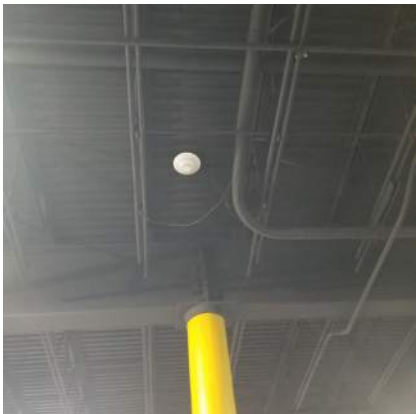
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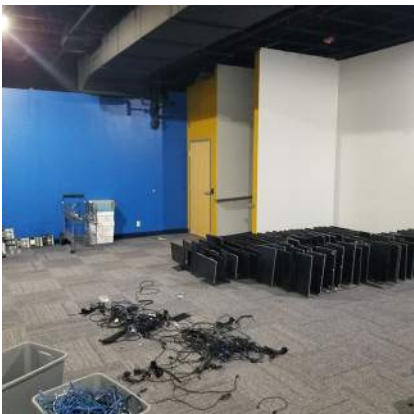
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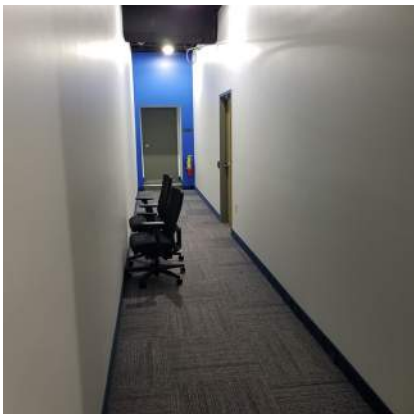
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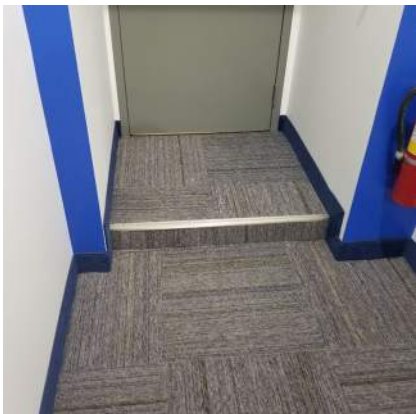
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131 West 1st Street Redevelopment TIF District | Parcel 1B



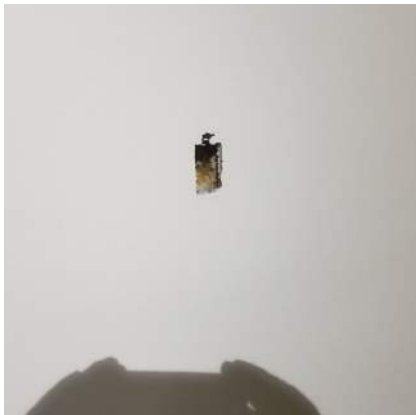
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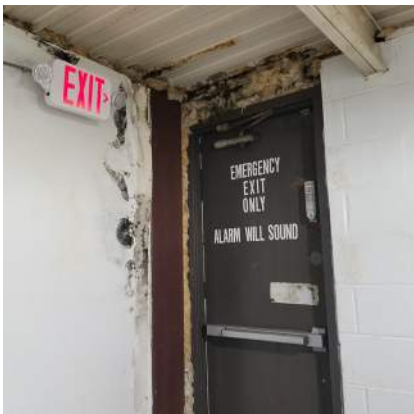
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131 West 1st Street Redevelopment TIF District | Parcel 1B



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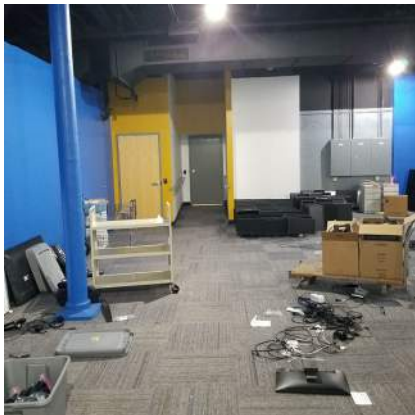
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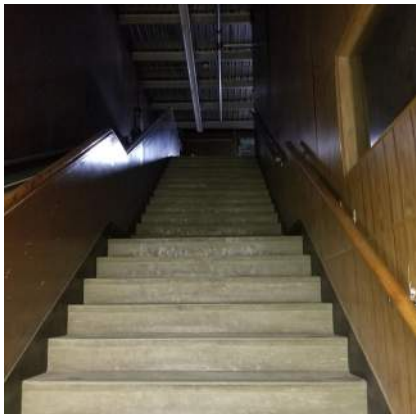
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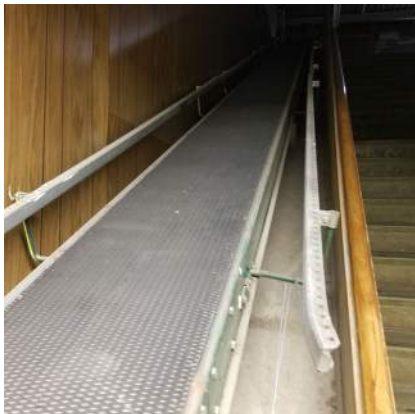
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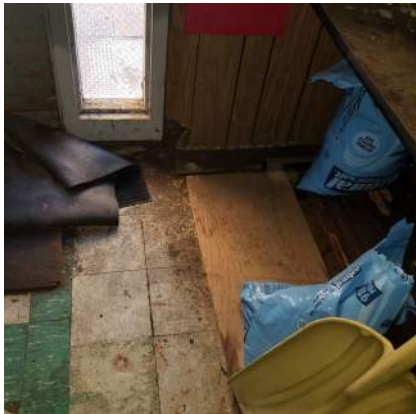


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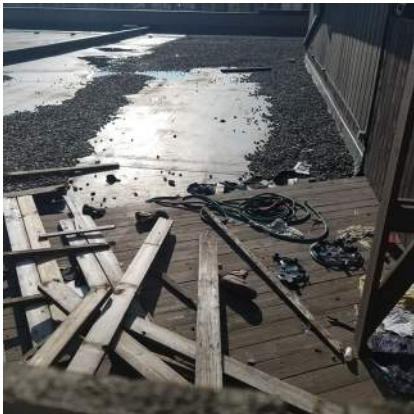


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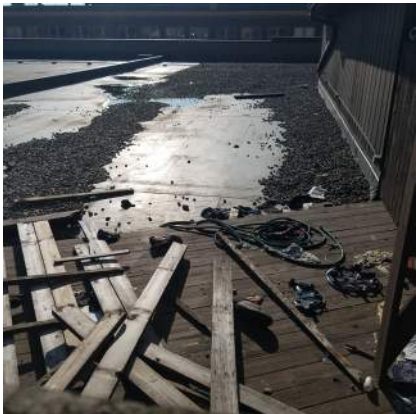
131 West 1st Street Redevelopment TIF District | Parcel 1B



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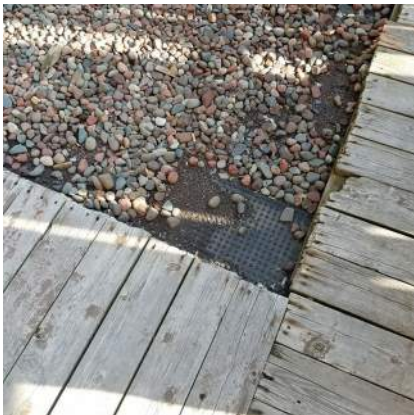
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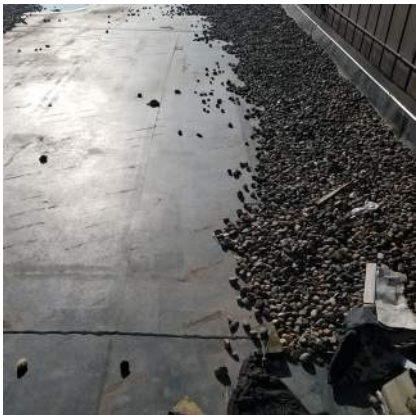
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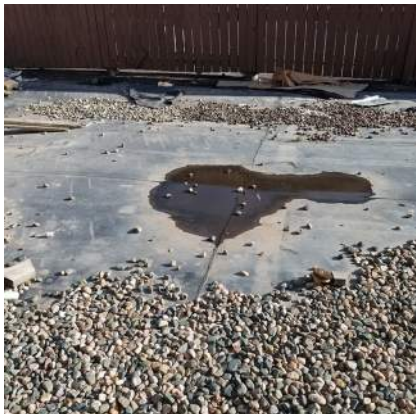
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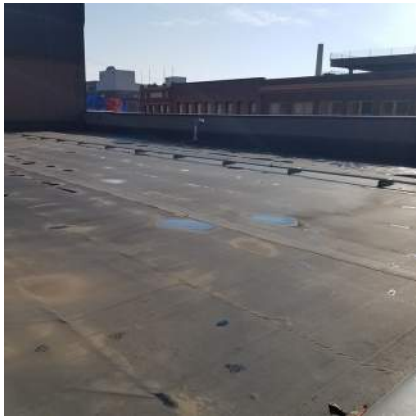


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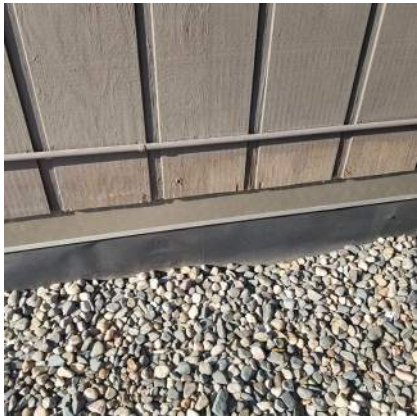
131 West 1st Street Redevelopment TIF District | Parcel 1B



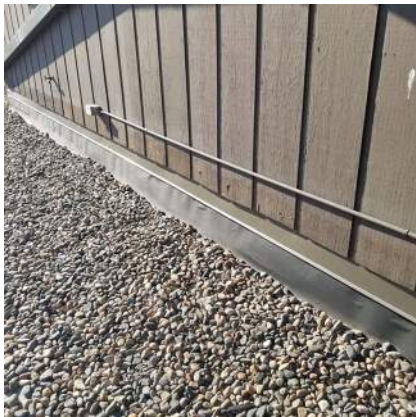
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131 West 1st Street Redevelopment TIF District | Parcel 1B



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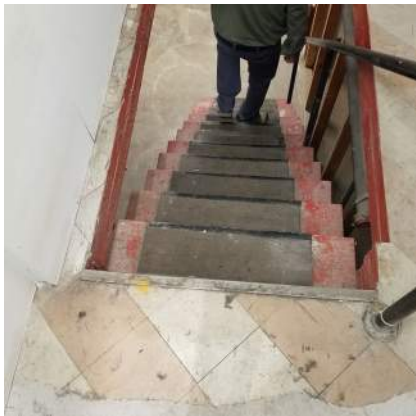
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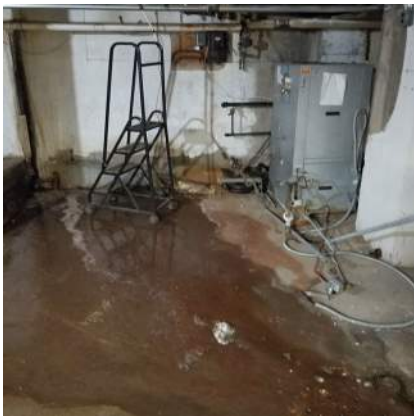
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131 West 1st Street Redevelopment TIF District | Parcel 1B



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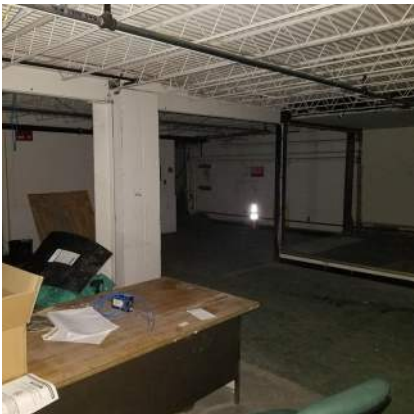
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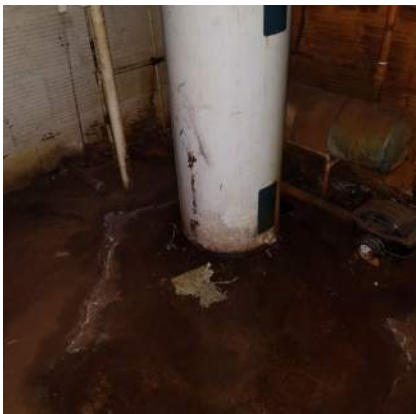
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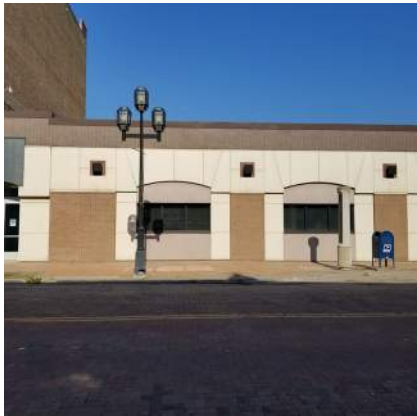
131 West 1st Street Redevelopment TIF District | Parcel 1B



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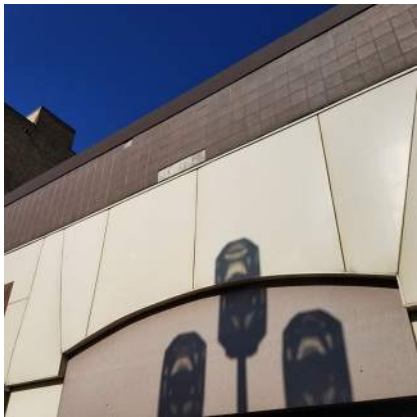
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