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

Snelling Midway
Renewal and Renovation TIF District
St. Paul, Minnesota

September 1, 2017

Prepared For the
City of St. Paul

Prepared by:

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LHB Project No. 150579

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PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

LHB was hired by the City of St. Paul to inspect and evaluate the properties within a Tax Increment Financing Renewal and Renovation District ("TIF District") proposed to be established by the City. The proposed TIF District is located in the City of St. Paul, bounded by Snelling Avenue, University Avenue West, Pascal Street North and Saint Anthony Avenue (Diagram 1). The purpose of LHB's work was to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether five (5) buildings on six (6) parcels, located within the proposed TIF District, meet the qualifications required for a Renewal and Renovation District.

Diagram 1 – Proposed TIF District

SCOPE OF WORK
The proposed TIF District consists of six (6) parcels, with five (5) buildings.

Three (3) buildings in the proposed TIF District received an on-site interior and exterior inspection. Two (2) buildings were inspected on the exterior only. A Building Code and Condition Deficiency Report for the building inspected by LHB and found substandard is located in Appendix B.

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

- The proposed TIF District has a coverage calculation of 80.4 percent which is above the 70 percent requirement.
- 20 percent of the buildings are structurally substandard which meets the 20 percent requirement.
- 50 percent of the other buildings require substantial renovation or clearance which is above the 30 percent requirement.
- The substandard and other qualifying buildings are reasonably distributed.

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

PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10a 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 two 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, or paved or gravel parking lots unless 15 percent of the area of the parcel contains building, streets, utilities, or paved or gravel parking lots, or other similar structures."

B. CONDITION OF BUILDINGS TEST

…"20 percent of the buildings are structurally substandard; and 30 percent of the other buildings require substantial renovation or clearance to remove existing conditions such as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community."

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

C. DISTRIBUTION OF SUBSTANDARD AND OTHER QUALIFYING BUILDINGS

Minnesota Statutes, Section 469.174, Subdivision 10a. (a) (2), states that the conditions described above must be "reasonably distributed throughout the geographic area of the district".

Our interpretation of the distribution requirement is that the substandard buildings and other buildings requiring substantial renovation or clearance 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 and buildings requiring substantial renovation or clearance 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 and buildings requiring substantial renovation or clearance 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 was able to schedule interior and exterior inspections for three (3) buildings (Parcel No.'s A, B and D) in the proposed TIF District on December 21, 2015. In addition, we conducted exterior inspections for Parcel No.'s C and E. After a cursory review of all three (3) buildings, it was determined that the buildings on parcels A and D had significant deficiencies, but did not likely have enough code specific deficiencies to be found substandard, so no further inspections were conducted in those buildings.

The building on Parcel B was re-inspected on April 19, 2017 to verify that improvements had not been made since our original inspection in 2015. Parcels A, C, D and E were also observed from the exterior on April 19, 2017 to verify that no significant changes had been made.

PART 4 – FINDINGS

A. COVERAGE TEST

1. The total square foot area of each 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 80.4 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities or paved drives or parking lots (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision 10a (a) (1*).

Diagram 2 – Coverage Diagram
Shaded area denotes parcels more than 15 percent occupied by
buildings, streets, utilities or 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 judgement 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 2015.

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 St. Paul, 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 Costs for each building that was inspected 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 2015 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 2015; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were than able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies exceed the required 15 percent threshold.

FINDING:

One (1) out of five (5) buildings in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. A complete Building Code and Condition Deficiency Report for the building that was inspected and found substandard 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 are of sufficient total significance to justify "substantial renovation or clearance."

FINDING:

In our professional opinion, one (1) out of five (5) buildings in the proposed TIF District is 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 meets the 20 percent requirement of Subdivision 10a. (a) (1) (ii).

SUBDIVISION 10a. (a) (1) (iii)

Subdivision 10a. (a) (1) (iii) requires that at least 30 percent of the other buildings (i.e., all buildings excluding the 20 percent minimum standard) meet the Subdivision 10a (1), clause (iii) test in which the "other" buildings *require substantial renovation or clearance to remove existing conditions such as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community.*

Overview of the Snelling Station Area Plan

The Snelling Station Area Plan was completed in October of 2008 and approved by the St. Paul City Council, articulating a vision for the Midway Shopping District which incorporates the entire area of this proposed TIF District. The Snelling Station Area Plan identified this block in an "Area of Change" denoting parcels where change is welcome and should be encouraged.

The vision for the Snelling Station Area is that of a vibrant commercial center with University and Snelling Avenues strengthened as bustling main streets attached to high levels of transit service with opportunities for people to live, work and shop.

The document suggests that the South side of University Avenue will over time develop into a new urban village, including a revitalized shopping district, with a restored street and block structure and a vital mix of uses. It puts in place a framework for the gradual intensification and pedestrianization within the Midway Shopping District over time so that it can become a contributor to the success of LRT and the vitality of the corridor.

To accomplish these goals, new development or expansion of existing buildings should line streets and open spaces and permit heights of 4-6 stories for residential and up to 4 commercial stories. In certain prominent locations, such as the Southeast corner of Snelling and University, it even suggests buildings as high as 15 stories.

Observations

Parcel A – Does not meet Subdivision 10 (a) (1) (iii) requirements

LHB inspected the vacant bank building located on Parcel A and found several building condition deficiencies, but not enough code specific deficiencies to label the building substandard as defined by Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1). We believe this parcel will eventually be redeveloped with a higher intensity use as described in the Snelling Station Area Plan document, but because of its general condition and proximity/orientation to the street, we do not believe it meets the test of requiring substantial renovation or clearance under Subdivision 10 (a) (1) (iii).

Parcel C – Meets Subdivision 10 (a) (1) (iii) requirements

LHB completed a visual exterior inspection of the McDonalds building located on Parcel C on December 21, 2015 (and verified our observations on April 19, 2017) and determined that the building would not have enough condition or code deficiencies to label it substandard as defined by Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1). We do believe that the building meets the Subdivision 10 (a) (1) (iii) test of requiring substantial renovation or clearance due to incompatible uses or land use relationships. The rationale for our belief is that the building orientation and layout, including the drive-through lane surrounding the building, makes it difficult, if not impossible, to meet the goals of the Snelling Station Area Plan without demolition and new construction. This parcel will eventually be redeveloped with a higher intensity use as described in the Snelling Station Area Plan document, and it may even include a McDonalds franchise, but this building and site configuration will not be replicated.

Parcel D - Meets Subdivision 10 (a) (1) (iii) requirements
LHB completed an interior and exterior inspection of the Mall building located on Parcel D on December 21, 2015 (and verified our observations on April 19, 2017) and determined that the building has significant condition deficiencies, but not enough apparent code deficiencies to label it substandard as defined by Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1). We do believe that the building meets the Subdivision 10 (a) (1) (iii) test of requiring substantial renovation or clearance due to incompatible uses or land use relationships, and obsolete buildings not suitable for improvement or conversion.

This mall building does not meet the standard for modern retail businesses and is also not compatible with the goals of the Snelling Station Area plan. It would not be economically feasible to retrofit this building to meet modern retail standards even if it did conform to the future area plans. In its current state, it will eventually become a blighting influence in the neighborhood.

Parcel E - Does not meet Subdivision 10 (a) (1) (iii) requirements
LHB visually inspected the commercial building located on Parcel E on the exterior only and determined that there would not be enough condition or code specific deficiencies to label the building substandard as defined by Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1). We believe this parcel will eventually be redeveloped with a higher intensity use as described in the Snelling Station Area Plan document, but because of its general condition and proximity/orientation to the street, we do not believe it meets the test of requiring substantial renovation or clearance under Subdivision 10 (a) (1) (iii).

FINDING:
Based on the initial inspection on December 21, 2015 and a verification on April 19, 2017, two (2) out of the four (4) remaining buildings in the proposed Renewal and Renovation District exhibit existing conditions warranting renovation or clearance as defined by Minnesota Statutes Subd. 10a. (1) (iii). This exceeds the 30 percent requirement.

C. DISTRIBUTION OF SUBSTANDARD AND OTHER QUALIFYING BUILDINGS
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 and 10a.* It is also important to look at the distribution of substandard and other qualifying buildings throughout the geographic area of the proposed TIF District.

FINDING:
Buildings meeting the requirements of *Minnesota Statutes, Section 469.174, Subdivision 10 and 10a* are reasonably distributed compared to all parcels that contain buildings.

Diagram 3 – Distribution of Substandard and other Qualifying Buildings

Shaded green area - parcels with substandard buildings.
Shaded orange area - Structurally substandard buildings.
Shaded Blue area – Parcels with other conditions warranting renovation or clearance (Subd. 10a. (1) (iii)

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.

APPENDICES

APPENDIX A Property Condition Assessment Summary Sheet

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APPENDIX A

Property Condition Assessment Summary Sheet

Snelling Midway Renewal and Renovation TIF District

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	Meets Subd. 10a. (1) (iii) Requirements
A	342923320001	1578 University Ave W	Improved	Interior/Exterior	43,996	43,996	100%	43,996	1	Note					
B	342923320011	1574 University Ave W	Improved	Interior/Exterior	139,828	139,828	100%	139,828	1	$2,777,526	$416,629	$459,432	1	1	
C	342923320009	1570 University Ave W	Improved	Exterior	29,621	29,621	100%	29,621	1	Note					1
D	342923320012	1460-1558 University Ave W	Improved	Interior/Exterior	633,362	633,362	100%	633,362	1	Note					1
E	342923320006	1532 University Ave W	Improved	Exterior	6,534	6,534	100%	6,534	1	Note					
F	342923320008	Pascal St N	Vacant	Exterior	208,652	0	0%	0	0						
TOTALS					1,061,993			853,340	5				1	1	2
							Total Coverage Percent	**80.4%**							
												Percent of buildings exceeding 15 percent code deficiency threshold	**20%**		
														Percent of buildings determined substandard:	**20%**
															Percent of other buildings meeting Subd. 10a. (1) (iii) Requirements	**50%**

Note: After cursory review, it was determined that this building would not meet the code deficiency threshold, so no further interior inspection was conducted.

APPENDIX B

Building Code and Condition Deficiencies Reports

Snelling Midway Renewal and Renovation TIF District

Building Code, Condition Deficiency and Context Analysis Report

2 May 2017

Parcel No. and Building Name	Parcel B: Big Top Wines and Spirits
Address	1574 University Avenue West, Saint Paul, MN 55104
Parcel ID:	342923320011:
Inspection Date(s) & Time(s):	21 December 2015, 10:15am; Re-inspected 19 April 2017, 9:00am
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:	$2,777,526
Estimated Cost to Correct Building Code Deficiencies:	$459,432
Percentage of Replacement Cost for Building Code Deficiencies:	16.54%

Defects in Structural Elements

1. Rusty lintels at door openings.
2. Cracked and broken masonry and grout joints.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. Aluminum entry door at inner vestibule lacks required 10-inch high minimum kick plate.
    b. Building's water cooler is not accessible per Code.
    c. Kitchen/break room counter lacks required knee space at sink.
    d. Restroom and several other doors lack required maneuvering clearance.
    e. Restrooms lack accessible width stalls.
    f. Restroom lavatories lack required knee clearance and plumbing protection.
    g. Restrooms lack required grab bars.
    h. Kitchen counter lacks required knee space at sink.
    i. Interior doors have knobs instead of code-compliant operating hardware such as levers.
    j. Doors have thresholds that exceed code maximum height.
    k. Service counters do not provide areas with accessible height and knee space.
    l. Kitchen lacks required GFCI outlets at counters.
    m. Missing ductwork and diffusers.

2. Light and Ventilation
    a. West half of building lacks adequate functioning light fixtures: fixtures are missing or broken.
    b. South electrical room/roof access area lacks any functioning light fixture.
    c. The building lacks required ventilation systems.
    d. Ductwork and diffusers are missing in a portion of the building between liquor store and former video store

3. Fire Protection/Adequate Egress
    a. Exit door thresholds are too high per code, particularly at south doors.
    b. Slabs outside exit doors are cracked and uneven.

4. Layout and Condition of Interior Partitions/Materials
    a. Widespread water damage to ceilings.
    b. Missing ceilings in part of the former video store.
    c. Holes in ceilings, walls and floors from removal of fixtures.
    d. VCT, quarry tile and paver flooring finishes are worn.
    e. Former video store lacks any finish flooring.
    f. Carpet in offices is stained, worn and torn.

5. Exterior Construction
    a. Holes in exterior masonry.
    b. Widespread cracking in exterior masonry and grout.
    c. Spalling of masonry foundation exposed below brick.
    d. Rusty door frames.
    e. Damaged and dented frame at south overhead door.

Description of Code Deficiencies

1. Rusty lintels at door openings.
2. Cracked and broken masonry and grout joints.
3. Aluminum entry door at inner vestibule lacks required 10-inch high minimum kick plate.
4. Building's water cooler is not accessible per Code.
5. Kitchen/break room counter lacks required knee space at sink.
6. Restroom and several other doors lack required maneuvering clearance.
7. Restrooms lack accessible width stalls.
8. Restroom lavatories lack required knee clearance and plumbing protection.
9. Restrooms lack required grab bars.
10. Kitchen counter lacks required knee space at sink.
11. Interior doors have knobs instead of code-compliant operating hardware such as levers.
12. Doors have thresholds that exceed code maximum height.
13. Service counters do not provide areas with accessible height and knee space.
14. Kitchen lacks required GFCI outlets at counters.
15. Missing ductwork and diffusers.
16. West half of building lacks adequate functioning light fixtures: fixtures are missing or broken.
17. South electrical room/roof access area lacks any functioning light fixture.
18. The building lacks required ventilation systems.
19. Ductwork and diffusers are missing in a portion of the building between liquor store and former video store
20. Exit door thresholds are too high per code, particularly at south doors.
21. Slabs outside exit doors are cracked and uneven.

Overview of Deficiencies

This retail structure was constructed in 1958. A liquor store occupies almost half the building; the other part once housed a video rental store. It is a steel column and beam structure with lightweight steel joists and brick/block walls. The building received some façade updates within the past decade, adding decorative towers and areas of EIFS façade. Cracking of the brick skin indicates some differential settlement. The built-up roof leaks and is overdue for replacement. Restroom facilities are not up to code for accessibility.

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 or not the building is substandard:

- The building lacks adequate thermal insulation as required by the Energy Code.

APPENDIX C

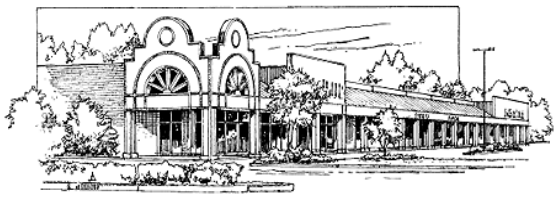
Building Replacement Cost Reports
Code Deficiency Cost Reports
Photographs

Snelling Midway Renewal and Renovation TIF District

Replacement Cost Report

Square Foot Cost Estimate Report

Estimate Name:	**Midway Center -Big Top Bldg** 1574-76 University Ave W, Saint Paul, MN,
Building Type:	**Store, Retail with Face Brick on Concrete Block / Steel Joists**
Location:	**SAINT PAUL, MN**
Story Count:	**1**
Story Height (L.F.):	**15.7**
Floor Area (S.F.):	**30,400**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2015 Quarter 4**
Cost Per Square Foot:	**$91.37**
Building Cost:	**$2,777,526**



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		**10.14%**	**$9.26**	**$ 281,504**
A1010	**Standard Foundations**		**$1.12**	**$34,048**
	Strip footing, concrete, reinforced, load 5.1 KLF, soil bearing capacity 3			
	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF,			
A1030	**Slab on Grade**		**$5.84**	**$177,536**
	Slab on grade, 4" thick, non industrial, reinforced			
A2010	**Basement Excavation**		**$0.35**	**$10,640**
	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on			
A2020	**Basement Walls**		**$1.95**	**$59,280**
	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12"			
B Shell		**31.42%**	**$28.71**	**$ 872,784**
B1020	**Roof Construction**		**$7.44**	**$226,176**
	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 35'x35' bay,			
B2010	**Exterior Walls**		**$12.13**	**$368,752**
	Brick veneer wall, standard face, 20 ga x 3-5/8" NLB @ 16" metal stud			
B2020	**Exterior Windows**		**$1.98**	**$60,192**
	Aluminum flush tube frame, for 1/4"glass,1-3/4"x4", 5'x6' opening, no			
	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear			
B2030	**Exterior Doors**		**$0.75**	**$22,800**
	Door, aluminum & glass, with transom, narrow stile, double door,			
	Door, aluminum & glass, with transom, bronze finish, hardware, 3'-0" x			
	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-			
B3010	**Roof Coverings**		**$6.41**	**$194,864**
	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt,			
	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite			
	Roof edges, aluminum, duranodic, .050" thick, 6" face			
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick			
B3020	**Roof Openings**		**$0.03**	**$912**

		% of Total	Cost Per S.F.	Cost
	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized			
C Interiors		**14.41%**	**$13.17**	**$ 400,368**
C1010	**Partitions**		**$1.16**	**$35,264**
	Metal partition, 5/8"fire rated gypsum board face, 1/4" sound deadening			
C1020	**Interior Doors**		**$2.01**	**$61,104**
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush,			
C1030	**Fittings**		**$0.55**	**$16,720**
	Toilet partitions, cubicles, ceiling hung, plastic laminate			
C3010	**Wall Finishes**		**$1.55**	**$47,120**
	2 coats paint on masonry with block filler			
	Painting, interior on plaster and drywall, walls & ceilings, roller work,			
C3020	**Floor Finishes**		**$2.40**	**$72,960**
	Vinyl, composition tile, maximum			
	*cost reflects reduced area of finish in existing bldg			
C3030	**Ceiling Finishes**		**$5.50**	**$167,200**
	Acoustic ceilings, 3/4"mineral fiber, 24" x 48" tile, concealed 2" bar &			
	*cost reflects reduced area of finish in existing bldg			
D Services		**34.94%**	**$31.92**	**$ 970,368**
D2010	**Plumbing Fixtures**		**$2.78**	**$84,512**
	Water closet, vitreous china, bowl only with flush valve, wall hung			
	Urinal, vitreous china, wall hung			
	Lavatory w/trim, vanity top, PE on CI, 20" x 18"			
	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"			
	Water cooler, electric, wall hung, dual height, 14.3 GPH			
D2020	**Domestic Water Distribution**		**$1.26**	**$38,304**
	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH			
D2040	**Rain Water Drainage**		**$1.59**	**$48,336**
	Roof drain, CI, soil,single hub, 5" diam, 35' high			
D3050	**Terminal & Package Units**		**$7.45**	**$226,480**
	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17			
D4010	**Sprinklers**		**$4.33**	**$131,632**
	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor			
D4020	**Standpipes**		**$0.98**	**$29,792**
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor			
D5010	**Electrical Service/Distribution**		**$0.77**	**$23,408**
	Overhead service installation, includes breakers, metering, 20' conduit &			
	Feeder installation 600 V, including RGS conduit and XHHW wire, 1200 A			
	Switchgear installation, incl switchboard, panels & circuit breaker,			
D5020	**Lighting and Branch Wiring**		**$10.96**	**$333,184**
	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF			
	Miscellaneous power, 1.5 watts			
	Central air conditioning power, 4 watts			
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10			
D5030	**Communications and Security**		**$1.80**	**$54,720**
	Communication and alarm systems, fire detection, addressable, 100			

		% of Total	Cost Per S.F.	Cost
	Fire alarm command center, addressable with voice, excl. wire & conduit			
D5090	Other Electrical Systems			$0
	none			
E Equipment & Furnishings		0.00%	$0.00	$ -
E1090	Other Equipment		0	0
F Special Construction		0%	0	0
G Building Sitework		0%	0	0

SubTotal	100%	$83.06	$2,525,024
Contractor Fees (General Conditions,Overhead,Profit)	10.0%	$8.31	$252,502
Architectural Fees		$0.00	$0.00
User Fees		$0.00	$0.00
Total Building Cost		$91.37	$2,777,526

Snelling Midway Renewal and Renovation TIF District

Code Deficiency Cost Report

Parcel B

Address: 1574 University Ave W, Saint Paul, MN - PID 34-29-23-32-0011

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Provide accessible restrooms				
	Replace toilets to provide handicap access for each sex				
	Build (4) new accessible toilet rooms w/ compliant number of accessories and fixtures				
	Remove existing toilet rooms	$ 2,500.00	Lump	4	$ 10,000.00
	water closets	$ 2,500.00	each	8	$ 20,000.00
	lavatories	$ 1,750.00	each	8	$ 14,000.00
	4 sets of grab bars	$ 300.00	each	4	$ 1,200.00
	4 sets toilet room accessories	$ 300.00	each	4	$ 1,200.00
	Interior room reconstruction (doors, partitions, finishes)	$ 60.00	SF	480	$ 28,800.00
	new door 6'-8"x3'-0"	$ 900.00	Each	4	$ 3,600.00
	Install toilet Room Ventilation System	$ 500.00	each	4	$ 2,000.00
	patch and repair interior finishes	$ 400.00	Lump	1	$ 400.00
	Provide accessible door hardware: replace knobs	$ 400.00	Each	8	$ 3,200.00
	Provide compliant aluminum entry doors - 10" min kick plate				
	replace existing doors - each leaf	$ 1,000.00	Each	1	$ 1,000.00
	Provide accessible height service counters				
	selective demo of existing counter	$ 300.00	lump	2	$ 600.00
	new countertop with compliant knee space	$ 1,000.00	each	2	$ 2,000.00
	Provide accessible kitchen/breakroom				
	Demo existing cabinet and sink	$ 300.00	lump	1	$ 300.00
	new countertop with compliant knee space	$ 1,000.00	each	1	$ 1,000.00
	new sink	$ 1,350.00	each	1	$ 1,350.00
	Provide accessible drinking fountains/water coolers				
	remove existing	$ 300.00	lump	1	$ 300.00
	new accessible water cooler	$ 1,200.00	each	1	$ 1,200.00
Structural Elements					
	Rusty lintels at exterior door/window openings	$ 1,200.00	Lump	4	$ 4,800
Exiting					
	Replace thresholds at all exit doors with code compliant	$ 400.00	Each	6	$ 2,400.00
	provide compliant transition between entry slabs and sidewalks				
	replace entry slab and taper to meet sidewalk (40 sf/ea)	$ 60.00	SF	160	$ 9,600.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	provide adequate exit width at back storage areas				
	demo walls	$ 2,500.00	Lump	4	$ 10,000
	reconstruct	$ 6,000.00	Lump	4	$ 24,000
Exterior Construction					
	Masonry				
	Repoint brick and masonry joints	$ 4.40	SF	6,000	$ 26,400.00
	fill and repair holes in exterior brick masonry walls - (20%)	$ 18.50	SF	400	$ 7,400.00
	replace/repoint at lintels	$ 8.40	SF	120	$ 1,008.00
Roof Construction					
	Replace roof				
	remove existing roof	$ 0.75	SF	30,400	$ 22,800.00
	provide new roof	$ 6.41	SF	30,400	$ 194,864.00
	new flashings and scuppers	$ 15.00	LF	150	$ 2,250.00
Mechanical- Electrical					
	Provide required ventilation system - 50% of area				
	Mechanical equipment, ductwork and units	$ 1.75	SF	15,200	$ 26,600.00
	Provide ductwork and registers where missing				
	Duct work and registers	$ 2.25	SF	2,800	$ 6,300.00
	Provide Code minimum lighting				
	replace missing/broken fixtures (20% of area)	$ 4.50	SF	6,080	$ 27,360.00
	Provide GFCI protected receptacles at sink locations				
	Kitchen	$ 250.00	each	4	$ 1,000.00
	Restrooms	$ 250.00	each	2	$ 500.00
		Total Code Improvements			**$ 459,432**

Snelling Midway Renewal and Renovation TIF District

Parcel B: Big Top Wines and Spirits - 1574 University Ave W

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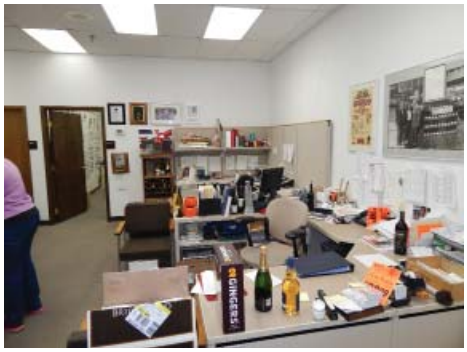

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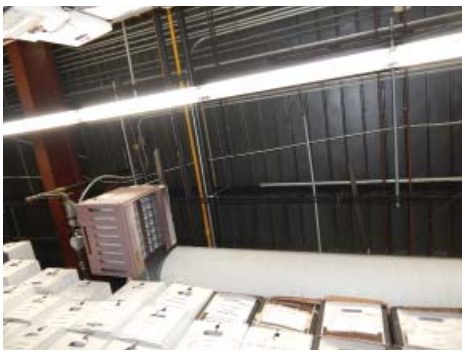

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