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**Senate**

State of Minnesota

**S.F. No. 2750 - Eminent Domain (first engrossment)**

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This bill contains provisions relating to the use of eminent domain power and rights and remedies of property owners.

**Section 1** provides that **Minnesota Statutes, chapter 117**, preempts all other laws that govern eminent domain proceedings, unless they do not diminish or deny substantive and procedural rights and protections under **chapter 117**. The power to exercise eminent domain must be expressly granted and cannot be implied.

**Section 2** modifies and clarifies definitions. It also defines the terms "condemning authority," "abandoned property," "blighted area," "dilapidated building," "environmentally contaminated area," "public nuisance," "public service corporation," and "public use" or "public purpose." In particular, for purposes of the exercise of eminent domain power, "public use" or "public purpose" would mean:

- (1) possession, occupation, ownership, and enjoyment of land by the general public;
- (2) creation or functioning of a public service corporation; or
- (3) mitigation of blight, remediation of an environmentally contaminated area, reduction of abandoned property, or removal of a public nuisance.

The public benefits of economic development would not by themselves constitute a public use or purpose.

**Section 3** establishes special provisions dealing with the condemnation of land for blight mitigation and contamination remediation.

**Subdivision 1** provides that in taking property to mitigate blight, a condemning authority may not take nondilapidated buildings unless it is absolutely necessary in order to remove dilapidated buildings.

**Subdivision 2** prohibits condemning authorities from taking uncontaminated parcels as part of a taking to remediate environmental contamination unless it is absolutely necessary in order to complete remediation.

**Subdivision 3** provides that if a developer involved in a redevelopment project contributed to the blight or environmental contamination, the condition contributed to by the developer must not be used in determining the existence of blight or environmental contamination.

**Section 4** amends the statute dealing with appraisal and negotiation requirements applicable to acquisition of property for transportation purposes to expand it to include all eminent domain proceedings. Amendments are included with respect to the exchange of appraisals and the applicable time periods. The current \$1,500 cap on owner appraisals would be applicable to single-family and two-family residential property, agricultural property, and minimum damage acquisitions, but for other types of property the cap is increased to \$5,000. In addition, new language is added under which an appraisal must not be used or considered in a condemnation commissioners' hearing, nor may the appraiser be allowed to testify, unless a copy of the appraiser's written report was provided to the opposing party at least five days before the hearing.

**Section 5** adds new requirements relating to local government public hearings before commencing eminent domain proceedings.

**Subdivision 1** defines the terms "local government" and "local government agency."

**Subdivision 2** provides that before a local government or local government agency may commence an eminent domain proceeding, a public hearing must be held. Notice requirements are specified. In addition, interested persons must be allowed reasonable time to present relevant testimony at the hearing, proceedings must be recorded and available to the public for review and comment, and the local government must vote on the question of whether to authorize the local government or local government agency to use eminent domain to acquire the property at its next regular meeting that is at least 30 days after the public hearing.

**Subdivision 3** contains provisions that must be addressed in resolutions authorizing eminent domain when the taking is for blight mitigation, remediation of environmental contaminations, abandoned property, or removing a public nuisance.

**Section 6** requires the notice of an eminent domain petition to include provisions regarding the procedures for challenging the public purpose, necessity, and authority for the taking.

**Section 7** specifies the showing and evidentiary standard requirements applicable in cases where the taking is for the mitigation of a blighted area, remediation of an environmentally contaminated area, reducing abandoned property, or removing a public nuisance. The condemning

authority must show by a preponderance of the evidence that the taking is necessary and for the designated public use. A court order approving the purpose and necessity of a taking must be appealed within 60 days of service of the order.

**Section 8** requires the court to award reasonable attorney fees and other related costs and expenses in cases where the court determines that a taking is not for a public purpose or is unlawful.

**Section 9** increases the appraisal fees that may be awarded, consistent with the raise in the caps under **section 4**.

**Section 10** contains new language dealing with compensation for loss of a going concern.

**Subdivision 1** defines "going concern" and "owner." The definition of "owner" includes lessees who operate a business on real property that is the subject of an eminent domain proceeding, which is consistent with current law.

**Subdivision 2** specifies the circumstances under which an owner must be compensated for loss of a going concern. It is applicable if the owner establishes that the business or trade has been destroyed as a direct result of the taking; the loss cannot be reasonably prevented by relocating the business or trade; and compensation for the loss will not duplicate compensation otherwise awarded to the owner.

**Subdivision 3** specifies the procedure for seeking compensation for loss of a going concern. The court must determine whether a going concern has been taken (this is consistent with current case law). If the court determines that there is a taking, damages must be determined by the commissioners and must be reported as a separate award. An award for a loss of going concern may be appealed in accordance with **section 117.145**, which is the current law dealing with appeals of commissioners' awards.

**Section 11** establishes minimum compensation in cases where an owner must relocate. The amount of damages must, at a minimum, be sufficient to purchase a similar house or building and not less than the condemning authority's payment or deposit.

**Section 12** provides that a condemning authority may not require an owner to accept substitute or replacement property as part of compensation. Also, a condemning authority may not require an owner to accept the return of property.

**Section 13** contains exemptions for public service corporations.

**Section 14** allows the court to award reasonable attorney fees and costs in cases where the final judgment or award for damages is at least 20 percent greater than the last written offer of compensation made by the condemning authority before filing the petition.

**Sections 15 to 17** modify provisions dealing with reimbursement for reestablishment expenses of a displaced business. The most significant substantive change from current law is that the acquiring

authority would be mandated to reimburse displaced businesses for expenses actually incurred up to a maximum of \$50,000 (current law permits but does not require this).

**Sections 18 and 19** amend notice requirements and appeals for eminent domain proceedings by the Department of Transportation, consistent with the changes made in **section 6**.

**Section 20** strikes language dealing with public hearing requirements under chapter 469, consistent with the new requirements that would apply to all local government eminent domain proceedings under **section 5**.

**Section 21** instructs the Revisor to change the phrase "right of eminent domain" to "power of eminent domain" wherever it appears in Minnesota Statutes and Rules.

**Section 22** provides that the act is effective the day following final enactment and applies to condemnation proceedings for which service of notice of the petition under section 117.055 is made on or after March 1, 2006.

KP:cs

1.1 A bill for an act  
 1.4 relating to eminent domain; defining public use or purpose; prohibiting the use  
 1.5 of eminent domain for economic development; requiring clear and convincing  
 1.6 evidence for certain takings; providing for attorney fees and other additional  
 1.7 elements of compensation; making other changes in the exercise of eminent  
 1.8 domain; amending Minnesota Statutes 2004, sections 117.025; 117.036; 117.055;  
 1.9 117.075, subdivision 1, by adding a subdivision; 117.085; 117.51; 117.52,  
 subdivision 1, by adding a subdivision; 163.12, subdivisions 1a, 1b; 469.012,  
 subdivision 1g; proposing coding for new law in Minnesota Statutes, chapter 117.

1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.11 Section 1. **[117.012] PREEMPTION; NO IMPLIED AUTHORITY.**

1.12 Subdivision 1. Preemption. Notwithstanding any other provision of law, including  
 1.13 any charter provision, ordinance, statute, or special law, all condemning authorities,  
 1.14 including home rule charter cities and all other political subdivisions of the state, must  
 1.15 exercise the power of eminent domain in accordance with the provisions of this chapter,  
 1.16 including all procedures, definitions, remedies, and limitations. Additional procedures,  
 1.17 remedies, or limitations that do not deny or diminish the substantive and procedural rights  
 1.18 and protections of owners under this chapter may be provided by other law, ordinance,  
 1.19 or charter.

1.20 Subd. 2. No implied authority. The power of eminent domain shall not be implied.  
 1.21 In order to exercise the power of eminent domain, the condemning authority must have an  
 1.22 express grant of eminent domain authority.

1.23 Sec. 2. Minnesota Statutes 2004, section 117.025, is amended to read:

**117.025 DEFINITIONS.**

2.1 Subdivision 1. **Words, terms, and phrases.** ~~Unless the language or context clearly~~  
2.2 ~~indicates that a different meaning is intended,~~ For the purposes of this chapter and any  
2.3 other general or special law authorizing the exercise of the power of eminent domain, the  
2.4 words, terms, and phrases defined in this section have the meanings given them.

2.5 Subd. 2. **Taking.** "Taking" and all words and phrases of like import include every  
2.6 interference, under the right of eminent domain, with the possession, enjoyment, or value  
2.7 of private property.

2.8 Subd. 3. **Owner.** "Owner" includes all persons interested in such with any interest  
2.9 in the property subject to a taking, whether as proprietors, tenants, life estate holders,  
2.10 encumbrancers, beneficial interest holders, or otherwise.

2.11 Subd. 4. **Condemning authority.** "Condemning authority" means a person or  
2.12 entity with the power of eminent domain.

2.13 Subd. 5. **Abandoned property.** "Abandoned property" means property not  
2.14 occupied by a person with a legal or equitable right to occupy the property and for which  
2.15 the condemning authority is unable to identify and contact the owner despite making  
2.16 reasonable efforts.

2.17 Subd. 6. **Blighted area.** "Blighted area" means an area:

2.18 (1) that is zoned and used for urban use; and

2.19 (2) where more than 50 percent of the buildings are dilapidated.

2.20 Subd. 7. **Dilapidated building.** "Dilapidated building" means a building:

2.21 (1) that was inspected by the appropriate local government and cited for one or more  
2.22 building code violations at least 12 months before the condemnation is commenced;

2.23 (2) in which the building code violations cited have not been remedied, as  
2.24 determined by at least one reinspection that finds noncompliance after the due date for  
2.25 compliance with an order to correct a building code violation; and

2.26 (3) that, as of the date the condemnation is commenced, is unfit for human use  
2.27 because it is unsafe, structurally unsound, or lacking in basic equipment.

2.28 Subd. 8. **Environmentally contaminated area.** "Environmentally contaminated  
2.29 area" means an area:

2.30 (1) that contains, on or below more than 50 percent of its surface area, any substance  
2.31 defined, regulated, or listed as a hazardous substance, hazardous material, hazardous  
2.32 waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to  
2.33 human health or the environment under state or federal law or regulation; and

2.34 (2) for which the costs of investigation, monitoring and testing, and remedial action  
2.35 or removal, as defined in section 115B.02, subdivisions 16 and 17, respectively, including  
2.36 any state costs of remedial actions, exceed 100 percent of the assessor's estimated market

3.1 value for the contaminated area, as determined under section 273.11, for property taxes  
 3.2 payable in the year in which the condemnation commenced.

3.3 Subd. 9. **Public nuisance.** "Public nuisance" means a public nuisance under  
section 609.74.

3.5 Subd. 10. **Public service corporation.** "Public service corporation" means a  
 3.6 public utility; gas, electric, telephone, or cable communications company; cooperative  
 3.7 association; natural gas pipeline company; crude oil, or petroleum products pipeline  
 3.8 company; municipal utility; municipality when operating its municipally owned utilities;  
 3.9 or municipal power agency. Public service corporation also means a municipality or  
 3.10 public corporation when operating an airport under chapter 360 or 473, a common carrier,  
 3.11 a watershed district, or a drainage authority.

3.12 Subd. 11. **Public use; public purpose.** (a) "Public use" or "public purpose" means,  
 3.13 exclusively:

3.15 (1) the possession, occupation, ownership, and enjoyment of the land by the general  
public, or by public agencies;

3.16 (2) the creation or functioning of a public service corporation; or

3.17 (3) mitigation of a blighted area, remediation of an environmentally contaminated  
 3.18 area, reduction of abandoned property, or removal of a public nuisance.

3.19 (b) The public benefits of economic development, including an increase in tax base,  
 3.20 tax revenues, employment, or general economic health, do not by themselves constitute  
 3.21 a public use or public purpose.

3.22 Sec. 3. **[117.027] CONDEMNATION FOR BLIGHT MITIGATION AND**  
 3.23 **CONTAMINATION REMEDIATION.**

3.24 Subdivision 1. **Nondilapidated buildings in areas of blight mitigation; absolute**  
 3.25 **necessity.** In taking property to mitigate blight, a condemning authority must not take  
 3.26 nondilapidated buildings in the area unless it is absolutely necessary in order to remove  
 3.27 the dilapidated buildings.

3.28 Subd. 2. **Uncontaminated property in environmental contamination**  
 3.29 **remediation areas; absolute necessity.** In taking property to remediate environmental  
 3.30 contamination, a condemning authority must not take uncontaminated parcels in the area  
 3.31 unless it is absolutely necessary in order to complete remediation of the contaminated area.

3.32 Subd. 3. **Contribution to condition by developer disallowed.** If a developer  
 3.33 involved in the redevelopment of the project area contributed to the blight or environmental  
 3.34 contamination within the project area, the condition contributed to by the developer must  
 3.35 not be used in the determination of blight or environmental contamination.

4.1 Sec. 4. Minnesota Statutes 2004, section 117.036, is amended to read:

4.2 **117.036 APPRAISAL AND NEGOTIATION REQUIREMENTS**

4.3 ~~**APPLICABLE TO ACQUISITION OF PROPERTY FOR TRANSPORTATION**~~  
4.4 ~~**PURPOSES.**~~

4.5 Subdivision 1. **Application.** This section applies to the acquisition of property  
4.6 ~~for public highways, streets, roads, alleys, airports, mass transit facilities, or for other~~  
4.7 ~~transportation facilities or purposes~~ under this chapter.

4.8 Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under  
4.9 this chapter, the acquiring authority must obtain at least one appraisal for the property  
4.10 proposed to be acquired. In making the appraisal, the appraiser must confer with one or  
4.11 more of the fee owners or contract purchasers of the property, if reasonably possible. ~~At~~  
4.12 ~~least 20~~ The acquiring authority must provide the fee owner or contract purchaser with  
4.13 a copy of the appraisal at the time an offer is made, but no later than 60 days before  
4.14 presenting a petition under section 117.055, ~~the acquiring authority must provide the~~  
4.15 ~~owner with a copy of the appraisal and inform the owner of the owner's~~ fee owner or  
4.16 contract purchaser of the right to obtain an appraisal under this section. Upon request,  
4.17 the acquiring authority must make available to the fee owner or contract purchaser all  
4.18 appraisals of the property.

4.19 (b) The fee owner or contract purchaser may obtain an appraisal by a qualified  
4.20 appraiser of the property proposed to be acquired. The fee owner or contract purchaser  
4.21 is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring  
4.22 authority up to a maximum of \$1,500 ~~within 30 days after the~~ for single family and  
4.23 two-family residential property, agricultural property, and minimum damage acquisitions  
4.24 and \$5,000 for other types of property, provided that the fee owner or contract purchaser  
4.25 submits to the acquiring authority the information necessary for reimbursement, provided  
4.26 ~~that the owner does so~~ including a copy of the fee owner's or contract purchaser's  
4.27 appraisal, within 60 90 days after the owner receives receiving the appraisal from the  
4.28 authority under paragraph (a) and at least five days before a condemnation commissioners'  
4.29 hearing. For purposes of this paragraph, a "minimum damage acquisition" means an  
4.30 interest in property that a qualified person with appraisal knowledge indicates can be  
4.31 acquired for a cost of \$10,000 or less. For purposes of this paragraph, "agricultural  
4.32 property" has the meaning given in section 583.22, subdivision 2.

4.33 (c) The acquiring authority must pay the reimbursement to the fee owner or contract  
4.34 purchaser within 30 days after receiving a copy of the appraisal and the reimbursement  
4.35 information. Upon agreement between the acquiring authority and either the fee owner

5.1 or contract purchaser, the acquiring authority may pay the reimbursement directly to  
 5.2 the appraiser.

5.3 **Subd. 3. Negotiation.** In addition to the appraisal requirements under subdivision 2,  
 before commencing an eminent domain proceeding, the acquiring authority must make a  
 5.5 good faith attempt to negotiate personally with the fee owner or contract purchaser of the  
 5.6 property in order to acquire the property by direct purchase instead of the use of eminent  
 5.7 domain proceedings. In making this negotiation, the acquiring authority must consider  
 5.8 the appraisals in its possession, including any appraisal obtained and furnished by the fee  
 5.9 owner or contract purchaser if available, and other information that may be relevant to a  
 5.10 determination of damages under this chapter.

5.11 **Subd. 4. Use of appraisal at commissioners' hearing.** An appraisal must not be  
 5.12 used or considered in a condemnation commissioners' hearing, nor may the appraiser who  
 5.13 prepared the appraisal testify, unless a copy of the appraiser's written report is provided to  
the opposing party at least five days before the hearing.

5.15 **Sec. 5. [117.0412] LOCAL GOVERNMENT PUBLIC HEARING**  
 5.16 **REQUIREMENTS.**

5.17 **Subdivision 1. Definitions.** For the purposes of this section:

5.18 (1) "local government" means the elected governing body of a statutory or home  
 5.19 rule charter city, county, or township; and

5.20 (2) "local government agency" means a subdivision, agency, authority, or other entity  
 5.21 of the local government, including a port authority, economic development authority,  
 5.22 housing and redevelopment authority, or other similar entity established under law.

5.23 **Subd. 2. Public hearing; vote by local government governing body.** (a) Before a  
 5.24 local government or local government agency commences an eminent domain proceeding  
 5.25 under section 117.055, a public hearing must be held as provided in this section. The local  
 5.26 government must notify each owner of property that may be acquired in writing of the  
 5.27 public hearing on the proposed taking, post the public hearing information on the local  
 5.28 government's Web site, if any, and publish notice of the public hearing in a newspaper  
 5.29 of general circulation in the local government's jurisdiction. Notice must be provided at  
 5.30 least 30 days but not more than 60 days before the hearing.

5.31 (b) Any interested person must be allowed reasonable time to present relevant  
 5.32 testimony at the public hearing. The proceedings of the hearing must be recorded and  
 5.33 available to the public for review and comment at reasonable times and a reasonable place.  
 5.34 At the next regular meeting of the local government that is at least 30 days after the public

6.1 hearing, the local government must vote on the question of whether to authorize the local  
 6.2 government or local government agency to use eminent domain to acquire the property.

6.3 Subd. 3. Resolution. If the taking is for the mitigation of a blighted area,  
 6.4 remediation of an environmentally contaminated area, reducing abandoned property, or  
 6.5 removing a public nuisance, then the resolution of a local government or local government  
 6.6 agency authorizing the use of eminent domain must:

6.7 (1) identify and describe the public costs and benefits that are known or expected  
 6.8 to result from the program or project for which the property interest is proposed to be  
 6.9 acquired; and

6.10 (2) address how the acquisition of the property interest serves one or more identified  
 6.11 public purposes and why the acquisition of the property is reasonably necessary to  
 6.12 accomplish those purposes.

6.13 Sec. 6. Minnesota Statutes 2004, section 117.055, is amended to read:

6.14 **117.055 PETITION AND NOTICE.**

6.15 Subdivision 1. Petition. In all cases a petition, describing the desired land, stating by  
 6.16 whom and for what purposes it is proposed to be taken, and giving the names of all persons  
 6.17 appearing of record or known to the petitioner to be the owners thereof shall be presented  
 6.18 to the district court of the county in which the land is situated praying for the appointment  
 6.19 of commissioners to appraise the damages which may be occasioned by such taking.

6.20 Subd. 2. Notice. (a) Notice of the objects of the petition and of the time and place of  
 6.21 presenting the same shall be served at least 20 days before such time of presentation upon  
 6.22 all persons named in the petition as owners as defined in section 117.025, subdivision 3,  
 6.23 and upon all occupants of such land in the same manner as a summons in a civil action.

6.24 (b) The notice must state that:

6.25 (1) a party wishing to challenge the public purpose, necessity, or authority for a  
 6.26 taking must appear at the court hearing and state the objection; and

6.27 (2) a court order approving the public purpose, necessity, and authority for the taking  
 6.28 is final unless an appeal is brought within 60 days after service of the order on the party.

6.29 (c) If any such owner be not a resident of the state, or the owner's place of residence  
 6.30 be unknown to the petitioner, upon the filing of an affidavit of the petitioner or the  
 6.31 petitioner's agent or attorney, stating that the petitioner believes that such owner is not  
 6.32 a resident of the state, and that the petitioner has mailed a copy of the notice to the  
 6.33 owner at the owner's place of residence, or that after diligent inquiry the owner's place  
 6.34 of residence cannot be ascertained by the affiant, then service may be made upon such  
 6.35 owner by three weeks' published notice. If the state be an owner, the notice shall be

7.1 served upon the attorney general. Any owner not served as herein provided shall not be  
 7.2 bound by such proceeding except upon voluntarily appearing therein. Any owner shall  
 7.3 be furnished a right-of-way map or plat of all that part of land to be taken upon written  
 7.4 demand, provided that the petitioner shall have ten days from the receipt of the demand  
 7.5 within which to furnish the same. Any plans or profiles which the petitioner has shall be  
 7.6 made available to the owner for inspection.

7.7 Sec. 7. Minnesota Statutes 2004, section 117.075, subdivision 1, is amended to read:

7.8 Subdivision 1. **Hearing on taking; evidentiary standard.** (a) Upon proof being  
 7.9 filed of the service of such notice, the court, at the time and place therein fixed or to which  
 7.10 the hearing may be adjourned, shall hear all competent evidence offered for or against the  
 7.11 granting of the petition, regulating the order of proof as it may deem best.

7.12 (b) If the taking is for the mitigation of a blighted area, remediation of an  
 7.13 environmentally contaminated area, reducing abandoned property, or removing a  
 7.14 public nuisance, then, notwithstanding any other provision of general or special law, a  
 7.15 condemning authority must show by preponderance of the evidence that the taking is  
 7.16 necessary and for the designated public use.

7.17 (c) A court order approving the public purpose, necessity, and authority for the taking  
 7.18 is final unless an appeal is brought within 60 days after service of the order on the party.

7.19 Sec. 8. Minnesota Statutes 2004, section 117.075, is amended by adding a subdivision  
 7.20 to read:

7.21 Subd. 1b. Attorney fees. If the court determines that a taking is not for a public  
 7.22 purpose or is unlawful, the court shall award the owner reasonable attorney fees and other  
 7.23 related expenses, fees, and costs.

7.24 Sec. 9. Minnesota Statutes 2004, section 117.085, is amended to read:

7.25 **117.085 COMMISSIONERS, POWERS, DUTIES.**

7.26 The commissioners, having been duly sworn and qualified according to law, shall  
 7.27 meet as directed by the order of appointment and hear the allegations and proofs of all  
 7.28 persons interested touching the matters to them committed. They may adjourn from time  
 7.29 to time and from place to place within the county, giving oral notice to those present of  
 7.30 the time and place of their next meeting. All testimony taken by them shall be given  
 7.31 publicly, under oath, and in their presence. They shall view the premises, and any of  
 7.32 them may subpoena witnesses, which shall be served as subpoenas in civil actions are  
 7.33 served, and at the cost of the parties applying therefor. If deemed necessary, they may

8.1 require the petitioner or owner to furnish for their use maps, plats, and other information  
 8.2 which the petitioner or owner may have showing the nature, character, and extent of the  
 8.3 proposed undertaking and the situation of lands desired therefor. In proper cases they may  
 8.4 reserve to the owner a right-of-way or other privilege in or over the land taken, or attach  
 8.5 reasonable conditions to such taking in addition to the damages given or they may make  
 8.6 an alternative award, conditioned upon the granting or withholding of the right specified.  
 8.7 Without unreasonable delay they shall make a separate assessment and award of the  
 8.8 damages which in their judgment will result to each of the owners of the land by reason  
 8.9 of such taking and report the same to the court. The commissioners shall not reduce the  
 8.10 amount of the damages awarded because the land being taken is, at the time of the taking,  
 8.11 valued under section 273.111, designated as an agricultural preserve under chapter 473H.  
 8.12 The commissioners, in all such proceedings, may in their discretion allow and show  
 8.13 separately in addition to the award of damages, reasonable appraisal fees not to exceed a  
 8.14 total of ~~\$500~~ \$1,500 for single family and two-family residential property, agricultural  
 8.15 property, and minimum damage acquisitions and \$5,000 for other types of property. Upon  
 8.16 request of an owner the commissioners shall show in their report the amount of the award  
 8.17 of damages which is to reimburse the owner and tenant or lessee for the value of the land  
 8.18 taken, and the amount of the award of damages, if any, which is to reimburse the owner  
 8.19 and tenant or lessee for damages to the remainder involved, whether or not described in  
 8.20 the petition. The amounts awarded to each person shall also be shown separately. The  
 8.21 commissioners shall, if requested by any party, make an express finding of the estimated  
 8.22 cost of removal and remedial actions that will be necessary on the taken property because  
 8.23 of existing environmental contamination.

8.24 **Sec. 10. [117.186] COMPENSATION FOR LOSS OF GOING CONCERN.**

8.25 **Subdivision 1. Definitions.** For purposes of this section:

8.26 (1) "going concern" means the benefits that accrue to a business or trade as a result  
 8.27 of its location, reputation for dependability, skill or quality, customer base, good will, or  
 8.28 any other circumstances resulting in the probable retention of old or acquisition of new  
 8.29 patronage; and

8.30 (2) "owner" has the meaning given in section 117.025 and includes a lessee who  
 8.31 operates a business on real property that is the subject of an eminent domain proceeding.

8.32 **Subd. 2. Compensation.** In all eminent domain proceedings, the owner of a business  
 8.33 or trade must be compensated for the loss of a going concern if the owner establishes that:

8.34 (1) the business or trade has been destroyed as a result of the taking;

9.1 (2) the loss cannot be reasonably prevented by relocating the business or trade in the  
9.2 same or a similar and reasonably suitable location as the property that was taken, or by  
9.3 taking steps and adopting procedures that a reasonably prudent person of a similar age  
9.4 and under similar conditions as the owner would take and adopt in preserving the going  
9.5 concern of the business or trade; and

9.6 (3) compensation for the loss of going concern will not be duplicated in the  
9.7 compensation otherwise awarded to the owner of the business or trade.

9.8 Subd. 3. Procedure. In all cases where an owner seeks compensation for loss  
9.9 of a going concern, the court must determine, upon motion by the owner, whether the  
9.10 going concern has been taken. If the court determines that there is a taking of the going  
9.11 concern, any damages must be determined by the commissioners under section 117.105  
9.12 and must be reported in the award of the commissioners separate from the award of just  
9.13 compensation for the real property taken. An award for loss of going concern may be  
9.14 appealed by any party in accordance with section 117.145.

9.15 **Sec. 11. [117.187] MINIMUM COMPENSATION.**

9.16 When an owner must relocate, the amount of damages payable, at a minimum, must  
9.17 be sufficient for an owner to purchase a similar house or building of equivalent size in  
9.18 the community and not less than the condemning authority's payment or deposit under  
9.19 section 117.042.

9.20 **Sec. 12. [117.188] LIMITATIONS.**

9.21 The condemning authority must not require the owner to accept as part of the  
9.22 compensation due any substitute or replacement property. The condemning authority must  
9.23 not require the owner to accept the return of property acquired or any portion thereof.

9.24 **Sec. 13. [117.189] PUBLIC SERVICE CORPORATION EXCEPTIONS.**

9.25 Sections 117.036; 117.055, subdivision 2, paragraph (b); 117.075, subdivision 1b;  
9.26 117.186; 117.187; 117.188; and 117.52, subdivision 1a, do not apply to public service  
9.27 corporations. For purposes of an award of appraisal fees under section 117.085, the fees  
9.28 awarded may not exceed \$500 for all types of property.

9.29 **Sec. 14. [117.196] ATTORNEY FEES.**

9.30 If the final judgment or award of damages is at least 20 percent greater than the last  
9.31 written offer of compensation made by the condemning authority before the filing of the

10.1 petition, the court may award the owner reasonable attorney fees and costs in addition to  
10.2 other compensation and fees authorized by this chapter.

10.3 Sec. 15. Minnesota Statutes 2004, section 117.51, is amended to read:

10.4 **117.51 COOPERATION WITH FEDERAL AUTHORITIES.**

10.5 In all acquisitions undertaken by any acquiring authority and in all voluntary  
10.6 rehabilitation carried out by a person pursuant to acquisition or as a consequence thereof,  
10.7 the acquiring authority shall cooperate to the fullest extent with federal departments and  
10.8 agencies, and it shall take all necessary action in order to insure, to the maximum extent  
10.9 possible, federal financial participation in any and all phases of acquisition, including the  
10.10 provision of relocation assistance, services, payments and benefits to displaced persons.  
10.11 ~~An acquiring authority may consider reimbursing up to \$50,000 in reestablishment~~  
10.12 ~~expenses of a displaced business.~~

10.13 Sec. 16. Minnesota Statutes 2004, section 117.52, subdivision 1, is amended to read:

10.14 Subdivision 1. **Lack of federal funding.** In all acquisitions undertaken by any  
10.15 acquiring authority and in all voluntary rehabilitation carried out by a person pursuant  
10.16 to acquisition or as a consequence thereof, in which, due to the lack of federal financial  
10.17 participation, relocation assistance, services, payments and benefits under the Uniform  
10.18 Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States  
10.19 Code, title 42, sections 4601 to 4655, as amended by the Surface Transportation and  
10.20 Uniform Relocation Assistance Act of 1987, Statutes at Large, volume 101, pages 246  
10.21 to 256 (1987), are not available, the acquiring authority, as a cost of acquisition, shall  
10.22 provide all relocation assistance, services, payments and benefits required by the Uniform  
10.23 Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by  
10.24 the Surface Transportation and Uniform Relocation Assistance Act of 1987, and those  
10.25 regulations adopted pursuant thereto, and either (1) in effect as of ~~July 1, 1988~~ January 1,  
10.26 2006, or (2) becoming effective after ~~July 1, 1988~~ January 1, 2006, following a public  
10.27 hearing and comment. Comments received by an acquiring authority within 30 days after  
10.28 the public hearing must be reviewed and a written response provided to the individual or  
10.29 organization who initiated the comment. The response and comments may be addressed in  
10.30 another public hearing by the acquiring authority before approval.

10.31 Sec. 17. Minnesota Statutes 2004, section 117.52, is amended by adding a subdivision  
10.32 to read:

11.1 Subd. 1a. Reestablishment costs limit. For purposes of relocation benefits paid by  
 11.2 the acquiring authority in accordance with this section, the provisions of Code of Federal  
 11.3 Regulations, title 49, section 24.304, with respect to reimbursement of reestablishment  
 11.4 expenses for nonresidential moves are applicable, except that the acquiring authority shall  
 11.5 reimburse the displaced business for expenses actually incurred up to a maximum of  
 11.6 \$50,000.

11.7 Sec. 18. Minnesota Statutes 2004, section 163.12, subdivision 1a, is amended to read:

11.8 Subd. 1a. **Petition, notice, and access to information.** (a) Upon passage of the  
 11.9 resolution specified in section 163.11, subdivision 2, a petition must be presented to the  
 11.10 district court of the county in which the land is located. The petition must describe each  
 11.11 tract of land through which the highway passes, state the purposes for which the land is  
 11.12 proposed to be taken, and list the names of all persons appearing of record or known to  
 11.13 the county to be the landowners.

11.14 (b) Notice of the objects of the petition and of the time and place of presenting the  
 11.15 notice must be served, together with a copy of the resolution, upon each occupant of  
 11.16 each tract of land through which the highway passes at least 20 days before the hearing  
 11.17 under subdivision 1b. If an owner is not a resident of the state, or the owner's place of  
 11.18 residence is unknown to the county, service may be made by three weeks' published  
 11.19 notice following the filing of an affidavit on behalf of the county by the county's agent or  
 11.20 attorney stating that the county:

11.21 (1) believes that the owner is not a resident of the state; and

11.22 (2) has either mailed a copy of the notice to the owner at the owner's last known  
 11.23 residence address or, after diligent inquiry, the owner's place of residence cannot be  
 11.24 ascertained by the county.

11.25 If the state is an owner, the notice must be served upon the attorney general. An owner  
 11.26 not served as provided in this subdivision is not bound by the proceeding, except if the  
 11.27 owner voluntarily appears in the proceeding.

11.28 (c) Within ten days of an owner's demand, the owner must be furnished a  
 11.29 right-of-way map or plat of all that part of the owner's land to be taken. Any applicable  
 11.30 plans or profiles that the county possesses must be made available to the owner for  
 11.31 inspection.

11.32 (d) The notice must state that:

11.33 (1) a party wishing to challenge the public purpose, necessity, or authority for the  
 11.34 taking must appear at the court hearing and state the objection; and

12.1 (2) a court order approving the public purpose, necessity, and authority for the taking  
12.2 is final unless an appeal is brought within 60 days after service of the order on the party.

12.3 Sec. 19. Minnesota Statutes 2004, section 163.12, subdivision 1b, is amended to read:

12.4 Subd. 1b. **Finding of necessity.** When proof of service of the notice required in  
12.5 subdivision 1a is filed with the court, the court shall hear all competent evidence offered  
12.6 for or against granting the petition at the time and place fixed in the notice or otherwise set  
12.7 by the court. On finding that the proposed taking is necessary and authorized by law the  
12.8 court shall order the proceedings to commence pursuant to the remaining provisions of  
12.9 this section. The court order finding the taking necessary and authorized by law is a final  
12.10 order and must be appealed within 60 days from its service on the party.

12.11 Sec. 20. Minnesota Statutes 2004, section 469.012, subdivision 1g, is amended to read:

12.12 Subd. 1g. **Get property; eminent domain.** (a) An authority may, within its area of  
12.13 operation, acquire real or personal property or any interest therein by gifts, grant, purchase,  
12.14 exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power  
12.15 of eminent domain, in the manner provided by chapter 117, acquire real property which it  
12.16 may deem necessary for its purposes, after the adoption by it of a resolution declaring that  
12.17 the acquisition of the real property is necessary:

12.18 (1) to eliminate one or more of the conditions found to exist in the resolution adopted  
12.19 pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons  
12.20 of low and moderate income; or

12.21 (2) to carry out a redevelopment project.

12.22 (b) Real property needed or convenient for a project may be acquired by the  
12.23 authority for the project by condemnation pursuant to this section and chapter 117.

12.24 ~~(c) Prior to adoption of a resolution authorizing acquisition of property by~~  
12.25 ~~condemnation, the governing body of the authority must hold a public hearing on the~~  
12.26 ~~proposed acquisition after published notice in a newspaper of general circulation in the~~  
12.27 ~~municipality, which must be made at least one time not less than ten days nor more than~~  
12.28 ~~30 days prior to the date of the hearing. The notice must reasonably describe the property~~  
12.29 ~~to be acquired and state that the purpose of the hearing is to consider acquisition by~~  
12.30 ~~exercise of the authority's powers of eminent domain. Not less than ten days before the~~  
12.31 ~~hearing, notice of the hearing must also be mailed to the owner of each parcel proposed~~  
12.32 ~~to be acquired, but failure to give mailed notice or any defects in the notice does not~~  
12.33 ~~invalidate the acquisition. For the purpose of giving mailed notice, owners are determined~~  
12.34 ~~in accordance with section 429.031, subdivision 1, paragraph (a).~~

13.1           ~~(d)~~ (c) Property acquired by condemnation under this section may include any  
13.2 property devoted to a public use, whether or not held in trust, notwithstanding that the  
13.3 property may have been previously acquired by condemnation or is owned by a public  
13.5 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public  
13.6 use may be so acquired only if the governing body of the municipality has approved  
13.7 its acquisition by the authority.

13.8           ~~(e)~~ (d) An award of compensation shall not be increased by reason of any increase  
13.9 in the value of the real property caused by the assembly, clearance or reconstruction, or  
13.10 proposed assembly, clearance or reconstruction for the purposes of sections 469.001  
13.11 to 469.047 of the real property in an area.

13.12       Sec. 21. **REVISOR'S INSTRUCTION.**

13.13           The revisor shall change the phrase "right of eminent domain" where found in  
13.14 Minnesota Statutes and Minnesota Rules to "power of eminent domain."

13.15       Sec. 22. **EFFECTIVE DATE.**

13.16           This act is effective the day following final enactment and applies to condemnation  
13.17 proceedings for which service of notice of the petition under Minnesota Statutes, section  
13.18 117.055, is made on or after March 1, 2006.

Adopted

Alternative B

Subd. 10. Public service corporation. "Public service corporation" means a utility as defined in section 116C.52, subd. 10; gas, electric, telephone, or cable communications company; cooperative association; natural gas pipeline company; crude oil, or petroleum products pipeline company; municipal utility; municipality when operating its municipally owned utilities; or municipal power agency. "Public service corporation" also means a municipality or public corporation when operating an airport under chapter 360 or 473, a common carrier, a watershed district, or a drainage authority.

Deleted: public

Adopted 7 to 4 Division

1.1 Senator Vickerman moves to amend S.F. No. 2750 as follows:

1.2 Page 8, after line 23, insert:

1.3 "Sec. 10. [117.184] COMPENSATION FOR REMOVAL OF LEGAL  
4 NONCONFORMING USE.

1.5 Notwithstanding any law to the contrary, an ordinance or regulation of a political  
1.6 subdivision of the state or local zoning authority that requires the removal of a legal  
1.7 nonconforming use as a condition or prerequisite for the issuance of a permit, license, or  
1.8 other approval for any use, structure, development, or activity constitutes a taking and  
1.9 is prohibited without the payment of just compensation. This section does not apply if  
1.10 the permit, license, or other approval is requested for the construction of a building or  
1.11 structure that cannot be built without physically moving the nonconforming use."

1.12 Amend the title accordingly

*Not  
Adopted  
5 to 6 Division*

1.1 Senator *Senjem*..... moves to amend S.F. No. 2750 as follows:

1.2 Page 3, line 24, delete "absolute"

1.3 Page 3, line 26, delete "absolutely" and insert "reasonably" and delete "remove"  
1.4 and insert "achieve"

1.5 Page 3, line 27, delete "the dilapidated buildings" and insert "the goals of the  
1.6 redevelopment plan"

1.7 Page 3, line 29, delete "absolute"

1.8 Page 3, delete line 31 and insert "unless it is reasonably necessary in order to achieve  
1.9 the goals of the redevelopment plan"

Withdrawn

1.1 Senator Dibble moves to amend S.F. No. 2750 as follows:

1.2 Page 2, delete subdivisions 5 to 8 and insert:

1.3 "Subd. 5. **Abandoned property.** "Abandoned property" means property:

1.4 (1) that has been substantially unoccupied or unused for any commercial or  
1.5 residential purpose for at least one year by a person with a legal or equitable right to  
1.6 occupy the property and has not been reasonably maintained; or

1.7 (2) for which taxes have not been paid for at least two previous years.

1.8 Subd. 6. **Blighted area.** "Blighted area" is an area where the condemning authority  
1.9 finds that the conditions in clauses (a), (b), and (c) exist:

1.10 (a) the land is or has been in urban use;

1.11 (b) at least one of the following conditions exist:

1.12 (1) 50 percent or more of the buildings in the area are dilapidated or abandoned;

1.13 (2) 30 percent or more of the parcels in the area constitute an environmentally  
1.14 contaminated area; or

1.15 (3) (i) 20 percent or more of the buildings in the area are dilapidated or abandoned,

1.16 and (ii) an additional 30 percent or more of the buildings in the area are obsolete

1.17 as evidenced by lack of investment based on limited building permits for repair or

1.18 improvements in the previous five years; and

1.19 (c) at least one of the following conditions is present:

1.20 (1) diversity of ownership or defective or unusual conditions of title prevent the  
1.21 free alienability of land within the area;

1.22 (2) there is inadequate infrastructure in the area;

1.23 (3) 30 percent of the tax parcels have had delinquent taxes or special assessments for  
1.24 a period of two years or more prior to inclusion in the area; or

1.25 (4) negative market conditions exist in the area.

6 Subd. 7. **Dilapidated building.** (a) "Dilapidated building" means a building that  
1.27 contains significant defects in structural elements or a combination of deficiencies in

2.1 essential utilities and facilities, light and ventilation and fire protection, including adequate  
2.2 egress, where the defects or deficiencies justify substantial renovation or clearance.

2.3 (b) Except as provided in paragraph (c), a building is not dilapidated if it is in  
2.4 compliance with the building code applicable to new buildings or could be modified to  
2.5 satisfy the building code at a cost of less than 20 percent of the cost of constructing a new  
2.6 structure of the same square footage and type on the site.

2.7 (c) The condemning authority may find that paragraph (b) is not applicable to a  
2.8 building on the basis of reasonably available evidence, such as the size, type, and age of  
2.9 the building, the average cost of plumbing, electrical, or structural repairs, or other similar  
2.10 reliable evidence. The condemning authority may not make this determination without  
2.11 an interior inspection of the property, but need not have an independent, expert appraisal  
2.12 prepared of the cost of repair and rehabilitation of the building. An interior inspection of  
2.13 the property is not required if the condemning authority finds that:

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

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

2.18 Items of evidence that support a finding under clause (2) include recent fire or police  
2.19 inspections, on-site property tax appraisals or housing inspections, exterior evidence of  
2.20 deterioration, or other similar reliable evidence. Written documentation of the findings  
2.21 and reasons why an interior inspection was not conducted must be made and retained by  
2.22 the condemning authority.

2.23 (d) A finding that paragraph (b) is not applicable to a building is a necessary, but not  
2.24 sufficient condition by itself, to determine that a building is dilapidated.

2.25 Subd. 8. **Environmentally contaminated area.** "Environmentally contaminated  
2.26 area" means an area where the lots, parcels, or tracts contain buildings, soil, or ground  
2.27 or surface water that is contaminated by a substance defined, regulated, or listed as  
2.28 a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant,  
2.29 contaminant, or toxic substance, or identified as hazardous to human health or the  
2.30 environment, under state or federal law or regulation, and that is eligible for federal,  
2.31 regional, or state contamination cleanup grant assistance.

2.32 Subd. 9. **Inadequate infrastructure.** "Inadequate infrastructure" means any  
2.33 publicly owned physical infrastructure, including sanitary sewer systems, water systems,  
2.34 streets, wastewater treatment and pretreatment systems, storm water management systems,  
2.35 natural gas systems, and electric utility systems, that is inadequate to serve either existing

3.1 or projected users in the blighted area because the system is undersized, does not meet  
3.2 current design standards, or is significantly deteriorated.

3.4 Subd. 10. **Market area.** "Market area" means the geographic or locational  
3.5 delineation of the market for a specific category of real estate.

3.6 Subd. 11. **Negative market conditions.** "Negative market conditions" are  
3.7 evidenced by one or more of the following factors for similarly classified property:

3.8 (1) market values are lower than in the remainder of the market area, are increasing  
3.9 at rates materially lower than in the remainder of the market area, or are decreasing  
3.10 compared to the remainder of the market area;

3.11 (2) vacancy rates are higher than in the remainder of the market area; or

3.12 (3) other comparable evidence of negative market conditions in the blighted area  
3.13 compared to the market area as a whole."

3.14 Page 3, line 3, delete "9" and insert "12"

3.15 Page 3, line 5, delete "10" and insert "13"

3.16 Page 3, delete subdivision 11

3.17 Page 3, after line 35, insert:

3.18 "Sec. 4. **[117.028] LIMITATION ON USE OF EMINENT DOMAIN.**

3.19 Subdivision 1. **Limitation; transfer of property interest to private entity.** A  
3.20 condemning authority may not exercise the power of eminent domain under this chapter  
3.21 if the property interest to be acquired is intended to be sold, transferred, or otherwise  
3.22 conveyed to a person or nongovernmental entity without the power of eminent domain,  
3.23 unless the condemning authority finds that the use of eminent domain is necessary to  
3.24 accomplish one or more of the purposes in subdivision 2.

3.25 Subd. 2. **Exceptions.** (a) Notwithstanding subdivision 1, the condemning authority  
3.26 may exercise the power of eminent domain to acquire land for one or more of the  
3.27 following purposes:

3.28 (1) the ownership, possession, occupation, or enjoyment of the land by the general  
3.29 public or by public agencies or government entities;

3.30 (2) to remedy a public nuisance;

3.31 (3) to carry out a program to remedy or improve an environmentally contaminated  
3.32 area;

3.33 (4) to carry out a program to remedy or improve a blighted area;

4 (5) to facilitate development of housing for low or moderate income persons as  
defined under any federal, state, or local program;

4.1 (6) to acquire parcels of land necessary to complete a project, if the project consists  
 4.2 of five parcels or less and all but one of the parcels necessary to complete the project were  
 4.3 acquired by means other than eminent domain; or if the project consists of more than five  
 4.4 parcels and at least 80 percent of the required parcels were acquired by means other  
 4.5 than eminent domain; or

4.6 (7) subject to paragraph (b), for the public benefits of economic development,  
 4.7 including an increase in tax base, tax revenues, employment, or general economic health.

4.8 (b) A condemning authority may exercise the power of eminent domain for  
 4.9 economic development purposes under this chapter only if one or more of the following  
 4.10 forms of financial assistance are present:

4.11 (1) a grant awarded by a state agency for economic development related purposes, if  
 4.12 a single business receives \$200,000 or more of the grant proceeds;

4.13 (2) a grant award to local units of government or development authorities under  
 4.14 sections 116J.551, 116J.559, 116J.571, and 116J.8731;

4.15 (3) a loan or the guaranty or purchase of a loan made by a state agency for economic  
 4.16 development related purposes if a single business receives \$500,000 or more of the loan  
 4.17 proceeds;

4.18 (4) a reduction, credit, or abatement of a tax assessed under chapter 297A or 290  
 4.19 where the tax reduction, credit, or abatement applies to a geographic area smaller than the  
 4.20 entire state and was granted for economic development related purposes; or

4.21 (5) an appropriation by the legislature to acquire or better property, in whole or in  
 4.22 part, with the proceeds of state general obligation bonds authorized to be issued under  
 4.23 article XI, section 5, clause (a) of the Minnesota Constitution.

4.24 Financial assistance does not include payments by the state of aids and credits under  
 4.25 chapter 273 or 477A to a political subdivision.

4.26 Subd. 3. **Disclosure.** All applicants must indicate on applications for financial  
 4.27 assistance described in subdivision 2, paragraph (b), whether the use of eminent domain  
 4.28 may be necessary to acquire property for the project."

4.29 Renumber the sections in sequence and correct the internal references

4.30 Amend the title accordingly

# COMMITTEE REPORT - WITH AMENDMENTS

Committee on State and Local Government Operations

S .F. No. 2750

Resolution

Re-referred (from another committee)

Amendments: See Attached = Alternative B Amendment

A-17

#

**Committee recommendation:**

And when so amended the bill do pass.

And when so amended the bill do pass and be placed on the Consent Calendar.

And when so amended the bill do pass and be re-referred to the Committee on

Transportation

**no recommendation:** And when so amended the bill be  
(re-referred to the Committee on \_\_\_\_\_)

OR  (reported to the Senate).

\_\_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
1.2 **Operations, to which was re-referred**

1.3 **S.F. No. 2750:** A bill for an act relating to eminent domain; defining public use or  
1.4 purpose; prohibiting the use of eminent domain for economic development; requiring  
clear and convincing evidence for certain takings; providing for attorney fees and other  
additional elements of compensation; making other changes in the exercise of eminent  
1.7 domain; amending Minnesota Statutes 2004, sections 117.025; 117.036; 117.055; 117.075,  
1.8 subdivision 1, by adding a subdivision; 117.085; 117.51; 117.52, subdivision 1, by adding  
1.9 a subdivision; 163.12, subdivisions 1a, 1b; 469.012, subdivision 1g; proposing coding for  
1.10 new law in Minnesota Statutes, chapter 117.

1.11 Reports the same back with the recommendation that the bill be amended as follows:

1.12 Page 3, line 6, delete "public" and after "utility" insert ", as defined by section  
1.13 116C.52, subdivision 10"

1.14 Page 8, after line 23, insert:

1.15 "Sec. 10. [117.184] COMPENSATION FOR REMOVAL OF LEGAL  
1.16 NONCONFORMING USE.

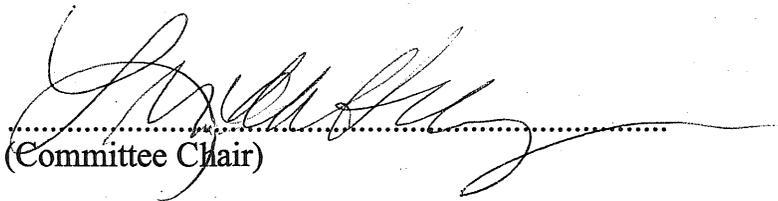
1.17 Notwithstanding any law to the contrary, an ordinance or regulation of a political  
8 subdivision of the state or local zoning authority that requires the removal of a legal  
1.19 nonconforming use as a condition or prerequisite for the issuance of a permit, license, or  
1.20 other approval for any use, structure, development, or activity constitutes a taking and  
1.21 is prohibited without the payment of just compensation. This section does not apply if  
1.22 the permit, license, or other approval is requested for the construction of a building or  
1.23 structure that cannot be built without physically moving the nonconforming use."

1.24 Renumber the sections in sequence

1.25 Amend the title accordingly

1.26 And when so amended the bill do pass and be re-referred to the Committee on  
1.27 Transportation. Amendments adopted. Report adopted.

1.28  
1.29

  
.....  
(Committee Chair)

1.30  
1.31

March 13, 2006 .....  
(Date of Committee recommendation)



March 13, 2006

Senator Tom Bakk  
226 Capitol  
75 Rev Dr Martin Luther King Jr Blvd  
St. Paul, MN 55155-1601

Dear Senator Bakk,

I am writing on behalf of the Minnesota Farm Bureau in support of passage of SF 2750, the eminent domain reform legislation. Minnesota Farm Bureau is the largest general farm organization in Minnesota with 77 organized county Farm Bureaus around the state representing nearly 30,000 family members.

Farm Bureau strongly supports passage of SF 2750. We want to thank you for your leadership on this issue and to legislators on both sides of the aisle for their hard work in developing this legislation.

The protection of private property rights has long been a cornerstone of our organization. At our recent annual meeting Farm Bureau voting delegates adopted the following public policy positions regarding eminent domain reform:

- Farm Bureau supports prohibiting the taking of private property for the purposes of economic development to increase tax revenue to a government entity, and
- Farm Bureau supports prohibiting the use of eminent domain in taking private property for commercial or private use.

Quite simply, Farm Bureau opposes units of government using eminent domain to take property from one individual and giving it to another for the purposes of economic development.

If left unchecked, government's ability to use eminent domain for economic development purposes is a great concern for Minnesota farmers. We own the land bordering the ever expanding boundaries of cities throughout the state. The potential for taking our land is very real when you consider what generates more revenue and taxes – a cornfield or a condo? A strawberry farm or a shopping mall?

The American Farm Bureau recently conducted a poll that showed 83 percent of Americans opposed the use of eminent domain for private development. Regardless of geographical, partisan or other demographic differences, Americans were unified two-to-one against government use of eminent domain to take private property, unless the public at large would clearly benefit from a new road, electric utility or similar project.

Farm Bureau supports the use of eminent domain for real public uses, like roads, schools, or public utilities. These are traditional and proper uses of eminent domain. Moreover, the proposed eminent domain reforms contained in SF 2750 maintain local government's power to eliminate public nuisances, reduce abandoned properties, and mitigate blighted areas.

In closing, Farm Bureau strongly supports passage of SF 2750 and thanks you for your efforts.

Sincerely,

Kevin Paap, President



# Minnesotans for Eminent Domain Reform

200 Lothenbach Avenue  
West St. Paul, MN 55118  
(651) 291-2400  
www.mnedr.com

Government should not take from A and give to B just because B promises to pay more taxes.  
But that's the law in Minnesota!

## The Minnesota Legislature Must Pass the Johnson/Bakk Eminent Domain Reform Bill HF 2846 to Protect Homes, Farms, and Small Businesses.

- **A fair definition of public use.** The Johnson/ Bakk Reform bill limits eminent domain to property that will be:
  1. owned by the government (roads, schools, government buildings, etc.)
  2. for the functioning of public service corporations (public utilities, railroads, etc.)
  3. to remedy blighted, environmentally contaminated, abandoned, or nuisance properties.
- **A sensible definition of blight.** The Johnson/ Bakk Reform bill creates a clear and common-sense test for "blight":
  1. property is in urban use
  2. 50% or more of the buildings in the blighted area are "dilapidated"  
Buildings are "dilapidated" when:
    - the property has been cited for a building code violation,
    - the violation has gone un-remedied, and
    - the building is unfit for human use because it is unsafe.
- **Judicial Review of the Constitutional Right to Private Property.** The Johnson/ Bakk Reform bill requires the government to prove by **clear and convincing evidence** that they are properly using eminent domain when taking private property to remedy "blight." Under current law, the court gives almost total deference to the municipality's determination of "blight," which is why abusive and questionable takings have been allowed in Minnesota.
- **Just compensation:**
  1. Property owners should be entitled to attorney's fees when they can prove that eminent domain was *not* for a public use
  2. Property owners should be entitled to attorney's fees when the government makes a final offer of compensation that is substantially lower than the property is worth.
  3. Businesses should be compensated for the "loss of going concern" in addition to the value of the land when a business operated on the property is totally destroyed by the government taking.



**STAND YOUR GROUND**

PROTECT HOMES, FARMS AND BUSINESSES FROM UNFAIR TAKINGS!

## Frequently Asked Questions About Eminent Domain Reform:

*Does government ever have a legitimate need to use eminent domain?*

Yes. Taking property for real public uses, like roads, schools, or public utilities are traditional and proper uses of eminent domain. Moreover, the proposed reforms maintain local government's power to eliminate public nuisances, reduce abandoned properties, and mitigate blighted areas.

*If we limit government's use of eminent domain, aren't we hampering economic development?*

No. Development happens every day, all across the country, without the use of eminent domain. But if needed, government can stimulate development by using tools such as economic development districts, tax incentives, TIF, loans, grants, infrastructure improvements, and expedited permitting.

*Doesn't government planning produce economic benefits?*

Not always. Eminent domain often fails to live up to its promises. It imposes costs in the form of lost communities, uprooted families, and destroyed small businesses. And uncertainty caused by government's frequent takings result in people not fixing their homes and businesses not reinvesting in Minnesota.

*But don't governments use eminent domain only as a last resort?*

Definitely not. Cities plan assuming there is no need to incorporate existing homes, farms or businesses because they simply can take them. Cities freely admit they often use the "threat" of eminent domain to force a settlement. They also threaten the use of eminent domain when first meeting owners. They often tell owners if they don't take the city's first offer, their home, farm, or business may be taken by eminent domain for even less money.

*What will happen if Minnesota's Legislators don't act?*

The *Kelo* decision has emboldened governments and developers seeking to take property from home, farms and small business owners. There has been a flood of new condemnations. In the first two months after *Kelo*, more than 30 municipalities across the country took action to authorize condemnations for private development. Property has been threatened or taken in **New Brighton, Rosemount, Brooklyn Center, Champlin**, and elsewhere in Minnesota since the *Kelo* decision.

*But can't we just change local governments' processes to stop eminent domain abuse?*

No. The City of New London had lengthy studies, plans, and hearings. None of its processes made a difference. The legislative-check doesn't always work when city council members know the outcome they want.

*What about the attorney's fees provision – aren't we just encouraging litigation?*

The attorney's fees provision in this bill is modeled after provisions in all of our surrounding states. It is meant to penalize government when they substantially underbid for a private property, and provides incentive to treat a property owner more fairly and to encourage settlement prior to litigation.

For more information visit [www.MNEDR.com](http://www.MNEDR.com), the website of Minnesotans for Eminent Domain Reform.

Supported by: MN Auto Dealers Association; MN Farm Bureau; Institute for Justice;  
NAACP; Minneapolis Urban League; MN Farmers Union; Minnesota Hmong Chamber of Commerce; Hispanic Chamber of Commerce of MN;  
MN Petroleum Marketers Association; National Federation of Independent Business; St. Paul Black Interdenominational Ministerial Alliance;  
MN Teamsters D.R.I.V.E.; MN Alliance of Automotive Service Providers; Outdoor Advertising Association of MN;  
Hospitality MN; MN Trucking Association; MN Family Council; MN Manufactured Housing Association;  
MN State Cattlemen's Association; MN Association of Wheat Growers; Highway Construction Industry Council



**Minnesotans for  
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Reform**

200 Lothenbach Avenue  
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(651) 291-2400  
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**HF 2750 (Bakk) is Supported by:**

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**Institute for Justice**  
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**MN Alliance of Automotive Service Providers**  
**Outdoor Advertising Association of MN**  
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**MN Family Council**  
**MN Manufactured Housing Association**  
**MN State Cattlemen's Association**  
**MN Association of Wheat Growers**  
**Highway Construction Industry Council**  
**And hundreds of individual citizens!**



**STAND YOUR GROUND**

*PROTECT HOMES, FARMS AND BUSINESSES FROM UNFAIR TAKINGS!*

Bjorn Skogquist

RESOLUTION NO. 2005-\_\_

A RESOLUTION AUTHORIZING EMINENT DOMAIN

WHEREAS, the City of Anoka proposes to redevelop property within the area known as the North Central Business District pursuant to a redevelopment plan approved by the City Council; and

\* WHEREAS, a portion of said property needed for redevelopment of the North Central Business District includes the following properties: 228 Harrison Street, 229 and 241 Van Buren Street and 2215 and 2223 Third Avenue; and

WHEREAS, the City of Anoka has the authority to acquire said properties by eminent domain pursuant to Minn. Stat. Chapter 117, Minn. Stat. Chapter 469, Anoka City Charter and other applicable laws and statutes of the State of Minnesota for redevelopment purposes; and

\* WHEREAS, the City of Anoka has been unable to successfully negotiate the acquisition of said properties.

\* WHEREAS, acquisition of said properties by the City of Anoka pursuant to use of eminent domain proceedings is necessary and for a public purpose; and

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Anoka hereby authorizes the acquisition of said properties by eminent domain and to take title and possession of that land prior to the filing of an award by the court-appointed commissioners, pursuant to Minn. Stat. Chapter 117; and

BE IT FURTHER RESOLVED, that the City Attorney is authorized to file the necessary Petition therefore, and to execute such action to a successful conclusion or until it is abandoned, dismissed, or terminated by the City or the Court.

Adopted by the Anoka City Council this 16<sup>th</sup> day of May 2005.

ATTEST:

\_\_\_\_\_  
Amy T. Oehlers, City Clerk

\_\_\_\_\_  
Bjorn E. Skogquist, Mayor

*Mark Saither*

**Responsible EMINENT DOMAIN**

***Case Study***

**White Bear Lake**

**Ramsey County**

Population 24,909

***Before***



*Case Study*

**White Bear Lake**

**Ramsey County**

Population 24,909

*Before*



*Case Study*

**White Bear Lake**

**Ramsey County**

Population 24,909

*Home Left Intact*



*Case Study*

**White Bear Lake**

**Ramsey County**

Population 24,909

*After*



*Case Study*

**White Bear Lake**

**Ramsey County**

Population 24,909

*After*



*Case Study*

**White Bear Lake**

**Ramsey County**

Population 24,909

*After*



## *Case Study*

### **White Bear Lake**

**Ramsey County**

Population 24,909

#### **The Project**

This project began in 1988 and was part of a large, three-phase downtown redevelopment project. The project involved an area along Highway 61, largely located in an old railroad right-of-way, that the community identified as in need of revitalization. In particular, community members raised concerns about a dilapidated railroad depot, environmental contamination, unsightly abandoned storage tanks, and several blighted metal buildings. The community, as part of their strategic planning process, had also identified the need for more senior housing.

This downtown area has now been successfully redeveloped. The depot has been restored and is now home to a city and railway museum. A three-story office building accommodates both long-term White Bear Lake businesses as well as newcomers. A long-needed city hall with community meeting spaces was built. And a new 60-unit market-rate senior housing complex has been constructed.

#### **Impacts on Property Owners**

Over the course of the project, the City acquired and relocated 32 businesses and individuals, with most expressing that they have moved to better places. Nine businesses, then located on the old railroad property, held leases with the railroad that included 30-day termination clauses. The railroad sold the property to the City, which had the legal right to evict all tenants after 30 days. Instead, the City offered these businesses the cash value of a 15-year lease, relocation benefits, and to work with each business to help them find better locations. Every one of the businesses happily accepted this offer. Eight of the nine businesses relocated within White Bear Lake and now own, rather than lease, their business properties. The ninth business was owned by an older gentleman who used his settlement money to retire.

Eminent domain was initiated on two parcels and considered on a third. The first property that involved eminent domain was a bar. The initial project plan only required a portion of the bar's parking lot (seven stalls) and involved creating a new public parking lot across the street that would be available to bar patrons. The owner feared that the development would include businesses that would compete with him. He claimed that the loss of the parking stalls would constitute a complete taking. The City made an offer for the entire property, which was accepted, so the eminent domain case was dismissed. The City, which continues to own the property, leased the bar back to the prior owner and now leases it to the prior owner's son. A previously vacant portion of the building has been turned into a family restaurant. The two businesses are each successful and have separate clientele.

The second property that required the exercise of eminent domain was a single-family rental home. The 60-unit senior apartment building complex and three-story office building required acquisition of eight houses. Six were willing sellers – some had even approached the city during an earlier phase of the project to request that the City purchase their property (thus avoiding the cost of paperwork and realtor fees).

## **White Bear Lake**

**Ramsey County**

Population 24,909

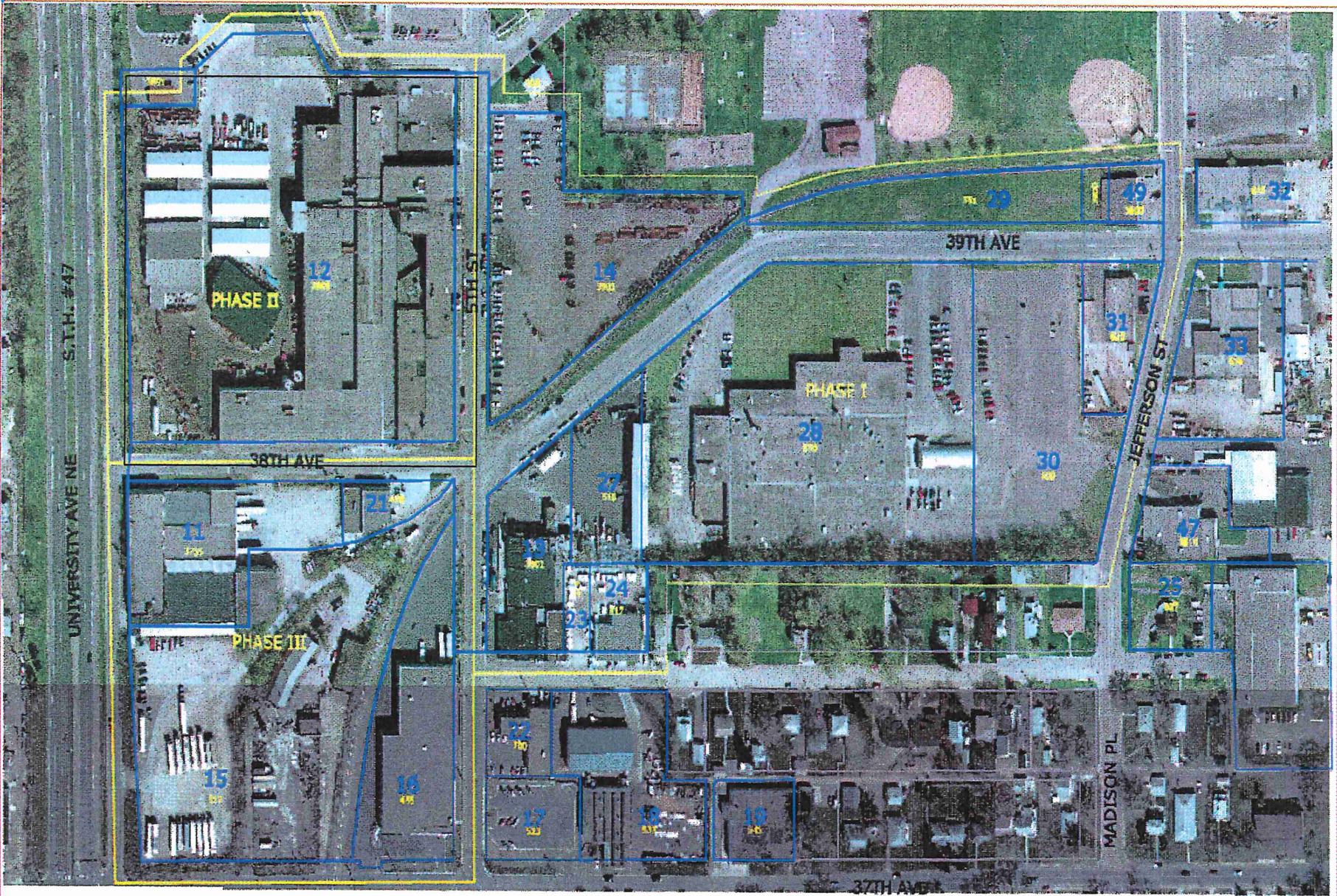
One property owner would not sell, wanting twice the City's appraisal amount. His rationale was that his value should be based on what the developer would pay to get the deal done since other parcels had already been purchased. The City Council did not think it would be fair to give him a significantly higher settlement than the other property owners, as the properties in question were very similar. In the end, the City offered him the appraised value plus 75% of the estimated costs to complete the eminent domain process. He accepted the offer so the case was dismissed.

In the case of the other single-family home, eminent domain was considered but never commenced. As part of the public input process, citizens expressed concern about the City acquiring the property, as it was the home of an elderly resident. The City Council reacted accordingly. The City negotiated with the family of this 90-year-old woman and came to an agreement whereby she would sell her property but remain in the house as long as she wished. The project plans were modified to build around her, and the City made improvements to her property. She received two-thirds of the settlement money up-front. The other third was paid to her estate following her death two years later.

### **Impacts on the Community**

White Bear Lake's residents and businesses have responded very favorably to the outcomes of the project. They were happy to see the elimination of the contaminated areas and blighted buildings, they are pleased that the project addresses the community priority of senior housing, and they have a great deal of pride in their revitalized downtown area.

ATTACHMENT 1 - COLUMBIA HEIGHTS INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA



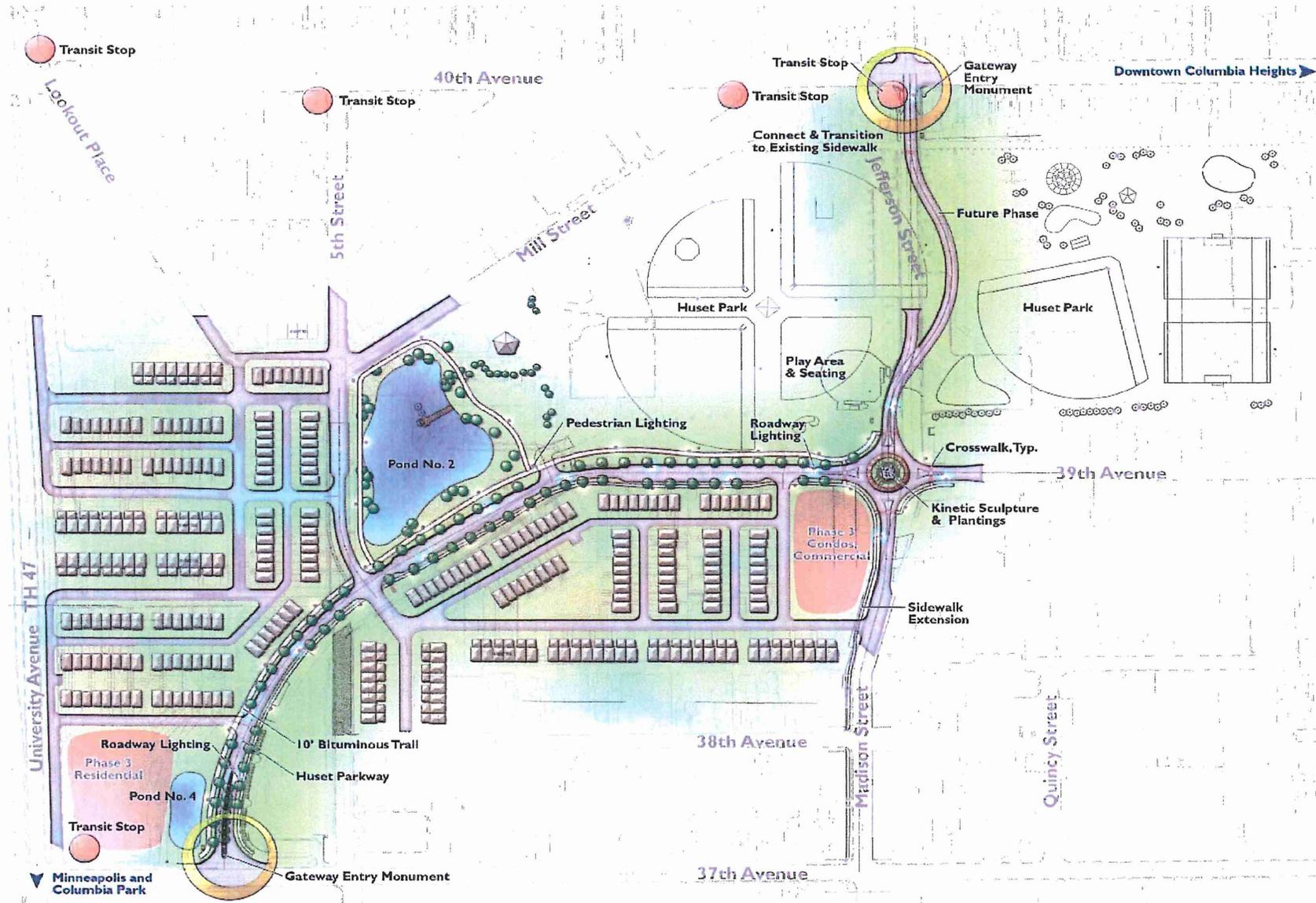
BOUNDARY OF PROJECT AREA  
SITE ADDRESS  
SITE IDENTIFICATION NUMBER

PHASE II REPORT/FFS/RAP  
Grant Application  
Columbia Heights Industrial Park  
Columbia Heights, Minnesota  
ProSource Project No.: 482-00

FIGURE 14  
PROJECT PHASING



# ATTACHMENT 2 – COLUMBIA HEIGHTS INDUSTRIAL PARK REDEVELOPMENT



CITY OF COLUMBIA HEIGHTS INDUSTRIAL PARK REDEVELOPMENT

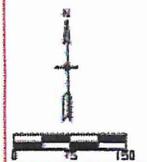
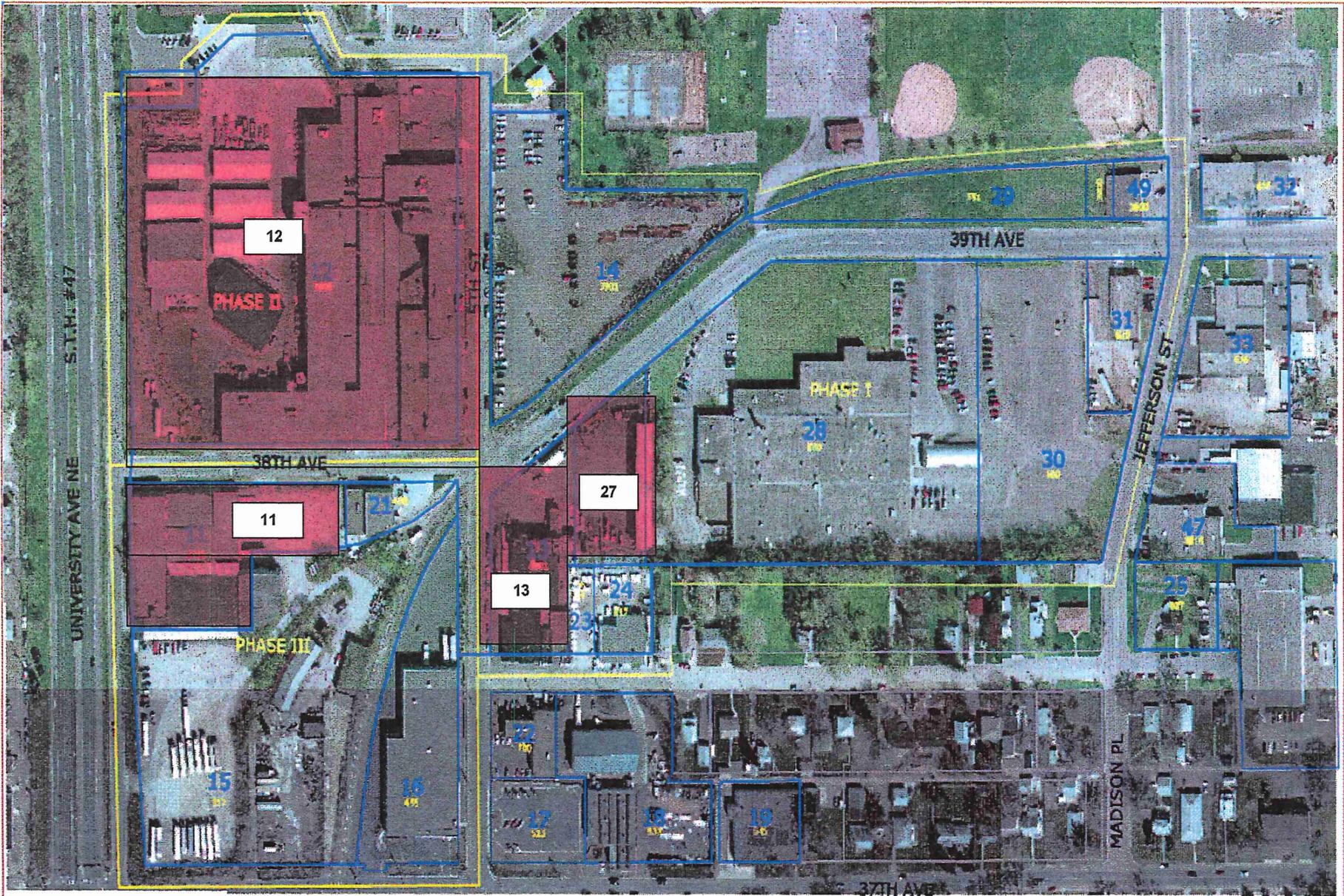
**THIS PROJECT WOULD NOT OCCUR UNDER S.F. NO. 2750**

Examples of Parcels that do not qualify*	S.F. NO. 2750		ACTUAL CONTAMINATION HAZARDS		
	Contamination must exceed 50% percent surface area	Cost of remediation must exceed 100% of assessor's estimated market value	Contamination (Cubic Yards / Semi Truck Loads)	Contaminants	Cost of Remediation
11	27.9%	42%	10,839 / 602	Foundry Waste (metals)	\$328,514
12	4.7%	47%	17,135 / 952	Foundry Waste, Petroleum	\$646,411
13	30.3%	228%	16,537 / 919	Dump, Chlorinated Solvents	\$514,772
27	34.1%	98%	<u>4,984 / 277</u>	Dump	<u>\$151,313</u>
			49,495 / 2,750		\$1,641,010
<b>ENTIRE PROJECT</b>	<b>36.4%</b>	<b>88%</b>	<b>131,909 / 7,328</b>	<b>Foundry Waste, Petroleum, Chlorinated Solvents, Dump, Ground Water Contamination</b>	<b>\$4,500,000**</b>

\*Please see attached map that identifies parcel location in project area.

\*\*\$3,200,000 of remediation funded with Department of Employment and Economic Development and Metropolitan Council grants.

ATTACHMENT 3b - CITY OF COLUMBIA HEIGHTS INDUSTRIAL PARK



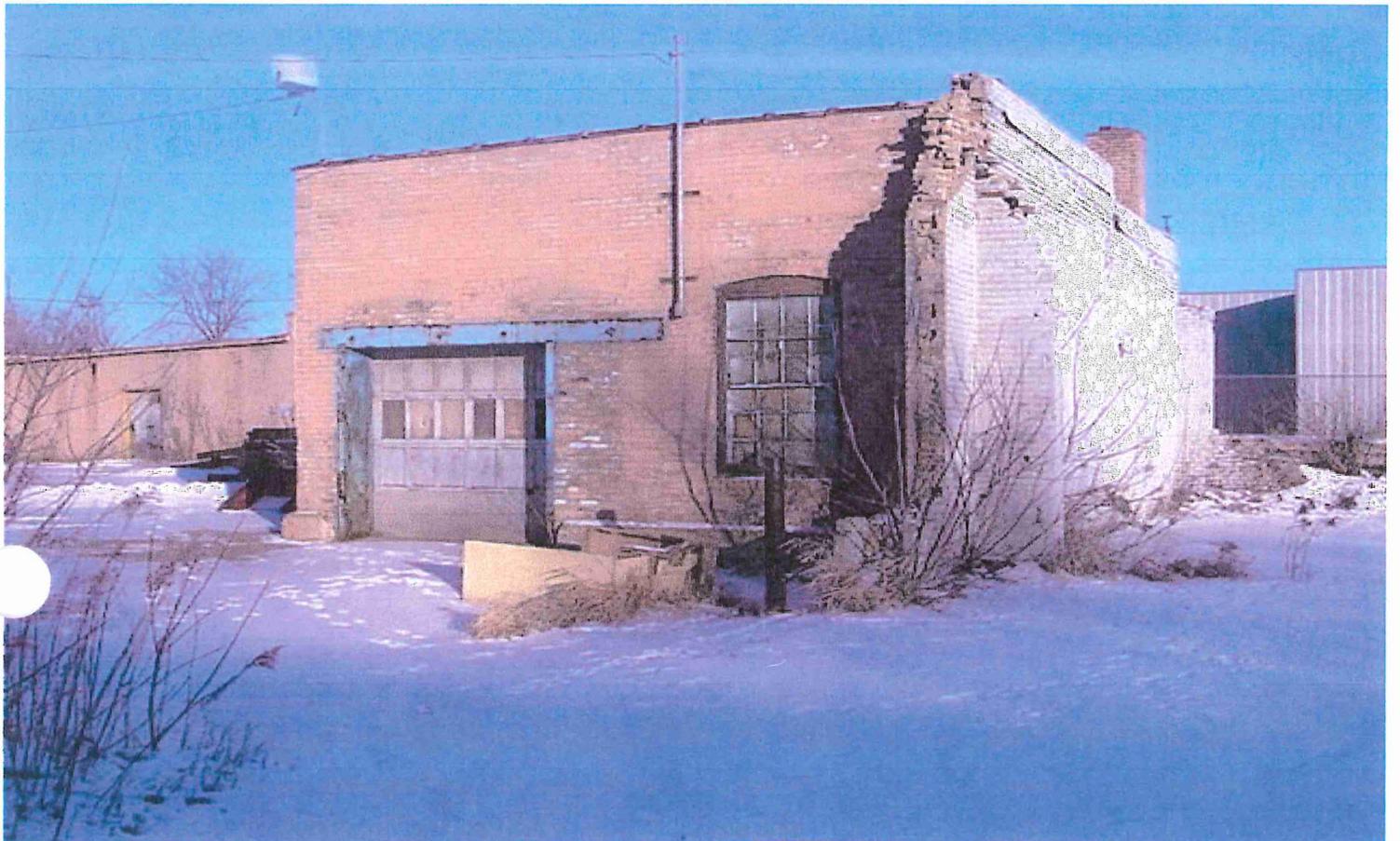
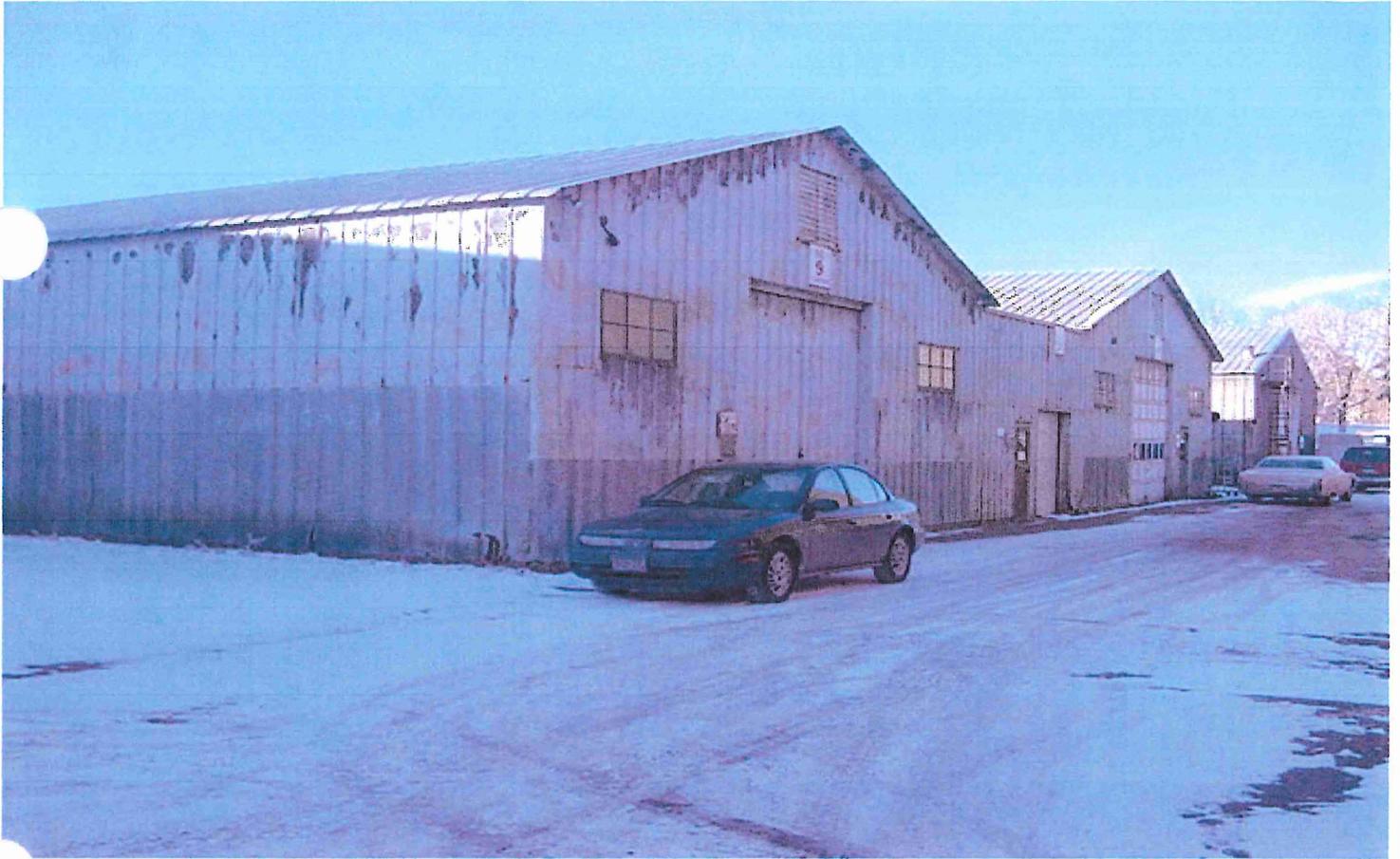
28

BOUNDARY OF PROJECT AREA  
SITE ADDRESS  
SITE IDENTIFICATION NUMBER

PHASE II REPORT/FFS/RAP  
Grant Application  
Columbia Heights Industrial Park  
Columbia Heights, Minnesota  
ProSource Project No.: 482-00

FIGURE 14  
PROJECT PHASING  
**ProSource**

ATTACHMENT 4a – EXAMPLES OF BLIGHTED BUILDINGS



ATTACHMENT 4b – EXAMPLES OF BLIGHTED BUILDINGS



Attachment 5

Redevelopment Eligibility Assessment

Proposed Columbia Heights Huset Park Area  
TIF District  
Columbia Heights, MN

September 9, 2004

Amended October 14, 2004

Prepared by:

Short Elliott Hendrickson, Inc. (SEH)  
Butler Square Building, Suite 710C  
100 North 6<sup>th</sup> Street  
Minneapolis, MN 55403

SEH No. A-COLHT0402.00



Multidisciplined. Single Source.  
Trusted solutions for more than 75 years.

City of Columbia Heights  
Proposed TIF District  
September 9, 2004  
October 14, 2004

## PURPOSE

Short Elliott Hendrickson, Inc. (SEH) was hired by the City of Columbia Heights, Minnesota, to survey and evaluate the properties within the proposed Columbia Heights Tax Increment Financing (TIF) District. The proposed district is generally located south of 39<sup>th</sup> Avenue NE, north of 38<sup>th</sup> Avenue NE, east of University Avenue NE and west of Jefferson Street. The purpose of our work was to independently ascertain whether the qualification tests for tax increment eligibility, as required under Minnesota Statute, could be met.

The findings and conclusions drawn herein are solely for the purpose of tax increment eligibility and are not intended to be used outside the scope of this assessment.

## SCOPE OF WORK

The proposed district as of September 9<sup>th</sup> consisted of 12 parcels comprised of the following types of improvements: 9 commercial structures on 7 parcels, and 5 vacant parcels with only parking improvements. Within the district are also several accessory structures – for the purposes of this assessment, these are considered ‘outbuildings’ and are not included in the Condition of Buildings Test.

On October 9, 2004 SEH was able to obtain access to additional buildings located on parcels 12 and 28. During the survey of these buildings it was determined that 3 additional structures are classified as buildings included in the proposal district and not classified as “outbuildings”. Thus the proposed district consists of 12 parcels comprised of the following types of improvements: 12 commercial structures on 7 parcels, and 5 vacant parcels with only parking improvements.

## EVALUATIONS

Interior inspections were completed for all buildings except 2 Exterior assessments were completed for all buildings.

## FINDINGS

**Coverage Test** – 12 of the 12 properties met the coverage test with a 100% area coverage. This exceeds the 70% area coverage requirement.

**Condition of Buildings Test** – 83.33 percent of the buildings – 10 of the 12 buildings - were found to be “structurally substandard” when considering code deficiencies and other deficiencies of sufficient total significance to justify substantial renovation or clearance (see definition of “structurally substandard” as follows). This exceeds the Condition of Buildings Test whereby over 50% of buildings, not including outbuildings, must be found “structurally substandard.”

## CONCLUSION

Our surveying and evaluating of the properties within this proposed Redevelopment District render results that in our professional opinion qualify the district eligible under the statutory criteria and formulas for a Redevelopment Tax Increment Financing District (State Statute 469.174 Subd. 10).

## SUPPORTING DOCUMENTS ATTACHED

- Site Occupied/Building Substandard Determination table
- TIF Assessment maps: Buildings Under Study, Occupied Surfaces, Percent Occupied
- Report on Building Condition (one per building)
- Individual Building Summary Report (one per building)

## PROCEDURAL REQUIREMENTS

The properties were surveyed and evaluated in accordance with the following requirements under Minnesota Statute Section 469.174, Subdivision 10, clause (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; and 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 building findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1).” Refer to attached Exhibit A – Documentation of Contacts/Evaluations for documentation for these purposes.

## PROCEDURES FOLLOWED TO MEET REQUIREMENTS

The City of Columbia Heights sent letters to all property owners located in the district requesting that an inspection and evaluation be made of their property. SEH conducted assessments between March and October 2004.

Requests for evaluation appointments were made with the building owner or building tenants. An interior inspection and evaluation was completed if consented to by the owner. An exterior inspection and evaluation was made where the owner refused interior access to their property. In all cases, an exterior evaluation was completed.

For all subject buildings, SEH reviewed the information provided by the City of Columbia Heights. This information provided a basic description of type of work completed for each building (Building, Electrical, or Plumbing, scope of work) and, in

some cases, approximate value of work to be completed. Some buildings had no available information. Additional building data was collected from public taxpayer information available from Anoka County. Building data from these public records was combined with and reviewed against information gathered in the field.

## QUALIFICATION REQUIREMENTS

The properties were surveyed and evaluated to ascertain whether the qualification tests for tax increment eligibility for a redevelopment district, required under the following Minnesota Statutes, could be met.

Minnesota Statute Section 469.174, Subdivision 10, clause (a) (1) requires two tests for occupied parcels:

1. **Coverage Test** – “parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots or similar structures . . .”

Note: The coverage required by the parcel to be considered occupied is defined under Minnesota Statute Section 469.174, Subdivision 10, clause (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% of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots or other similar structures.”

2. **Condition of Buildings Test** – “. . . and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;”

The term ‘structurally substandard’, as used in the preceding paragraph, is defined by a two-step test:

**Conditions Test:** Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, clause (b), a building is **structurally substandard** if it contains “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.”

**Code Test:** Notwithstanding the foregoing, the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, clause (c) also provides that a building may not be considered structurally substandard if it: “. . . is in compliance with 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.”

Based on the above requirements, the substandard determination of a particular building is a two-step process; therefore, the findings of each step are independent of each other and both steps must be satisfied in order for a building to be found structurally substandard. It is not sufficient to conclude that a building is structurally substandard solely because the Code Test is satisfied. It is theoretically possible for a building to require extensive renovation in order to meet current building codes but still not meet the main test of the Conditions Test.

Furthermore, deficiencies included in the Conditions Test may or may not include specific code deficiencies as listed in the Code Test. In many cases, specific building code deficiencies may well contribute to the data which supports satisfying the Conditions Test; conversely, it is certainly possible that identified hazards or other deficiencies which could be included in the Conditions Test do not necessarily constitute current building code deficiencies. By definition, the nature of the two steps is slightly different. The Conditions Test is more *subjective*, whereas the Code Test is an *objective* test. Conditions Test deficiencies are less technical and not necessarily measurable to the same extent of the code deficiencies in the Code Test. To the end that technical, measurable building code deficiencies support the satisfaction of the less technical Conditions Test, the following code requirements are defined in terms that go beyond the technical requirements of the code and demonstrate their relevance in terms of “. . . deficiencies in essential utilities and facilities, light and ventilation, etc. . .”

International Building Code (IBC): The purpose of the IBC is to provide minimum standards to safeguard public health, safety and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment (IBC 101.3). A deficiency in the building code (insufficient number of building exits, insufficient door landing area, etc.) adversely affects one or more of the above standards to safeguard ‘public health . . . and safety to life’; therefore, a deficiency in the building code is considered a deficiency in one or more “essential utilities and facilities, light and ventilation, etc.”.

Minnesota Accessibility Code, Chapter 1341: This chapter sets the requirements for accessibility all building occupancies. The Minnesota Accessibility Code closely follows the Americans with Disabilities Act Accessibility Guidelines (ADAAG), which sets the guidelines for accessibility to places of public accommodations and commercial facilities as required by the Americans with Disabilities Act (ADA) of 1990. The ADA is a federal anti-discrimination statute designed to remove barriers that prevent qualified individuals with disabilities from enjoying the same opportunities that are available to persons without disabilities (ADA Handbook). Essentially, a deficiency in the accessibility code (lack of handrail extension at stairs or ramp, lack of clearance at a toilet fixture, etc.) results in a discrimination against disabled individuals; therefore, a deficiency in the accessibility code is considered a deficiency in “essential utilities and facilities”.

Minnesota Food Code, Chapter 4626: This chapter is enforced by the Minnesota Department of Health and is similar to the IBC in that it provides minimum standards to safeguard public health in areas of public/commercial food preparation. A deficiency in the food code (lack of non-absorbent wall or ceiling finishes, lack of hand sink, etc.) causes a condition for potential contamination of food; therefore, a deficiency in the food code is considered a deficiency in "essential utilities and facilities".

National Electric Code (NEC): The purpose of the NEC is the practical safeguarding of persons and property from hazards arising from the use of electricity. The NEC contains provisions that are considered necessary for safety (NEC 90-1 (a) and (b)). A deficiency in the electric code (insufficient electrical service capacity, improper wiring, etc.) causes a hazard from the use of electricity; therefore, a deficiency in the electric code is considered a deficiency in "essential utilities and facilities".

International Mechanical Code (IMC): The purpose of the IMC is to provide minimum standards to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, installation, quality of materials, location, operation, and maintenance or use of mechanical systems (IMC 101.3). The IMC sets specific requirements for building ventilation, exhaust, intake and relief. These requirements translate into a specified number of complete clean air exchanges for a building based on its occupancy type and occupant load. A deficiency in the mechanical code adversely affects the "health . . . and public welfare" of a building's occupants; therefore, a deficiency in the mechanical code is considered a deficiency in "light and ventilation".

Note: The above list represents some of the more common potential code deficiencies considered in the assessment of the buildings in the proposed district. This list does not necessarily include every factor included in the data used to satisfy the conditions test for a particular building. Refer to individual building reports for specific findings.

Finally, the tax increment law provides that the municipality may find that a building is not disqualified as structurally substandard under the Code Test 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 structurally substandard] include recent fire or police inspections, on-site property appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

## MEASUREMENTS AGAINST TECHNICAL TEST REQUIREMENTS

### *Coverage Test*

SEH utilized a GIS (Geographic Information Systems) system database, available through Anoka County and the City of Columbia Heights, to obtain individual parcel information. The GIS system contains graphic information (parcel shapes) and numerical data based on county tax records. This information was used by SEH for the purposes of this assessment.

The total square foot area of each property parcel was obtained from county records (GIS) and general site verification.

The total extent of site improvements on each property parcel was digitized from recent aerial photography (Spring, 2000). The total square footage of site improvements was then digitally measured and confirmed by general site verification.

The total percentage of coverage of each property parcel was computed to determine if the 15% requirement was met. Refer to attached maps: Occupied Surfaces map and Percent Occupied map.

The total area of all qualifying property parcels was compared to the total area of all parcels to determine if the 70% requirement was met. The area occupied by public rights-of-way has not been considered in the coverage test calculations. All of the public rights-of-way are improved. If all of the public rights-of-way were treated as a parcel for the purpose of coverage test calculations, the 70% requirement of the coverage test would still be met.

### *Condition of Building Test*

Replacement Cost – the cost of constructing a new structure of the same size and type on site:

*R. S. Means Square Foot Costs* (2004) was used as the industry standard for base cost calculations. *R. S. Means* is a nationally published reference tool for construction cost data. The book is updated yearly and establishes a “national average” for materials and labor prices for all types of building construction. The base costs derived from *R. S. Means* were reviewed, and modified if applicable, against our professional judgment and experience.

A base cost was calculated by first establishing building type, building construction type, and construction quality level (residential construction) to obtain the appropriate Means cost per square foot. This cost was multiplied times the building square footage to obtain the total replacement cost for an individual building. Additionally, to account for regional/local pricing, a cost factor was added to the total cost according to *R.S. Means* tables. Using *R. S. Means*, consideration is made for building occupancy, building size, and construction type; therefore, the cost per square foot used to construct a new structure will vary accordingly.

Building Deficiencies: Conditions Test (Condition Deficiencies) – determining the combination of defects or deficiencies of sufficient total significance to justify substantial renovation or clearance.

On-Site evaluations - Evaluation of each building was made by reviewing available information from city records and making interior and/or exterior evaluations, as noted, sometimes limited to public spaces. Deficiencies in structural elements, essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, were noted by the evaluator. Condition Deficiencies may or may not include Code Deficiencies as defined below. Energy code compliance was not considered for the purposes of determining Condition Deficiencies. Deficiencies were combined and summarized for each building in order to determine their total significance.

Building Deficiencies: Code Test (Code Deficiencies) – determining technical conditions that are not in compliance with current building code applicable to new buildings and the cost to correct the deficiencies:

On-Site evaluations - Evaluation of each building was made by reviewing available information from city records and making interior and/or exterior evaluations, as noted, sometimes limited to public spaces. On-site evaluations were completed using a standard checklist format. The standard checklist was derived from several standard building code plan review checklists and was intended to address the most common, easily identifiable code deficiencies. Mechanical Engineers, Electrical Engineers, and Building Code Officials were also consulted in the development of the checklist.

Deficiencies were generally grouped into the following categories (category names are followed by its applicable building code):

- Building accessibility – Minnesota Accessibility Code
- Building egress, building construction – International Building Code
- Fire protection systems – International Building Code
- Food service – Minnesota Food Code
- HVAC (heating, ventilating, and air conditioning) – International Mechanical Code
- Electrical systems – National Electric Code and Minnesota Energy Code
- Energy code compliance – Minnesota Energy Code

For the purposes of determining the Code Test (Code Deficiencies), Energy code compliance is relevant because its criteria affect the design of integral parts of a majority of a building's systems. The intent of these criteria is to provide a means for assuring building durability, and permitting energy efficient operation (7676.0100). The energy code addresses general building construction (all forms of energy transmission in an exterior building envelope – walls, roofs, doors and windows, etc.) and energy usage by lighting and mechanical systems. A deficiency in the energy code (inadequate insulation, non-insulated window

systems, improper air infiltration protection, etc.) reduces energy efficient operation and adversely affects building system durability; therefore, a deficiency in the energy code is considered to contribute to a condition requiring substantial renovation or clearance.

Office evaluations – Following the on-site evaluation, each building was then reviewed, based on on-site data, age of construction, building usage and occupancy, square footage, and known improvements (from building permit data), and an assessment was made regarding compliance with current mechanical, electrical, and energy codes. A basic code review was also completed regarding the potential need for additional egress (basement stairways, for example), sprinkler systems, or elevators.

Deficiency Cost – Costs to correct identified deficiencies were determined by using *R. S. Means Cost Data* and our professional judgment and experience. In general, where several items of varying quality were available for selection to correct a deficiency, an item of average cost was used, as appropriate for typical commercial or residential applications. Actual construction costs are affected by many factors (bidding climate, size of project, etc.). Due to the nature of this assessment, we were only able to generalize the scope of work for each correction; that is to say that detailed plans, quantities, and qualities of materials were not possible to be known. Our approach to this matter was to determine a preliminary cost projection suitable to the level of detail that is known. This process was similar to our typical approach for a cost projection that may be given to an owner during a schematic design stage of a project.

Costs to correct deficiencies were computed for each building and compared to the building replacement cost to determine if the 15% requirement was met.

The total number of buildings determined to be “structurally substandard” by satisfying both the Conditions Test and the Code Test in this manner was compared to the total number of buildings in the proposed district to determine if the 50% requirement was met.

Reports on Building Conditions and Individual Building Summary Reports are available for review at the offices of SEH, the City of Columbia Heights.

Technical Conditions Resources – the following list represents the current building codes applicable to new buildings used in the Building Deficiency review:

- 2003 Minnesota State Building Code
- 2000 International Building Code
- 2000 International Housing Code
- MN 1341 – Minnesota Accessibility Code, Chapter 1341 (1999)
- 2000 Minnesota Energy Code, Chapters 7672, 7674, or 7676
- 1999 National Electric Code
- 2000 International Mechanical Code
- 2000 NFPA 101 – Life Safety Code

**PROJECT TEAM:**

Leon A. Grothe, AIA, Project Architect

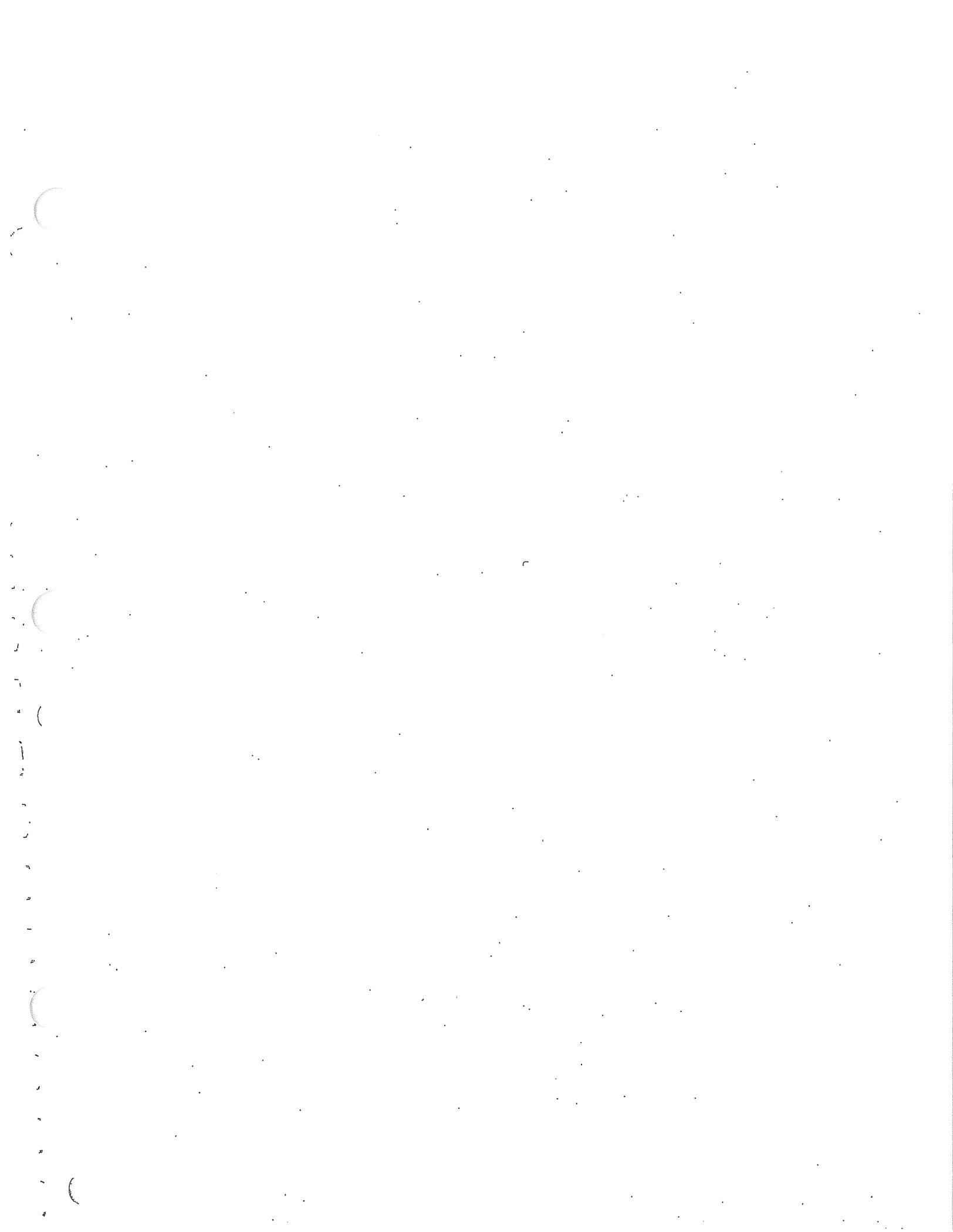
Jason P. Zemke, AIA, Project Architect

Nancy G. Schultz, AIA, Sr. Architect

Ron Seymour, Community Development Manager

Debbie Zimmerman, Project Design Leader, Architectural Lighting Services

Greg Batcher, Mechanical Designer



## Report on Building Condition

Building ID/Business Name/Address:	<u>3755 University Ave, Greif Inc</u>	<u>11-1</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is **structurally substandard** if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: cracks in exterior masonry wall, near grade and in various locations; broken/missing sections of brick and mortar in exterior walls; damaged wood columns in various locations; cracks in concrete floor slab

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors; lack of maneuvering clearance and accessible features in toilet rooms.
- Installation of drinking fountain required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior stairway: rise/run dimensions, handrail height, terminations, extensions and guardrails.
- Deficient exterior door: threshold
- Deficient interior stairway: rise/run dimensions, landing, handrail height, grip, terminations, extensions and guardrails.

#### Layout/Condition of Interior Partitions

- Damaged, cracked and stained in several areas

#### Similar Factors

- Defects in exterior building shell: damaged panels on east side of building; broken and/or missing peeling paint on chipped or spalling brick in various locations; deteriorating wood/metal doors, door and window frames.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the 4.65 million dollars to clean-up the entire proposed district, the portion attributed to the clean up of Building ID 11-1 and Parcel 11 is \$317,865.

**Code Test**

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost):       \$4,917,477.50

Estimated cost of correction of code deficiencies (Total Deficiency Cost):               \$1,208,229.00

Percentage of Code Deficiency to Replacement Cost:                                       24.57%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel No. 11 (\$317,865) is included in the cost of correction of code deficiencies, the Total Deficiency Cost is \$1,526,094.00. That adjusted Total Deficiency Cost represents 31% of the Total Replacement Cost. The high environmental costs further support the conclusion that this building is structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>Action Plastics, Building 12-1</u>	<u>12-1</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is structurally substandard if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: deteriorating steel structure; damaged steel columns at interior of building; cracks in concrete floor slab.

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors.
- Installation of drinking fountain required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges
- Insufficient interior lighting

#### Fire Protection/Egress

- Deficient exterior door: thresholds

#### Layout/Condition of Interior Partitions

- Damaged, cracked and stained

#### Similar Factors

- Defects in exterior building shell: damaged metal skin on southeast side of building; broken/chipped concrete at base of building; deteriorating metal doors, overhead doors, and door frames; deteriorating metal panels at various locations on building exterior.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the \$4.65 million to clean up the entire proposed district, the portion attributed to the clean up of Parcel 12 (which includes Building 12-1), is \$904,585.

**Code Test**

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost): \$778,886

Estimated cost of correction of code deficiencies (Total Deficiency Cost): \$169,313.20

Percentage of Code Deficiency to Replacement Cost: 21.74%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel 12 as a whole (\$904,585) is included in the aggregate cost of correction of code deficiencies for all 6 buildings on Parcel No. 12 (\$7,772,012.20), the aggregate Total Deficiency Cost for those buildings is \$8,676,597.20. That adjusted aggregate Total Deficiency Cost represents 46.1 % of the aggregate Total Replacement Cost (\$18,811,261.75) for all six buildings. In other words, while it is not possible to allocate clean-up costs to particular buildings, the high environmental costs on this parcel support the conclusion that all buildings on this parcel are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>Building 12-2</u>	<u>12-2</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is **structurally substandard** if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: deteriorating steel structure; damaged steel columns at exterior wall; cracks in concrete floor slab.

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage; accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors.
- Installation of drinking fountain required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior door: threshold and landing

#### Layout/Condition of Interior Partitions

- Damaged, cracked and stained in a few locations

#### Similar Factors

- Defects in exterior building shell: damaged metal skin on east side of building; broken/chipped concrete at base of building; deteriorating metal doors, door frames and window frames.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the \$4.65 million to clean up the entire proposed district, the portion attributed to the clean up of Parcel 12 (which includes Building 12-2), is \$904,585.

**Code Test**

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost):	\$415,840.00
Estimated cost of correction of code deficiencies (Total Deficiency Cost):	\$77,889.80
Percentage of Code Deficiency to Replacement Cost:	18.73%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel 12 as a whole (\$904,585) is included in the aggregate cost of correction of code deficiencies for all 6 buildings on Parcel No. 12 (\$7,772,012.20), the aggregate Total Deficiency Cost for those buildings is \$8,676,597.20. That adjusted aggregate Total Deficiency Cost represents 46.1 % of the aggregate Total Replacement Cost (\$18,811,261.75) for all six buildings. In other words, while it is not possible to allocate clean-up costs to particular buildings, the high environmental costs on this parcel support the conclusion that all buildings on this parcel are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>Building 12-3</u>	<u>12-3</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is structurally substandard if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: deteriorating steel structure; damaged steel columns at exterior wall; cracks in concrete floor slab.

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors.
- Installation of drinking fountain required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior door: threshold and landing
- Deficient interior stairway: rise/run dimensions, handrail height, terminations, extensions and guardrails.

#### Layout/Condition of Interior Partitions

- Damaged, cracked and stained in a few locations

#### Similar Factors

- Defects in exterior building shell: damaged metal skin on east side of building; broken/chipped concrete at base of building; deteriorating metal doors, door frames and window frames.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the \$4.65 million to clean up the entire proposed district, the portion attributed to the clean up of Parcel 12 (which includes Building 12-3), is \$904,585.

### Code Test

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost):	\$415,840.00
Estimated cost of correction of code deficiencies (Total Deficiency Cost):	\$97,849.80
Percentage of Code Deficiency to Replacement Cost:	23.53%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel 12 as a whole (\$904,585) is included in the aggregate cost of correction of code deficiencies for all 6 buildings on Parcel No. 12 (\$7,772,012.20), the aggregate Total Deficiency Cost for those buildings is \$8,676,597.20. That adjusted aggregate Total Deficiency Cost represents 46.1 % of the aggregate Total Replacement Cost (\$18,811,261.75) for all six buildings. In other words, while it is not possible to allocate clean-up costs to particular buildings, the high environmental costs on this parcel support the conclusion that all buildings on this parcel are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>Building 12-4</u>	<u>12-4</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is structurally substandard if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: deteriorating steel structure; damaged steel columns at exterior wall; cracks in concrete floor slab.

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors.
- Installation of drinking fountain required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior door: threshold and landing

#### Layout/Condition of Interior Partitions

- Damaged, cracked and stained in a various locations

#### Similar Factors

- Defects in exterior building shell: damaged metal skin on east side of building; broken/chipped concrete at base of building; deteriorating metal doors, door frames and window frames.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the \$4.65 million to clean up the entire proposed district, the portion attributed to the clean up of Parcel 12 (which includes Building 12-4), is \$904,585.

**Code Test**

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost):	\$415,840.00
Estimated cost of correction of code deficiencies (Total Deficiency Cost):	\$84274.80
Percentage of Code Deficiency to Replacement Cost:	20.27%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel 12 as a whole (\$904,585) is included in the aggregate cost of correction of code deficiencies for all 6 buildings on Parcel No. 12 (\$7,772,012.20), the aggregate Total Deficiency Cost for those buildings is \$8,676,597.20. That adjusted aggregate Total Deficiency Cost represents 46.1 % of the aggregate Total Replacement Cost (\$18,811,261.75) for all six buildings. In other words, while it is not possible to allocate clean-up costs to particular buildings, the high environmental costs on this parcel support the conclusion that all buildings on this parcel are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>Building 12-5</u>	<u>12-5</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is structurally substandard if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: deteriorating steel structure; damaged steel columns at interior of building; cracks in concrete floor slab.

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors.
- Installation of drinking fountain required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior door: threshold

#### Layout/Condition of Interior Partitions

- Damaged, cracked and stained

#### Similar Factors

- Defects in exterior building shell: damaged metal skin on southeast side of building; broken/chipped concrete at base of building; broken windows on southeast side of building; deteriorating metal doors, door frames and window frames; deteriorating metal panels at various locations on building exterior.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the \$4.65 million to clean up the entire proposed district, the portion attributed to the clean up of Parcel 12 (which includes Building 12-5), is \$904,585.

### Code Test

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost): \$778,886.40

Estimated cost of correction of code deficiencies (Total Deficiency Cost): \$180,663.20

Percentage of Code Deficiency to Replacement Cost: 23.20%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel 12 as a whole (\$904,585) is included in the aggregate cost of correction of code deficiencies for all 6 buildings on Parcel No. 12 (\$7,772,012.20), the aggregate Total Deficiency Cost for those buildings is \$8,676,597.20. That adjusted aggregate Total Deficiency Cost represents 46.1 % of the aggregate Total Replacement Cost (\$18,811,261.75) for all six buildings. In other words, while it is not possible to allocate clean-up costs to particular buildings, the high environmental costs on this parcel support the conclusion that all buildings on this parcel are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>3800 5<sup>th</sup> Street, 3800 Building</u>	<u>12-6</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is **structurally substandard** if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: cracks in exterior masonry wall, near grade and in various locations; damaged steel columns in various locations; cracks in concrete floor slab, with sections of slab shifted

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors; lack of maneuvering clearance and accessible features in toilet rooms.
- Installation of drinking fountain required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior stairway: width, rise/run dimensions, handrail height, terminations, extensions and guardrails.
- Deficient exterior door: threshold and landing
- Deficient interior stairway: rise/run dimensions, landing, handrail height, terminations, extensions and guardrails.

#### Layout/Condition of Interior Partitions

- Damaged, cracked and stained in several areas

#### Similar Factors

- Defects in exterior building shell: damaged metal skin on rear of building; broken and/or missing sections of panels at rear of building; deteriorating metal doors, door frames and window frames.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the \$4.65 million to clean up the entire proposed district, the portion attributed to the clean up of Parcel 12 (which includes Building 12-6), is \$904,585.

### Code Test

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost):      \$16,005,969.75

Estimated cost of correction of code deficiencies (Total Deficiency Cost):                      \$7,162,021.40

Percentage of Code Deficiency to Replacement Cost:    44.75%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel 12 as a whole (\$904,585) is included in the aggregate cost of correction of code deficiencies for all 6 buildings on Parcel No. 12 (\$7,772,012.20), the aggregate Total Deficiency Cost for those buildings is \$8,676,597.20. That adjusted aggregate Total Deficiency Cost represents 46.1 % of the aggregate Total Replacement Cost (\$18,811,261.75) for all six buildings. In other words, while it is not possible to allocate clean-up costs to particular buildings, the high environmental costs on this parcel support the conclusion that all buildings on this parcel are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>3801 5<sup>th</sup> Street, Rayco Corporation</u>	<u>13-1</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is **structurally substandard** if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: damaged and deteriorating metal exterior skin; cracks and missing grout in brick wall; spalling of concrete block face in several areas; broken and/or missing bricks on exterior wall at roof level.

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors; lack of maneuvering clearance and accessible features in toilet room.
- Installation of drinking fountains required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior stairway: deficient rise/run dimensions, handrail heights, diameter, terminations, extensions and guardrails.
- Deficient exterior door: threshold height.
- Deficient interior stairway: deficient rise/run dimensions, handrail heights, terminations, extensions and guardrails.

#### Layout/Condition of Interior Partitions

- Cracked and damaged drywall/plaster in several areas; deteriorating wood paneling on interior walls, near floor level, in several locations.
- Installation of non-absorbent wall surface in toilet room required.

#### Similar Factors

- Defects in exterior building shell: broken and/or missing bricks on interior bearing walls.
- Peeling paint on damaged and deteriorating bricks and concrete block walls.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.
- Of the 4.65 million dollars to clean-up the entire proposed district, the portion attributed to the clean up of Building ID 13-1 and Parcel 13 is \$143,117.

**Code Test**

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost): \$2,653,244.52

Estimated cost of correction of code deficiencies (Total Deficiency Cost): \$674,165.96

Percentage of Code Deficiency to Replacement Cost: 25.41 %

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel No. 13 (\$143,117) is included in the cost of correction of code deficiencies, the Total Deficiency Cost is \$817,282.96. That adjusted Total Deficiency Cost represents 30.8% of the Total Replacement Cost. The high environmental costs further support the conclusion that this building is structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

## Report on Building Condition

Building ID/Business Name/Address:	<u>450 38<sup>th</sup> Avenue, Steel Tech</u>	<u>21-1</u>
Satisfies Conditions Test for Structurally Substandard Building:		N
Satisfies Code Test for Structurally Substandard Building:		N
Structurally Substandard Building (Y/N):		<u>N</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is structurally substandard if it contains "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."

We were unable to gain access to the above building/parcel. Based upon exterior evaluation only, there is insufficient data to make a finding as to building condition.

## Report on Building Condition

Building ID/Business Name/Address:	<u>515-517 38<sup>th</sup> Ave NE, JR Properties</u>	<u>24-1</u>
Satisfies Conditions Test for Structurally Substandard Building:		N
Satisfies Code Test for Structurally Substandard Building:		N
Structurally Substandard Building (Y/N):		<u>N</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is **structurally substandard** if it contains "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."

We were unable to gain access to the above building/parcel. Based upon exterior evaluation only, there is insufficient data to make a finding as to building condition.

## Report on Building Condition

Building ID/Business Name/Address:	<u>550-600 39<sup>th</sup> Ave NE</u> <u>BP Video- Schafer Richardson</u>	<u>28-1</u>
Satisfies Conditions Test for Structurally Substandard Building:		Y
Satisfies Code Test for Structurally Substandard Building:		Y
Structurally Substandard Building (Y/N):		<u>Y</u>

### Conditions Test

Under the tax increment law, specifically, Minnesota Statutes, Section 469.174, Subdivision 10, a building is **structurally substandard** if it contains "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."

The above building, based upon actual interior and exterior inspection and review of building permit records, exhibits the following deficiencies that contribute to justifying substantial renovation or clearance:

#### Structural Elements

- Defects in exterior building shell: cracks in brick and concrete block walls, mainly along grout lines; spalling of concrete block face at grade; settlement cracks on 50% of the wall height on south side of building; cracks in concrete floor slab in several areas.

#### Essential Utilities & Facilities

- Deficient in facilities for disabled: deficient in disability parking, signage, accessible entrance to building, and accessible hardware on exterior and interior doors; lack of maneuvering clearance at interior doors; lack of maneuvering clearance and accessible features in toilet room.
- Installation of drinking fountains required.
- Installation of additional toilet fixtures required.

#### Light & Ventilation

- Deficient in meeting Mechanical code: for building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges

#### Fire Protection/Egress

- Deficient exterior stairway: rise/run dimensions, handrail height, diameter, terminations and extensions.
- Deficient exterior door: threshold height
- Deficient interior stairway: deficient in width, rise/run dimensions, landing dimension, handrail height, diameter, terminations, extensions and guardrails.

#### Layout/Condition of Interior Partitions

- Broken and/or cracked drywall/plaster or concrete block in several areas.

#### Similar Factors

- Defects in exterior building shell: peeling paint and rust stains on concrete block walls; deteriorating door frames and doors at grade.
- Defects in interior of building: broken and/or missing floor tile in several areas; mold and moisture stains on interior concrete block walls in service areas; several damaged interior doors; chipped and broken concrete floor slab in hallway, near rear entrance.

#### Environmental Factors

- Environmental clean up is required: A detailed Technical Report completed by ProSource Technologies, Inc. in October 2003, identifies the need for hazardous materials to be cleaned up in the following areas: 1) soil and/or ground water impacted with petroleum, 2) the presence of foundry waste in soils or ground water which has been impacted with metals leaching from the foundry waste, 3) soil, sediment and/or ground water impacted with chlorinated solvents and 4) ACM within buildings across the entire district. In 2003 the cost to clean up the district was estimated to be 4.65 million dollars.

- Of the 4.65 million dollars to clean-up the entire proposed district, the portion attributed to the clean up of Building ID 28-1 and Parcel 28 is \$196,953.

#### Code Test

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

Estimated cost of new building of same size and type (Total Replacement Cost):      \$10,586,938.36

Estimated cost of correction of code deficiencies (Total Deficiency Cost):                      \$1,858,780.56

Percentage of Code Deficiency to Replacement Cost:    17.56%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

If the cost of environmental clean up for Parcel No. 28 (\$196,953) is included in the cost of correction of code deficiencies, the Total Deficiency Cost is \$2,055,733.56. That adjusted Total Deficiency Cost represents 19.4% of the Total Replacement Cost. The high environmental costs further support the conclusion that this building is structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.

### Code Test

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the current building code at a cost of less than 15% of the cost of constructing a new building of the same square footage and type on the same site.

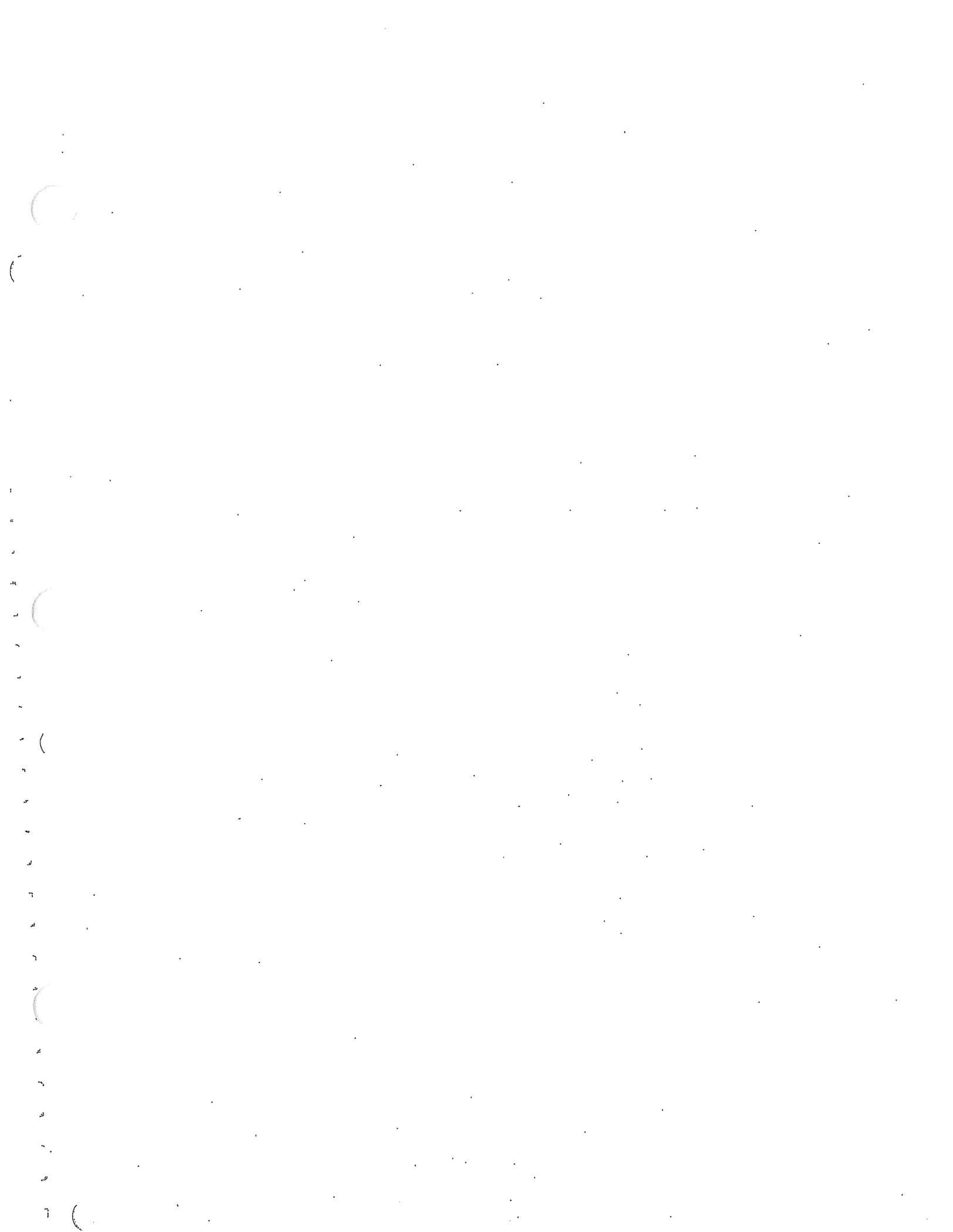
Estimated cost of new building of same size and type (Total Replacement Cost): \$530,226.51

Estimated cost of correction of code deficiencies (Total Deficiency Cost): \$176,551.56

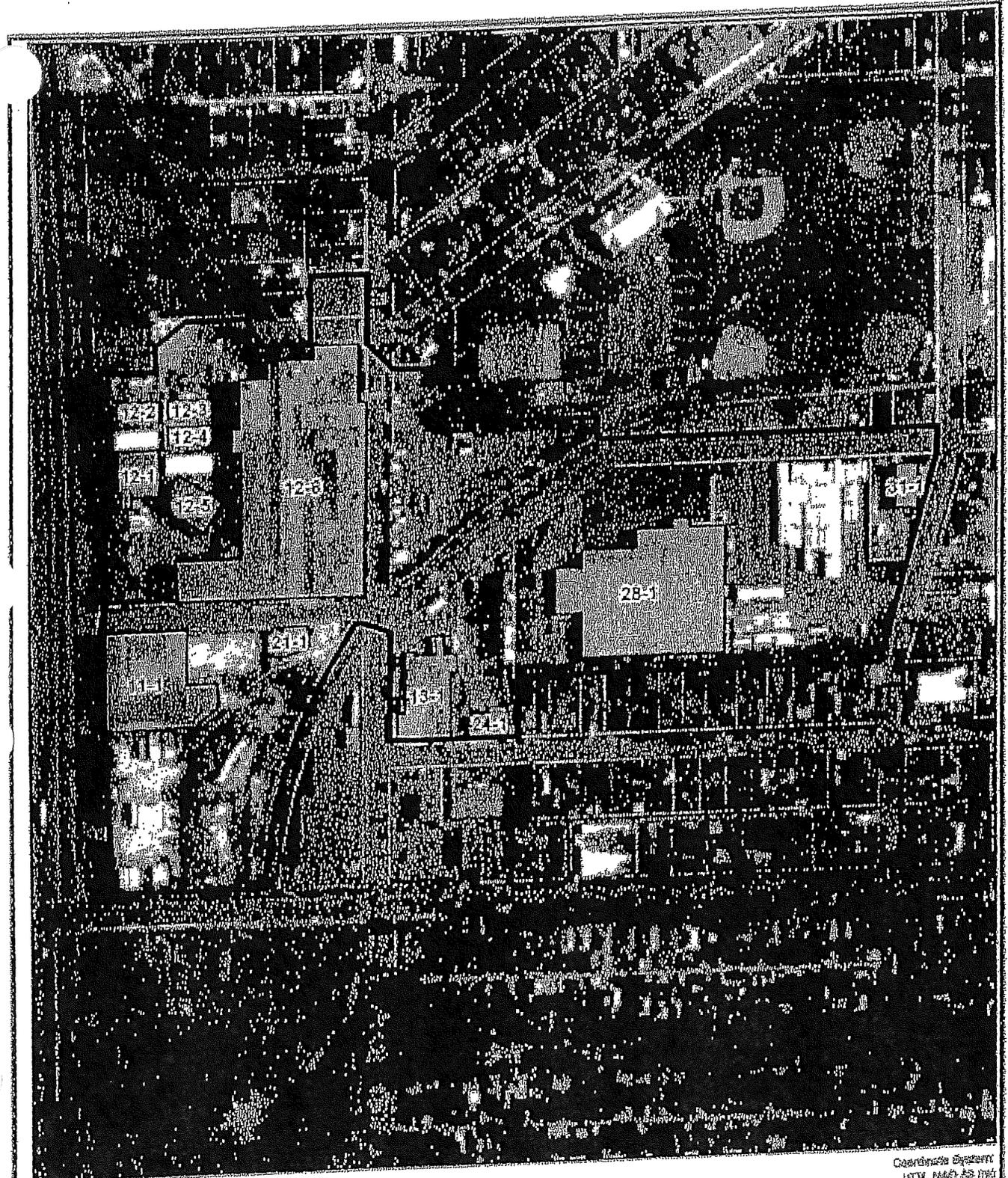
Percentage of Code Deficiency to Replacement Cost: 33.30%

Refer to Individual Building Summary Report for documentation of specific code deficiencies.

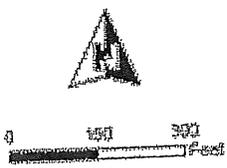
If the cost of environmental clean up for Parcel No. 31 (\$313,906) is included in the cost of correction of code deficiencies, the Total Deficiency Cost is \$490,457.56. That adjusted Total Deficiency Cost represents 92.5% of the Total Replacement Cost. The high environmental costs further support the conclusion that this building is structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10.



in Pursuant to the Columbia Heights  
Redevelopment Project  
4-12-2011 PM



**CITY OF  
COLUMBIA HEIGHTS  
INDUSTRIAL PARK  
REDEVELOPMENT PROJECT**  
Redevelopment Eligibility  
Assessment  
BUILDINGS ASSESSMENT



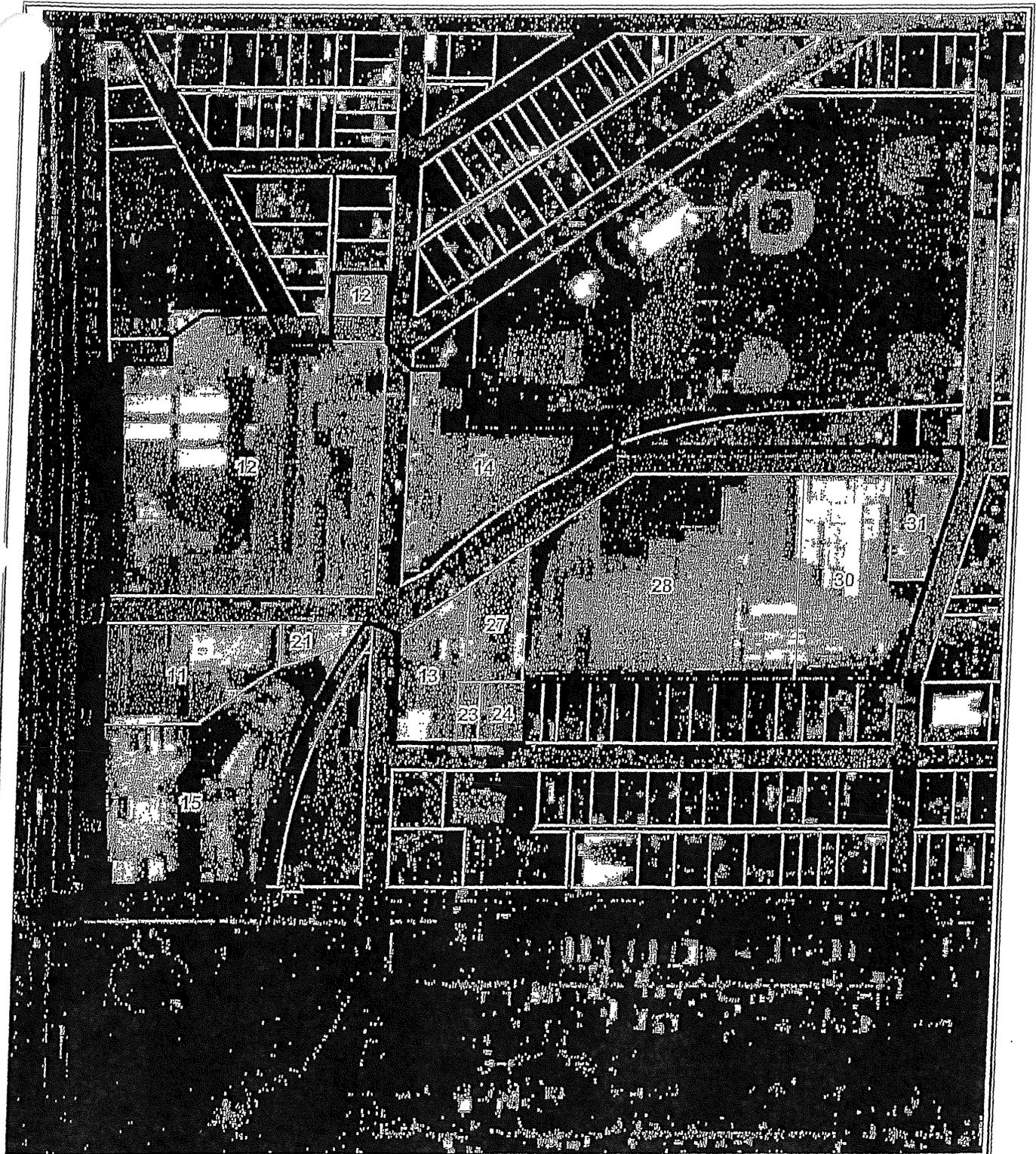
**Legend**

- Project Boundary
- Buildings
- Parcels

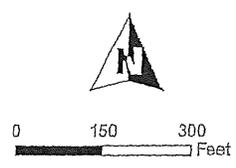
Coordinate System:  
UTM, NAD 83 UTM  
Source: City of Columbia Heights,  
Aerial County, USGS P8A,  
and SEH - Aerials 2003



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CITY OF  
COLUMBIA HEIGHTS  
INDUSTRIAL PARK  
REDEVELOPMENT PROJECT  
Redevelopment Eligibility  
Assessment  
OCCUPIED SURFACES



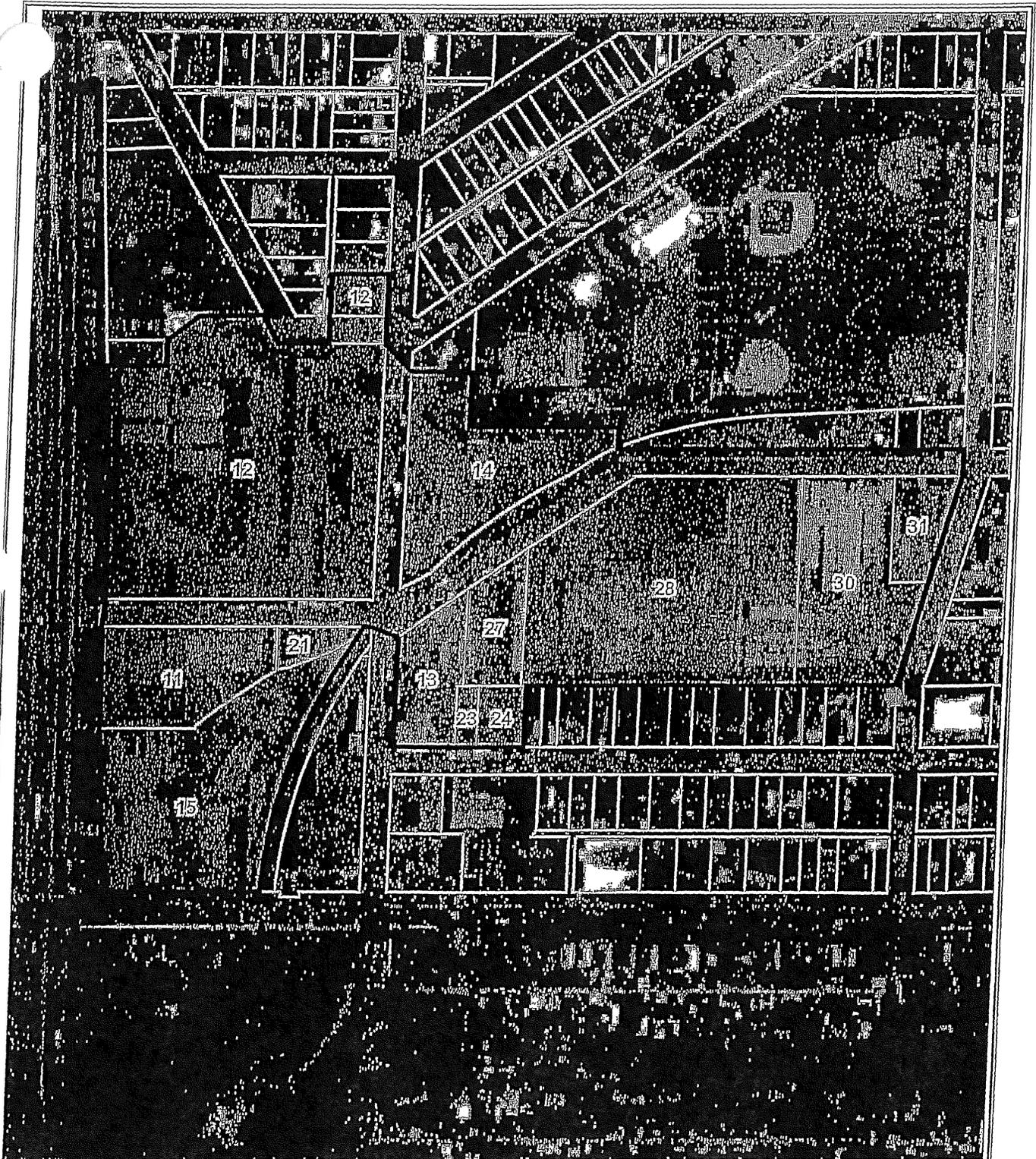
Legend

- Project Boundary
- Parcels
- Yes
- No

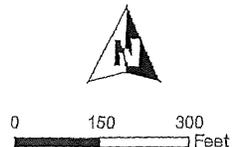
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UTM, NAD 83 (m)  
Source: City of Columbia Hgts,  
Anoka County, USGS FSA,  
and SEH - Aerials 2003



Map Document: (X:\A\E\Colint\040200\G  
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**CITY OF  
COLUMBIA HEIGHTS**  
INDUSTRIAL PARK  
REDEVELOPMENT PROJECT  
Redevelopment Eligibility  
Assessment  
PERCENT OCCUPIED

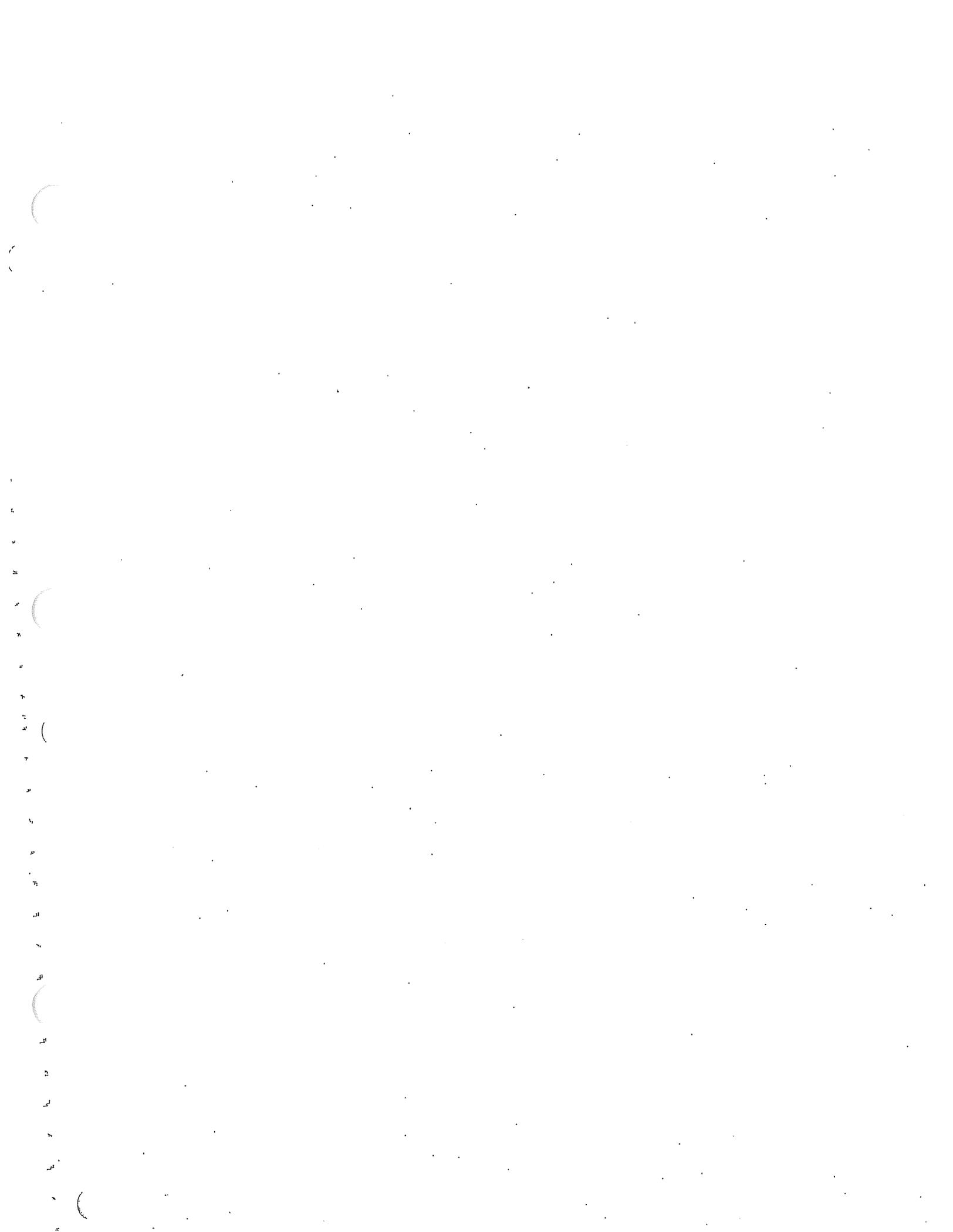


**Legend**

- Project Boundary
- Parcels
- Percent Occupied
  - 0 % Occupied
  - 1 - 15 % Occupied
  - > 15 % Occupied

Coordinate System:  
UTM, NAD 83 (m)  
Source: City of Columbia Hgls,  
Anoka County, USGS FSA,  
and SEH. - Aerials 2003





OCCUPIED/BUILDING SUBSTANDARD DETERMINATION  
 OF COLUMBIA HEIGHTS  
 DEVELOPMENT ELIGIBILITY ASSESSMENT

FULL NAME	TYPE OF OCCUPATION	SITE AREA (s.f.)	COVERAGE %	SITE COVERAGE (s.f.)	COVERAGE QUANTITY	TOTAL # BUILDINGS	# SUBSTANDARD
3755 UNIVERCITY AVE	BUILDING/PAVED	75,396	98.51	74269	75,396	1	1
3800 5TH STREET	BUILDINGS/PAVED	353,818	90.90	321636	353,818	6	6
3801 5TH STREET	BUILDING/PAVED	43,218	99.93	43188	43,218	1	1
Not given in data set	PAVED	106,621	71.80	76551	106,621	0	0
Not given in data set	PAVED	169,111	71.17	120361	169,111	0	0
450 38TH AVE	BUILDING/PAVED	11,385	100.00	11385	11,383	1	1
Not given in data set	PAVED	6,480	99.94	6476	6,480	0	0
515-517 38TH AVE	BUILDING/PAVED	14,175	99.93	14165	14,175	1	1
Not given in data set	PAVED	33,029	99.93	33006	33,029	0	0
550-600 39TH AVE	BUILDING/PAVED	260,684	74.76	194877	260,684	1	1
Not given in data set	PAVED	104,162	84.88	88409	104,162	1	1
3900 JEFFERSON ST	BUILDING/PAVED	27,203	99.93	27184	27,203		

TOTALS		1,205,288.70	88.50%	1,011,507.00	1,205,288.70	12	12
PERCENTAGES			100.00%				100.00%

APLD # 11-1  
 D # 53024340003  
 rcel Name 3755 UNIVERSITY AVE, GREIF INC.

INDIVIDUAL BUILDING SUMMARY REPC

Inspector	LAG	2004 International Building Code (IBC) Floor Area			
Inspection Date	7/9/2004				
Survey Method	INTERIOR				
Bldg Occupancy	B/I				
Bldg Type	BUS/INDUST				
Wall Construction	MASONRY				
Roof Construction	STEEL/WOOD				
# Stories	1				
Basement (Y/N)	N				
Story-Height	30				
Floor Area	50000				
Building Area	65000				
Year Built	1925				
Sprinklered	N				
Elevator	Y				
		Exterior Wall And Frame	\$66.95	65,000.00	\$4,351,750.00
		Story Height Adjustment (Add or Deduct)		0.00	\$0.00
		Basement*		50,000.00	\$0.00
		Location Factor**	add (%)	0.13	\$565,727.50
		Total Replacement Cost			\$4,917,477.50
		Total Deficiency Cost			\$1,208,229.00
		Percentage of Code Deficiency To Replacement Cost			24.57%
		Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			Y
		*Residential Basement - Calculate Percentage of Finished vs. Unfinished			
		**Location Factor varies by location and building type (commercial or residential)			

Summary of Building Deficiencies (Code Deficiencies)

Deficiency	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$124,085.00
Fire Protection Systems	\$195,000.00
Energy Code Compliance	\$499,144.00
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$390,000.00
Electrical Systems	\$0.00

Deficiency

Area/Number of Req'd. Improvements Unit Cost Deficiency Cost

Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0423; add signage each stall	1	\$80.00	\$80.00
No exterior accessible route (that does not require use of stairs) from site access to building entrance - MN 1341.0422; remove accessibility barriers, provide new sidewalk	N	\$700.00	\$700.00
Non-compliant or no curb cut provided for exterior accessible route - MN 1341.0430; remove existing walk and curb, provide new pedestrian curb ramp	N	\$500.00	\$500.00
Exterior entrance door on an accessible route less than 32" width - MN 1341.0442; remove existing door, enlarge opening, provide new door	N	\$1,350.00	\$1,350.00
Exterior entrance door on an accessible route without required maneuvering clearance at door approach or min. 48" between sets of doors - MN 1341.0442; remove existing barriers or wall framing, patch walls	N	\$500.00	\$500.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	N	\$200.00	\$200.00

Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
Building occupancy of floor (greater than 30 occupants) above or below level of access requires installation of an elevator - MN 1341.0405; provide new elevator	1	\$52,725.00	\$52,725.00
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	3	\$250.00	\$750.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	8	\$175.00	\$1,400.00
Toilet room door opening less than 32" min. clear width - MN 1341.0442; remove existing door, enlarge opening and provide new door	2	\$0.00	\$0.00
Toilet room door without required maneuvering clearance at (interior) door approach - MN 1341.0442; remove existing barriers or wall framing, patch walls	2	\$0.00	\$0.00
Toilet room without unobstructed 5'-0" turning radius within room - MN 1341.0460; remove barriers or wall framing, enlarge toilet room and patch walls	2	\$0.00	\$0.00
Toilet room without 30"x48" clear space for forward approach at lavatory - MN 1341.0454; remove barriers or wall framing or modify base cabinet	1	\$0.00	\$0.00
Toilet room without lavatory at 34" max. height and 29" min. clear knee space below - MN 1341.0454; relocate/adjust height of lavatory and plumbing	2	\$0.00	\$0.00
Toilet room without lever or similar faucet controls for lavatory - MN 1341.0454; replace existing lavatory faucet	2	\$0.00	\$0.00
Toilet room without plumbing insulation/covering for lavatory - MN 1341.0454; provide plumbing insulation/covering	2	\$0.00	\$0.00
Toilet room accessories (soap dispenser, towel dispenser, etc.) that are mounted higher than 40" max. above the floor - MN 1341.0470; relocate existing toilet accessories	2	\$0.00	\$0.00
Toilet room without clear space for side transfer water closet/toilet stall - MN 1341.0448; remove barriers or wall framing, enlarge toilet room and patch walls	2	\$0.00	\$0.00
Toilet room without toilet seat at 17"-19" above the floor - MN 1341.0448; replace existing toilet fixture	2	\$0.00	\$0.00
Toilet room without horizontal and vertical grab bars for water closet/toilet stall - MN 1341.0448; provide new grab bars (18", 36", 42")	2	\$0.00	\$0.00

Toilet room without urinal rim mounted at 17" max. above the floor - MN 1341.0452; relocate/adjust height of urinal and plumbing	2	\$0.00	\$0
Toilet room without 30"x42" clear space for forward approach at urinal - MN 1341.0452; remove existing barriers or wall framing, patch walls	1	\$0.00	\$0.00
Toilet room accessibility improvements due to noncompliant clearances at fixtures or doors, and heights of fixtures - MN 1341.0454; major remodeling: remove barriers or wall framing, enlarge toilet room by relocating one or more walls (affect one or more adjacent spaces)	2	\$15,000.00	\$30,000.00
Less than 5% of public/common use sales/service counter/window at 36" max. above the floor or 36" min. width - MN 1341.0720; relocate/adjust height of counter and base cabinet	1	\$400.00	\$400.00
Drinking fountain without 30"x48" clear floor space for side or forward approach - MN 1341.0446; remove existing barriers or wall framing, patch walls	1	\$500.00	\$500.00
Drinking fountain without spout at 36" max. height and 27" min. knee clearance - MN 1341.0446; relocate/adjust height of fountain and plumbing	1	\$250.00	\$250.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; remove existing stairs, provide new stairs (assume 3 treads total)	1	\$700.00	\$700.00
Exterior flight of stairs with less than two handrails (residential exception = 1 h.r. min.) - IBC 1003.3.3.11; provide new handrail (assume 3 treads total)	Calculated	\$250.00	\$0.00
Exterior stair handrails are not located at 34"-36" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	1	\$150.00	\$150.00
Exterior stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	2	\$150.00	\$300.00
Exterior stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	2	\$370.00	\$740.00
Exterior stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 36" height) - IBC 1003.2.12; provide new guardrail (estimate 5 lin. feet)	2	\$300.00	\$600.00
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	3	\$500.00	\$1,500.00
Exterior door landing less than 44" min. in direction of travel (residential exception = 36") or greater than 7" rise for non-accessible exterior doors in groups F, H, R, S, and U - IBC 1003.3.1.5, IBC 1003.3.1.4; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
Interior stair less than 36" min. clear width - IBC 1003.3.3.1; widen stairs, modify railings and adjacent walls	1	\$0.00	\$0.00
Flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; replace stairs, modify railings and adjacent walls	1	\$0.00	\$0.00
Stair handrails are not located at 34"-36" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	2	\$50.00	\$100.00
Stair handrails do not provide between 1-1/4" - 1-1/2" gripping surface (non-accessible/residential exception = 2" max. grip) - IBC 1003.3.3.11; remove existing handrail, provide new handrail (assume 9' floor to floor)	2	\$400.00	\$800.00
Stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	2	\$50.00	\$100.00
Stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	2	\$50.00	\$100.00
Stair handrails are not continuous - IBC 1003.3.3.11; modify existing handrail	2	\$50.00	\$100.00
Stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 36" height) - IBC 1003.2.12; provide new guardrail (estimate 3'-6" lin. Feet)	1	\$300.00	\$300.00
Stairway improvements required due to noncompliant rise/run, width, headroom, landings, and height - IBC 1003.3.3; major remodeling: replace stairs, modify railings, landings, and adjacent walls	1	\$5,000.00	\$5,000.00

Building occupancy of basement or stories other than the first story requires insulation of an additional egress stairway - IBC 1005.2.1; major remodeling: modify floor structure and adjacent walls, provide new stairway and handrails	1	\$5,000.00	\$5,000.
<b>Building Construction - 2000 International Building Code (IBC)</b>			
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	1	\$15,000.00	\$15,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	1.00	\$1,950.00	\$1,950.00
Bathroom not provided with means of mechanical ventilation - IBC 1202.4.2.1; provide ceiling exhaust fan, electric hook-up, and ductwork	2	\$400.00	\$800.00
<b>Fire Protection Systems - 2000 International Building Code (IBC)</b>			
Occupancy, area, and construction type of building require installation of fire sprinkler system - IBC Chap. 5, UBC 903; provide new sprinkler system	65000	\$3.00	\$195,000.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			
Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	22	\$700.00	\$15,400.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	4800	\$3.28	\$15,744.00
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new Insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$6.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	24000	\$7.00	\$168,000.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.88), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$8.00)	50000	\$6.00	\$300,000.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>			
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	81250	\$2.00	\$162,500.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/500 ton/cfm = additional ton cooling required) x \$600/ton)	162.5	\$600.00	\$97,500.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	65000	\$2.00	\$130,000.00

Calculated occupancy  
# Exst. Baths/Tit. Rms. 2  
#Exst. Tit.-M/Unisex 2  
#Exst. Lav.-M/Unisex 1  
#Exst. Tit. -F 1  
#Exst. Lav.-F 1  
#Exst. Drinking Ftn. 0

Calculated loads  
3  
4  
4  
4  
4  
1

Plot # 12-1  
 Parcel #  
 Parcel Name Action Plastics

INDIVIDUAL BUILDING SUMMARY REPO.

Inspector RS  
 Inspection Date 10/8/2004  
 Survey Method Interior  
 Bldg Occupancy B  
 Bldg Type BUSINESS  
 Wall Construction METAL  
 Roof Construction METAL  
 # Stories 1  
 Basement (Y/N) N  
 Story-Height 24  
 Floor Area 8000  
 Building Area 8000  
 Year Built 1954  
 Sprinklered N  
 Elevator N

Means Base Cost Calculations (Cost per Sq. Foot Area)			
	CF	CF2	
Exterior Wall And Frame	\$78.00	8,000.00	\$624,000.00
Story Height Adjustment (Add or Deduct)	\$8.16	8,000.00	\$65,280.00
Basement*			\$0.00
Location Factor**	add (%)	0.13	\$89,606.40
Total Replacement Cost			\$778,886.40
Total Deficiency Cost			\$169,313.20
Percentage of Code Deficiency To Replacement Cost			21.74%
Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			Y

\*Residential Basement - Calculate Percentage of Finished vs. Unfinished  
 \*\*Location Factor varies by location and building type (commercial or residential)

Summary of Building Deficiencies (Code Deficiencies)	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$21,670.00
Fire Protection Systems	\$24,000.00
Energy Code Compliance	\$70,643.20
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$48,000.00
Electrical Systems	\$5,000.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
<b>Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.042B; add signage each stall	1	\$80.00	\$80.00
Exterior entrance door on an accessible route less than 32" width - MN 1341.0442; remove existing door, enlarge opening, provide new door	n	\$1,350.00	\$1,350.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	n	\$200.00	\$200.00
<b>Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	1	\$250.00	\$250.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	2	\$175.00	\$350.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
Exterior door landing less than 44" min. in direction of travel (residential exception = 36") or greater than 7" rise for non-accessible exterior doors in groups F, H, R, S, and U - IBC 1003.3.1.5, IBC 1003.3.1.4; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	1	\$500.00	\$500.00
Stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	2	\$50.00	\$100.00
Stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	2	\$50.00	\$100.00
Stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 3'-6" lin. Feet)	1	\$300.00	\$300.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	1	\$15,000.00	\$15,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	1.00	\$1,950.00	\$1,950.00
<b>Fire Protection Systems - 2000 International Building Code (IBC)</b>			1
Occupancy, area, and construction type of building require installation of fire sprinkler system - IBC Chap. 5, UBC 903; provide new sprinkler system	8000	\$3.00	\$24,000.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	1440	\$3.28	\$4,723.20

For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$6.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	8640	\$7.00	\$60,480
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.68), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	8000	\$0.68	\$5,440.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>			1
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	10000	\$2.00	\$20,000.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/600 ton/cfm = additional ton cooling required) x \$600/ton)	20	\$600.00	\$12,000.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	8000	\$2.00	\$16,000.00
<b>Electrical Systems - Commercial deficiencies</b>			1
Upgrade egress and emergency lighting for NFPA Life Safety Code	2	\$2,500.00	\$5,000.00
<b>Miscellaneous</b>			1
Secondary Egress exterior obstructed by vegetative growth			\$0.00
			\$0.00
			\$0.00

Calculated occupancy 80  
 # Exst. Baths/Tlt. Rms.  
 #Exst. Tlt.-M/Unisex  
 #Exst. Lav.-M/Unisex  
 #Exst. Tlt. -F  
 #Exst. Lav.-F  
 #Exst. Drinking Ftn.

Calculated loads  
 1  
 1  
 1  
 0  
 0  
 1

.P.L.U.# 12-2  
 )#  
 Local Name BUILDING 12-2

INDIVIDUAL BUILDING SUMMARY REPORT

Inspector RS  
 Inspection Date 10/8/2004  
 Survey Method INTERIOR  
 Bldg Occupancy B  
 Bldg Type BUSINESS  
 Wall Construction METAL  
 Roof Construction METAL  
 # Stories 1  
 Basement (Y/N) N  
 Story-Height 16  
 Floor Area 3200  
 Building Area 3200  
 Year Built 1958  
 Sprinklered N  
 Elevator N

Major Category	Code Deficiency Cost	Floor Area	Replacement Cost
Exterior Wall And Frame	\$108.00	3,200.00	\$345,600.00
Story Height Adjustment (Add or Deduct)	\$7.00	3,200.00	\$22,400.00
Basement*		0.00	\$0.00
Location Factor**	add (%)	0.13	\$47,840.00
<b>Total Replacement Cost</b>			<b>\$415,840.00</b>
<b>Total Deficiency Cost</b>			<b>\$77,899.80</b>
Percentage of Code Deficiency To Replacement Cost			18.73%
Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			y

\*\*Location Factor varies by location and building type (commercial or residential)

Summary of Building Deficiencies (Code Deficiencies)	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$19,995.00
Fire Protection Systems	\$0.00
Energy Code Compliance	\$32,204.80
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$23,200.00
Electrical Systems	\$2,500.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
<b>Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
Exterior entrance door on an accessible route without required maneuvering clearance at door approach or min. 48" between sets of doors - MN 1341.0442; remove existing barriers or wall framing, patch walls	N	\$500.00	\$500.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	N	\$200.00	\$200.00
<b>Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	1	\$250.00	\$250.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	3	\$175.00	\$525.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required; remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	1	\$15,000.00	\$15,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	1.00	\$1,950.00	\$1,950.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1
Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	0	\$700.00	\$0.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (i.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	960	\$3.28	\$3,148.80
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new Insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$5.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	3840	\$7.00	\$26,880.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.68), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	3200	\$0.68	\$2,176.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>	0		1
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2,000/cfm)	4000	\$2.00	\$8,000.00

For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/500 ton/cfm = additional ton cooling required) x \$600/ton)	8	\$600.00	\$4,800.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	3200	\$2.00	\$6,400.00
For buildings where vehicles are being repaired, stored or washed that are 1000 s.f. and larger must install a flammable waste interceptor per MN Plumbing Code 4715.1120			
For buildings where vehicles are being repaired, stored or washed that are 1000 s.f. and larger must install a flammable waste interceptor per MN Plumbing Code 4715.1120	1	\$4,000.00	\$4,000.00
<b>Electrical Systems - Commercial deficiencies</b>			1
Upgrade egress and emergency lighting for NFPA Life Safety Code (NFPA 101)	1	\$2,600.00	\$2,600.00

ulated occupancy	32	Calculated loads	
st. Baths/Tlt. Rms.	0		1
st. Tlt.-M/Unisex	0		1
st. Lav.-M/Unisex	0		1
st. Tlt. -F	0		0
st. Lav.-F	0		0
st. Drinking Ftn.	0		1

ID # 12-3  
 #  
 el Name BUILDING 12-3

INDIVIDUAL BUILDING SUMMARY REPORT

ector LAG  
 ection Date 7/9/2004  
 ey Method INTERIOR  
 g Occupancy B  
 g Type BUSINESS  
 all Construction METAL  
 of Construction METAL  
 Stories 1  
 asement (Y/N) N  
 tory-Height 16  
 oor Area 3200  
 ilding Area 3200  
 ear Built 1958  
 3prinklered N  
 Elevator N

Item Description			
Exterior Wall And Frame	\$108.00	3,200.00	\$345,600.00
Story Height Adjustment (Add or Deduct)	\$7.00	3,200.00	\$22,400.00
Basement*		0.00	\$0.00
Location Factor**	add (%)	0.13	\$47,840.00
Total Replacement Cost			\$415,840.00
Total Deficiency Cost			\$97,849.80
Percentage of Code Deficiency To Replacement Cost			23.53%
Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			y

\*\*Location Factor varies by location and building type (commercial or residential)

Summary of Building Deficiencies (Code Deficiencies)	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$27,645.00
Fire Protection Systems	\$0.00
Energy Code Compliance	\$33,604.80
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$34,200.00
Electrical Systems	\$2,600.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
<b>Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
Exterior entrance door on an accessible route without required maneuvering clearance at door approach or min. 48" between sets of doors - MN 1341.0442; remove existing barriers or wall framing, patch walls	N	\$500.00	\$500.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	N	\$200.00	\$200.00
<b>Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	1	\$250.00	\$250.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	3	\$175.00	\$525.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior stair less than 36" min. clear width - IBC 1003.3.3.1; remove existing stairs, provide new stairs (assume 3 treads total)	0	\$700.00	\$0.00
Exterior flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; remove existing stairs, provide new stairs (assume 3 treads total)	0	\$700.00	\$0.00
Exterior flight of stairs with less than two handrails (residential exception = 1 h.r. min.) - IBC 1003.3.3.11; provide new handrail (assume 3 treads total)	Calculated	\$250.00	\$0.00
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
Flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; replace stairs, modify railings and adjacent walls	1	\$0.00	\$0.00
Stair handrails are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	1	\$50.00	\$50.00
Stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	1	\$50.00	\$50.00
Stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	1	\$50.00	\$50.00
Stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 3'-6" lin. Feet)	8	\$300.00	\$2,400.00
Stairway improvements required due to noncompliant rise/run, width, headroom, landings, and height - IBC 1003.3.3; major remodeling: replace stairs, modify railings, landings, and adjacent walls	1	\$5,000.00	\$5,000.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	1	\$15,000.00	\$15,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	1.00	\$1,950.00	\$1,950.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1

Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	2	\$700.00	\$1,400.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (Insulation + excavation))	960	\$3.28	\$3,148.80
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new Insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$5.50), commercial improvement: assume price for EIFS or Interior wall furring and insulation (s.f. wall surface x \$7.00)	3640	\$7.00	\$25,680.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.68), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	3200	\$0.68	\$2,176.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>	0		1
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	4000	\$2.00	\$8,000.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/500 ton/cfm = additional ton cooling required) x \$600/ton)	8	\$600.00	\$4,800.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	3200	\$2.00	\$6,400.00
For building construction prior to 1989, repair garage occupancy, mechanical systems do not provide sufficient number of air exchanges for exhaust fumes; provide new engine/tailpipe exhaust system including fans, adapters, and tubing (\$4000.00) and new CO detector system including sensor and panel (\$3,000.00)	1	\$7,000.00	\$7,000.00
For buildings where vehicles are being repaired, stored or washed that are 1000 s.f. and larger must install a flammable waste Interceptor per MN Plumbing Code 4715.1120	2	\$4,000.00	\$8,000.00
<b>Electrical Systems - Commercial deficiencies</b>			1
Upgrade egress and emergency lighting for NFPA Life Safety Code	1	\$2,500.00	\$2,500.00

Calculated occupancy	32
# Exst. Baths/Tit. Rms.	0
#Exst. Tit.-M/Unisex	0
#Exst. Lav.-M/Unisex	0
#Exst. Tit. -F	0
#Exst. Lav.-F	0
#Exst. Drinking Ftn.	0

Calculated loads
1
1
1
0
0
1

# 12-4

INDIVIDUAL BUILDING SUMMARY REPORT

Name BUILDING 12-4

Actor RS  
 Action Date 10.8.04  
 Egress Method INTERIOR  
 Occupancy B  
 Building Type BUSINESS  
 Building Construction METAL  
 Floor Construction METAL  
 Stories 1  
 Basement (Y/N) N  
 Story-Height 16  
 Floor Area 3200  
 Building Area 3200  
 Year Built 1958  
 Sprinklered N  
 Elevator N

	Item	Area	Cost	
	Exterior Wall And Frame	\$108.00	3,200.00	\$345,600.00
	Story Height Adjustment (Add or Deduct)	\$7.00	3,200.00	\$22,400.00
	Basement*		0.00	\$0.00
	Location Factor**	add (%)	0.13	\$47,840.00
	Total Replacement Cost			\$415,840.00
	Total Deficiency Cost			\$84,274.80
	Percentage of Code Deficiency To Replacement Cost			20.27%
	Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			Y

\*\*Location Factor varies by location and building type (commercial or residential)

Summary of Building Deficiencies (Code Deficiencies)

Deficiency	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$22,870.00
Fire Protection Systems	\$0.00
Energy Code Compliance	\$32,204.80
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$27,200.00
Electrical Systems	\$2,500.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
<b>Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
Exterior entrance door on an accessible route without required maneuvering clearance at door approach or min. 48" between sets of doors - MN 1341.0442; remove existing barriers or wall framing, patch walls	N	\$500.00	\$500.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	N	\$200.00	\$200.00
<b>Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	1	\$250.00	\$250.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	2	\$175.00	\$350.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior stair less than 36" min. clear width - IBC 1003.3.3.1; remove existing stairs, provide new stairs (assume 3 treads total)	0	\$700.00	\$0.00
Exterior flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; remove existing stairs, provide new stairs (assume 3 treads total)	0	\$700.00	\$0.00
Exterior flight of stairs with less than two handrails (residential exception = 1 h.r. min.) - IBC 1003.3.3.11; provide new handrail (assume 3 treads total)	Calculated	\$250.00	\$0.00
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required; remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
Flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; replace stairs, modify railings and adjacent walls	1	\$0.00	\$0.00
Stair handrails are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	1	\$50.00	\$50.00
Stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	1	\$50.00	\$50.00
Stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	1	\$50.00	\$50.00
Stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 3'-6" lin. Feet)	8	\$300.00	\$2,400.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	1	\$15,000.00	\$15,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	1.00	\$1,950.00	\$1,950.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1

For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	980	\$3.28	\$3,148.80
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$5.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	3840	\$7.00	\$26,880.00
For building construction prior to 1976, attic/roof area with less than R-35 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.6" blown-in cellulose (s.f. x \$0.88), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	3200	\$0.68	\$2,176.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>	0		1
For building construction prior to 1989, repair garage occupancy, mechanical systems do not provide sufficient number of air exchanges for exhaust fumes; provide new engine/tailpipe exhaust system including fans, adapters, and tubing (\$4000.00) and new CO detector system including sensor and panel (\$3,000.00)	1	\$7,000.00	\$7,000.00
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	4000	\$2.00	\$8,000.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/500 ton/cfm = additional ton cooling required) x \$600/ton)	8	\$600.00	\$4,800.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	3200	\$2.00	\$6,400.00
For buildings where vehicles are being repaired, stored or washed that are 1000 s.f. and larger must install a flammable waste interceptor per MN Plumbing Code 4715.1120	2	\$4,000.00	\$8,000.00
<b>Electrical Systems - Commercial deficiencies</b>			1
Upgrade egress and emergency lighting for NFPA Life Safety Code	1	\$2,500.00	\$2,500.00
Calculated occupancy	32		
#Exst. Tlt.-M/Unisex	0		1
#Exst. Lav.-M/Unisex	0		1
#Exst. Tlt.-F	0		0
#Exst. Lav.-F	0		0
#Exst. Drinking Ftn.	0		1

PID# 12-5  
 #  
 Parcel Name BUILDING 12-5

INDIVIDUAL BUILDING SUMMARY REPC

Inspector LAG  
 Inspection Date 7/9/2004  
 Survey Method INTERIOR  
 Bldg Occupancy B  
 Bldg Type BUSINESS  
 Wall Construction METAL  
 Roof Construction METAL  
 # Stories 1  
 Basement (Y/N) N  
 Story-Height 24  
 Floor Area 8000  
 Building Area 8000  
 Year Built 1954  
 Sprinklered N  
 Elevator N

Means Base Cost Calculations (Cost per SF Floor Area)			
		Quantity	Amount
Exterior Wall And Frame	\$78.00	8,000.00	\$624,000.00
Story Height Adjustment (Add or Deduct)	\$8.16	8,000.00	\$65,280.00
Basement*		0.00	\$0.00
Location Factor**	add (%)	0.13	\$89,606.40
<b>Total Replacement Cost</b>			<b>\$778,886.40</b>
<b>Total Deficiency Cost</b>			<b>\$180,663.20</b>
Percentage of Code Deficiency To Replacement Cost			23.20%
Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			Y

\*\*Location Factor varies by location and building type (commercial or residential)

Summary of Building Deficiencies (Code Deficiencies)	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$18,320.00
Fire Protection Systems	\$24,000.00
Energy Code Compliance	\$85,343.20
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$48,000.00
Electrical Systems	\$5,000.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
<b>Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	N	\$200.00	\$200.00
<b>Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			1
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	1	\$250.00	\$250.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	2	\$175.00	\$350.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	1	\$15,000.00	\$15,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	1.00	\$1,950.00	\$1,950.00
<b>Fire Protection Systems - 2000 International Building Code (IBC)</b>			1
Occupancy, area, and construction type of building require installation of fire sprinkler system - IBC Chap. 5, UBC 903; provide new sprinkler system	8000	\$3.00	\$24,000.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1
Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	21	\$700.00	\$14,700.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	1440	\$3.28	\$4,723.20
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new Insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$5.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	6640	\$7.00	\$60,480.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.88), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	8000	\$0.68	\$5,440.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>			1
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	10000	\$2.00	\$20,000.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/500 ton/cfm = additional ton cooling required) x \$600/ton)	20	\$600.00	\$12,000.00

For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)

8000      \$2.00      \$16,000.00

Electrical Systems - Commercial deficiencies

Upgrade egress and emergency lighting for NFPA Life Safety Code

2      \$2,500.00      \$5,000.00

ulated occupancy	80
st. Baths/Tlt. Rms.	0
st. Tlt.-M/Unisex	0
st. Lav.-M/Unisex	0
st. Tlt. -F	0
st. Lav.-F	0
st. Drinking Ftn.	0

Calculated loads

1  
1  
1  
0  
0  
1

IL # 12-6  
 # 353024340041  
 el Name 3800 BUILDING, 3800 5TH STREET

INDIVIDUAL BUILDING SUMMARY REPORT

ector LAG/RS  
 ection Date 7/1/2004  
 ey Method INTERIOR  
 g Occupancy B/I  
 g Type BUS/INDUST  
 all Construction MASONRY  
 of Construction STEEL  
 Stories 1  
 isement (Y/N) N  
 tory-Height 30  
 oor Area 211,000  
 uilding Area 211,000  
 ear Built 1950  
 Sprinklered N  
 Elevator N

Item	Value	Area	Cost
Exterior Wall And Frame	\$66.95	211,000.00	\$14,126,450.00
Story Height Adjustment (Add or Deduct)	\$2.50	15,250.00	\$38,125.00
Basement*			\$0.00
Location Factor**	add (%)	0.13	\$1,841,394.75
<b>Total Replacement Cost</b>			<b>\$16,005,969.75</b>
<b>Total Deficiency Cost</b>			<b>\$7,162,021.40</b>
Percentage of Code Deficiency To Replacement Cost			44.75%
Satisfies Step 2 Test (469.174 10 (c) for Structurally Substandard Building (Y/N)			Y

\*\*Location Factor varies by location and building type (commercial or residential)

Summary of Building Deficiencies (Code Deficiencies)

Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$1,833,651.00
Fire Protection Systems	\$1,719,300.00
Energy Code Compliance	\$2,174,070.40
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$1,285,000.00
Electrical Systems	\$150,000.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
Exterior accessible route steeper than 1:20 slope or cross-slope steeper than 1:50 - MN 1341.0422; remove existing walk, provide new sidewalk	N	\$700.00	\$700.00
Non-compliant or no curb cut provided for exterior accessible route - MN 1341.0430; remove existing walk and curb, provide new pedestrian curb ramp	N	\$500.00	\$500.00
Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341			1
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	5	\$250.00	\$1,250.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	12	\$175.00	\$2,100.00
Toilet room door opening less than 32" min. clear width - MN 1341.0442; remove existing door, enlarge opening and provide new door	2	\$0.00	\$0.00
Toilet room door without required maneuvering clearance at (interior) door approach - MN 1341.0442; remove existing barriers or wall framing, patch walls	5	\$0.00	\$0.00
Toilet room without unobstructed 5'-0" turning radius within room - MN 1341.0460; remove barriers or wall framing, enlarge toilet room and patch walls	5	\$0.00	\$0.00
Toilet room without 30"x48" clear space for forward approach at lavatory - MN 1341.0454; remove barriers or wall framing or modify base cabinet	5	\$0.00	\$0.00
Toilet room without lavatory at 34" max. height and 29" min. clear knee space below - MN 1341.0454; relocate/adjust height of lavatory and plumbing	5	\$0.00	\$0.00
Toilet room without lever or similar faucet controls for lavatory - MN 1341.0454; replace existing lavatory faucet	4	\$0.00	\$0.00
Toilet room without plumbing insulation/covering for lavatory - MN 1341.0454; provide plumbing insulation/covering	5	\$0.00	\$0.00
Toilet room accessories (soap dispenser, towel dispenser, etc.) that are mounted higher than 40" max. above the floor - MN 1341.0470; relocate existing toilet accessories	4	\$0.00	\$0.00
Toilet room without clear space for side transfer water closet/toilet stall - MN 1341.0448; remove barriers or wall framing, enlarge toilet room and patch walls	5	\$0.00	\$0.00
Toilet room without toilet seat at 17"-19" above the floor - MN 1341.0448; replace existing toilet fixture	5	\$0.00	\$0.00
Toilet room without horizontal and vertical grab bars for water closet/toilet stall - MN 1341.0448; provide new grab bars (18", 36", 42")	5	\$0.00	\$0.00
Toilet room without urinal rim mounted at 17" max. above the floor - MN 1341.0452; relocate/adjust height of urinal and plumbing	2	\$0.00	\$0.00
Toilet room without 30"x42" clear space for forward approach at urinal - MN 1341.0452; remove existing barriers or wall framing, patch walls	3	\$0.00	\$0.00
Bathroom without required maneuvering clearance for front or side approach at tub/shower - MN 1341.0456, MN 1341.0458; remove barriers or wall framing, enlarge toilet room and patch walls	2	\$0.00	\$0.00
Bathroom without tub/shower seat at 17"-19" above the floor - MN 1341.0456, MN 1341.0458; provide new tub/shower seat or relocate existing	2	\$0.00	\$0.00

Bathroom without horizontal and vertical grab bars for tub/shower - MN 1341.0458; provide new grab bars (18", 36", 42")	2	\$0.00	\$0.
Bathroom without lever or similar faucet control and/or without adjustable bar and 60" hose - MN 1341.0456, MN 1341.0458; replace existing tub/shower faucet and head	2	\$0.00	\$0.00
Toilet room accessibility improvements due to noncompliant clearances at fixtures or doors, and heights of fixtures - MN 1341.0454; major remodeling; remove barriers or wall framing, enlarge toilet room by relocating one or more walls (affect one or more adjacent spaces)	5	\$15,000.00	\$75,000.00
Public/common use room without 30"x48" clear space for forward approach at a sink - MN 1341.0454; remove barriers or wall framing or modify base cabinet	1	\$500.00	\$500.00
Public/common use room without sink at 34" max. height and 29" min. clear knee space below - MN 1341.0454; relocate/adjust height of sink and plumbing	1	\$500.00	\$500.00
Public/common use room without lever or similar faucet controls for a sink - MN 1341.0454; replace existing sink faucet	1	\$100.00	\$100.00
Public/common use rooms without plumbing insulation/covering for a sink - MN 1341.0454; provide plumbing insulation/covering	1	\$50.00	\$50.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior stair less than 36" min. clear width - IBC 1003.3.3.1; remove existing stairs, provide new stairs (assume 3 treads total)	2	\$700.00	\$1,400.00
Exterior flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; remove existing stairs, provide new stairs (assume 3 treads total)	2	\$700.00	\$1,400.00
Exterior flight of stairs with less than two handrails (residential exception = 1 h.r. min.) - IBC 1003.3.3.11; provide new handrail (assume 3 treads total)	Calculated	\$250.00	\$0.00
Exterior stair handrails are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	4	\$150.00	\$600.00
Exterior stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	4	\$150.00	\$600.00
Exterior stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	4	\$370.00	\$1,480.00
Exterior stair handrails are not continuous - IBC 1003.3.3.11; modify existing handrail	2	\$150.00	\$300.00
Exterior stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 5 lin. feet)	4	\$300.00	\$1,200.00
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required; remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
Exterior door landing less than 44" min. in direction of travel (residential exception = 36") or greater than 7" rise for non-accessible exterior doors in groups F, H, R, S, and U - IBC 1003.3.1.5, IBC 1003.3.1.4; assume replacement of exterior stoop required; remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
Flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; replace stairs, modify railings and adjacent walls	2	\$0.00	\$0.00
Stairway landing does not extend 36" in direction of travel at top or foot of stairs - IBC 1003.3.3.4; reconfigure/remodel adjacent walls	1	\$0.00	\$0.00
Stair handrails are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	2	\$50.00	\$100.00
Stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	2	\$50.00	\$100.00
Stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	2	\$50.00	\$100.00
Stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 3'-6" lin. Feet)	4	\$300.00	\$1,200.00

Stairway improvements required due to noncompliant rise/run, headroom, and landings - IBC 1003.3.3; minor remodeling: replace stairs, modify railings, landings, and adjacent walls (considered minimum commercial remodel cost, maximum residential remodel cost)	1	\$2,500.00	\$2,500.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	1	\$15,000.00	\$15,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	2.00	\$1,950.00	\$3,900.00
Bathroom not provided with means of mechanical ventilation - IBC 1202.4.2.1; provide ceiling exhaust fan, electric hook-up, and ductwork	3	\$400.00	\$1,200.00
<b>Fire Protection Systems - 2000 International Building Code (IBC)</b>			1
Smoke detector/detection system not provided on each floor (including basement) - IBC 907.2.10; provide a new hardwired smoke detector		\$125.00	\$0.00
Smoke detector/detection system not provided in each sleeping room - IBC 907.2.10; provide a new hardwired smoke detector		\$125.00	\$0.00
Fire Separation required for occupancies	95,400	\$12.00	\$1,144,800.00
Occupancy, area, and construction type of building require installation of fire sprinkler system - IBC Chap. 6, IBC 903; provide new sprinkler system	191,500	\$3.00	\$574,500.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1
Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	8	\$700.00	\$5,600.00
Storefront window/door exceeds thermal transmittance standards (glazing is non-insulated) - MN 7676.0700; remove existing window/door assembly, provide new thermally broken aluminum window/door assembly (estimated s.f. of assembly to be replaced x \$32.50)	280	\$32.50	\$9,100.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	17680	\$3.28	\$57,990.40
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new Insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$5.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	119340	\$7.00	\$835,380.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.88), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	211000	\$6.00	\$1,266,000.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>			3
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	263,750	\$2.00	\$527,500.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/500 ton/cfm = additional ton cooling required) x \$600/ton)	527.5	\$600.00	\$316,500.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	211000	\$2.00	\$422,000.00
For building construction prior to 1989, repair garage occupancy, mechanical systems do not provide sufficient number of air exchanges for exhaust fumes; provide new engine/tailpipe exhaust system including fans, adapters, and tubing (\$4000.00) and new CO detector system including sensor and panel (\$3,000.00)	1	\$7,000.00	\$7,000.00
For buildings where vehicles are being repaired, stored or washed that are 1000 s.f. and larger must install a flammable waste interceptor per MN Plumbing Code 4716.1120	3	\$4,000.00	\$12,000.00

Electrical Systems - Commercial deficiencies

Upgrade egress and emergency lighting for NFPA Life Safety Code (NFPA 101)

60 \$2,500.00

\$150,000.00

Calculated occupancy	2110
# Exst. Baths/Tlt. Rms.	5
#Exst. Tlt.-M/Unisex	5
#Exst. Lav.-M/Unisex	4
#Exst. Tlt. -F	1
#Exst. Lav.-F	1
#Exst. Drinking Ftn.	0

Calculated loads	6
	8
	8
	8
	8
	2

AP ID # 13-1  
 ID # 353024340024  
 Parcel Name RAYCO CORPORATION, 3801 5TH STREET

INDIVIDUAL BUILDING SUMMARY REP.

Inspector LAG  
 Inspection Date 3/10/2004  
 Survey Method INTERIOR  
 Bldg Occupancy B  
 Bldg Type BUSINESS  
 Wall Construction MASONRY  
 Roof Construction WOOD FRAMED  
 # Stories 2  
 Basement (Y/N) N  
 Story-Height 14  
 Floor Area 21094  
 Building Area 24144  
 Year Built 1952  
 Sprinklered N  
 Elevator N

Means Base Cost Calculations (Cost per SF Floor Area)			
	Area	Cost	
Exterior Wall And Frame	\$97.25	24,144.00	\$2,348,004.00
Story Height Adjustment (Add or Deduct)		0.00	\$0.00
Basement		0.00	\$0.00
Location Factor**	add (%)	0.13	\$305,240.52
Total Replacement Cost			\$2,653,244.52
Total Deficiency Cost			\$674,165.96
Percentage of Code Deficiency To Replacement Cost			25.41%
Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			Y

\*\*Location Factor varies by location and building type (commercial or residential)

Summary of Building Deficiencies (Code Deficiencies)

Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$234,125.00
Fire Protection Systems	\$72,432.00
Energy Code Compliance	\$222,744.96
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$144,864.00
Electrical Systems	\$0.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
<b>Accessibility (Exterior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			<b>1</b>
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
No exterior accessible route (that does not require use of stairs) from site access to building entrance - MN 1341.0422; remove accessibility barriers, provide new sidewalk	N	\$700.00	\$700.00
Exterior accessible route steeper than 1:20 slope or cross-slope steeper than 1:50 - MN 1341.0422; remove existing walk, provide new sidewalk	N	\$700.00	\$700.00
Exterior entrance door on an accessible route without required maneuvering clearance at door approach or min. 48" between sets of doors - MN 1341.0442; remove existing barriers or wall framing, patch walls	N	\$500.00	\$500.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	N	\$200.00	\$200.00
<b>Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341</b>			<b>1</b>
Building occupancy of floor (greater than 30 occupants) above or below level of access requires installation of an elevator - MN 1341.0405; provide new elevator	1	\$52,725.00	\$52,725.00
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	8	\$250.00	\$2,000.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	12	\$175.00	\$2,100.00
Interior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6	8	\$500.00	\$4,000.00
Toilet room door opening less than 32" min. clear width - MN 1341.0442; remove existing door, enlarge opening and provide new door	2	\$0.00	\$0.00
Toilet room door without required maneuvering clearance at (interior) door approach - MN 1341.0442; remove existing barriers or wall framing, patch walls	4	\$0.00	\$0.00
Toilet room without unobstructed 5'-0" turning radius within room - MN 1341.0460; remove barriers or wall framing, enlarge toilet room and patch walls	4	\$0.00	\$0.00
Toilet room without 30"x48" clear space for forward approach at lavatory - MN 1341.0454; remove barriers or wall framing or modify base cabinet	4	\$0.00	\$0.00
Toilet room without lavatory at 34" max. height and 29" min. clear knee space below - MN 1341.0454; relocate/adjust height of lavatory and plumbing	4	\$0.00	\$0.00
Toilet room without lever or similar faucet controls for lavatory - MN 1341.0454; replace existing lavatory faucet	4	\$0.00	\$0.00
Toilet room without plumbing insulation/covering for lavatory - MN 1341.0454; provide plumbing insulation/covering	4	\$0.00	\$0.00
Toilet room accessories (soap dispenser, towel dispenser, etc.) that are mounted higher than 40" max. above the floor - MN 1341.0470; relocate existing toilet accessories	4	\$0.00	\$0.00
Toilet room without clear space for side transfer water closet/toilet stall - MN 1341.0448; remove barriers or wall framing, enlarge toilet room and patch walls	4	\$0.00	\$0.00
Toilet room without toilet seat at 17"-19" above the floor - MN 1341.0448; replace existing toilet fixture	4	\$0.00	\$0.00
Toilet room without horizontal and vertical grab bars for water closet/toilet stall - MN 1341.0448; provide new grab bars (18", 36", 42")	4	\$0.00	\$0.00
Toilet room without urinal rim mounted at 17" max. above the floor - MN 1341.0452; relocate/adjust height of urinal and plumbing	4	\$0.00	\$0.00

Toilet room accessibility improvements due to noncompliant clearances at fixtures or doors, and heights of fixtures - MN 1341.0454; major remodeling: remove barriers or wall framing, enlarge toilet room by relocating one or more walls (affect one or more adjacent spaces)	4	\$15,000.00	\$	.0
Public/common use room without 30"x48" clear space for forward approach at a sink - MN 1341.0464; remove barriers or wall framing or modify base cabinet	1	\$500.00	\$500.00	
Public/common use room without sink at 34" max. height and 29" min. clear knee space below - MN 1341.0464; relocate/adjust height of sink and plumbing	1	\$500.00	\$500.00	
Public/common use room without lever or similar faucet controls for a sink - MN 1341.0464; replace existing sink faucet	1	\$100.00	\$100.00	
Public/common use rooms without plumbing insulation/covering for a sink - MN 1341.0454; provide plumbing insulation/covering	1	\$50.00	\$50.00	
<b>Building Egress - 2000 International Building Code (IBC)</b>				1
Exterior stair less than 36" min. clear width - IBC 1003.3.3.1; remove existing stairs, provide new stairs (assume 3 treads total)	1	\$700.00	\$700.00	
Exterior flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; remove existing stairs, provide new stairs (assume 3 treads total)	3	\$700.00	\$2,100.00	
Exterior stair handrails are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	6	\$150.00	\$900.00	
Exterior stair handrails do not provide between 1-1/4" - 1-1/2" gripping surface (non-accessible/residential exception = 2" max. grip) - IBC 1003.3.3.11; remove existing handrail, provide new handrail (assume 3 treads total)	6	\$160.00	\$960.00	
Exterior stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	6	\$150.00	\$900.00	
Exterior stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	6	\$370.00	\$2,220.00	
Exterior stair handrails are not continuous - IBC 1003.3.3.11; modify existing handrail	3	\$150.00	\$450.00	
Exterior stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 5 lin. feet)	32	\$300.00	\$9,600.00	
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	6	\$500.00	\$3,000.00	
Exterior door landing less than 44" min. in direction of travel (residential exception = 36") or greater than 7" rise for non-accessible exterior doors in groups F, H, R, S, and U - IBC 1003.3.1.5, IBC 1003.3.1.4; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00	
Interior stair less than 36" min. clear width - IBC 1003.3.3.1; widen stairs, modify railings and adjacent walls	1	\$0.00	\$0.00	
Flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; replace stairs, modify railings and adjacent walls	2	\$0.00	\$0.00	
Stairway landing does not extend 36" in direction of travel at top or foot of stairs - IBC 1003.3.3.4; reconfigure/remodel adjacent walls	1	\$0.00	\$0.00	
Stair flight exceeds 12'-0" max. vertical rise between landings - IBC 1003.3.3.6; replace stairs, modify railings, landings, and adjacent walls	1	\$0.00	\$0.00	
Stair handrails are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrail	4	\$50.00	\$200.00	
Stair handrails do not provide between 1-1/4" - 1-1/2" gripping surface (non-accessible/residential exception = 2" max. grip) - IBC 1003.3.3.11; remove existing handrail, provide new handrail (assume 0' floor to floor)	6	\$400.00	\$2,400.00	
Stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	6	\$50.00	\$300.00	
Stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	6	\$50.00	\$300.00	
Stair handrails are not continuous - IBC 1003.3.3.11; modify existing handrail	2	\$50.00	\$100.00	

Stair flight or landing with noncompliant guardrail (42" min. height, 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 3'-6" lin. Feet)	6	\$300.00	0.00
Stairway improvements required due to noncompliant rise/run, headroom, and landings - IBC 1003.3.3; minor remodeling: replace stairs, modify railings, landings, and adjacent walls (considered minimum commercial remodel cost, maximum residential remodel cost)	2	\$2,500.00	\$5,000.00
Stairway improvements required due to noncompliant rise/run, width, headroom, landings, and height - IBC 1003.3.3; major remodeling: replace stairs, modify railings, landings, and adjacent walls	2	\$5,000.00	\$10,000.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	4	\$15,000.00	\$60,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	3.00	\$1,950.00	\$5,850.00
Bathroom not provided with means of mechanical ventilation - IBC 1202.4.2.1; provide ceiling exhaust fan, electric hook-up, and ductwork	2	\$400.00	\$800.00
Toilet room/shower rooms without non-absorbent floor surface (concrete, ceramic tile, sheet vinyl, etc.) and wall base - IBC 1209.1; Assume 50 s.f. space, remove existing flooring, provide new flooring	1	\$500.00	\$500.00
Urinals or water closet without adjacent non-absorbent wall surface - IBC 1209.2; assume 20 s.f. wall surface, provide new fiberglass reinforced wall paneling adjacent to existing fixture	4	\$100.00	\$400.00
<b>Fire Protection Systems - 2000 International Building Code (IBC)</b>			1
Occupancy, area, and construction type of building require installation of fire sprinkler system - IBC Chap. 5, UBC 903; provide new sprinkler system	24144	\$3.00	\$72,432.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1
Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	29	\$700.00	\$20,300.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	2732	\$3.28	\$8,960.96
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new Insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$5.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	9560	\$7.00	\$66,920.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.88), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$8.00)	21094	\$6.00	\$126,564.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>			1
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	30180	\$2.00	\$60,360.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/600 ton/cfm = additional ton cooling required) x \$600/ton)	60.36	\$600.00	\$36,216.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	24144	\$2.00	\$48,288.00
<b>Electrical Systems - Commercial deficiencies</b>			1
For building construction prior to 1980, existing lighting systems do not conform to maximum allowable energy use (lights consume too much energy in terms of watts/s.f.) - MN 7676; Replace light fixtures (cost varies by occupancy type)	0		\$0.00
Upgrade egress and emergency lighting for NFPA Life Safety Code	0		\$0.00

Calculated occupancy	241
# Exst. Baths/Tit. Rms.	4
#Exst. Tit.-M/Unisex	2
#Exst. Lav.-M/Unisex	2
#Exst. Tit. -F	2
#Exst. Lav.-F	2
#Exst. Drinking Ftn.	0

Calculated loads	
	4
	5
	3
	5
	3
	3

MAP ID # 28-1  
 PID # 353024340040  
 Parcel Name 550-600 39TH AVENUE NE, B.P. VIDEO LLC, SCHAFFER RICHARDSON

INDIVIDUAL BUILDING SUMMARY . JRT

Inspector LAG		Means-Based Cost Calculations (Cost per SF Floor Area)			
		Cost	Area	Cost	
Inspection Date	3/8/2004	Exterior Wall And Frame	\$98.60	95,020.00	\$9,368,972.00
Survey Method	INTERIOR	Story Height Adjustment (Add or Deduct)		0.00	\$0.00
Bldg Occupancy	B	Basement		0.00	\$0.00
Bldg Type	BUSINESS	Location Factor**	add (%)	0.13	\$1,217,966.36
Wall Construction	MASONRY	Total Replacement Cost			\$10,586,938.36
Roof Construction	STEEL	Total Deficiency Cost			\$1,858,780.56
# Stories	1	Percentage of Code Deficiency To Replacement Cost			17.56%
Basement (Y/N)	N	Satisfies Step 2 Test (469.174*10 (c)) for Structurally Substandard Building (Y/N)			y
Story-Height	16	**Location Factor varies by location and building type (commercial or residential)			
Floor Area	95020				
Building Area	95020				
Year Built	1960				
Sprinklered	Y				
Elevator	N				

Summary of Building Deficiencies (Code Deficiencies)

Deficiency Category	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$424,090.00
Fire Protection Systems	\$0.00
Energy Code Compliance	\$862,320.56
Food Service Areas	\$2,250.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$570,120.00
Electrical Systems	\$0.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
Accessibility (Exterior) - 1999-Minnesota Accessibility Code, Ch. 1341			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disability parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
Exterior entrance door on an accessible route without required maneuvering clearance at door approach or min. 48" between sets of doors - MN 1341.0442; remove existing barriers or wall framing, patch walls	N	\$500.00	\$500.00
Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341			1
Building occupancy of floor (greater than 30 occupants) above or below level of access requires installation of an elevator - MN 1341.0406; provide new elevator	0	\$62,725.00	\$0.00
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	10	\$250.00	\$2,500.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	42	\$175.00	\$7,350.00
Toilet room door opening less than 32" min. clear width - MN 1341.0442; remove existing door, enlarge opening and provide new door	2	\$0.00	\$0.00
Toilet room door without required maneuvering clearance at (interior) door approach - MN 1341.0442; remove existing barriers or wall framing, patch walls	4	\$0.00	\$0.00
Toilet room without unobstructed 6'-0" turning radius within room - MN 1341.0480; remove barriers or wall framing, enlarge toilet room and patch walls	5	\$0.00	\$0.00
Toilet room without lavatory at 34" max. height and 29" min. clear knee space below - MN 1341.0454; relocate/adjust height of lavatory and plumbing	2	\$0.00	\$0.00
Toilet room without lever or similar faucet controls for lavatory - MN 1341.0454; replace existing lavatory faucet	2	\$0.00	\$0.00
Toilet room without plumbing insulation/covering for lavatory - MN 1341.0454; provide plumbing insulation/covering	5	\$0.00	\$0.00
Toilet room accessories (soap dispenser, towel dispenser, etc.) that are mounted higher than 40" max. above the floor - MN 1341.0470; relocate existing toilet accessories	5	\$0.00	\$0.00
Toilet room without clear space for side transfer water closet/toilet stall - MN 1341.0448; remove barriers or wall framing, enlarge toilet room and patch walls	5	\$0.00	\$0.00
Toilet room without toilet seat at 17"-19" above the floor - MN 1341.0446; replace existing toilet fixture	2	\$0.00	\$0.00
Toilet room without horizontal and vertical grab bars for water closet/toilet stall - MN 1341.0448; provide new grab bars (18", 36", 42")	5	\$0.00	\$0.00
Toilet room without urinal rim mounted at 17" max. above the floor - MN 1341.0452; relocate/adjust height of urinal and plumbing	2	\$0.00	\$0.00
Bathroom without required maneuvering clearance for front or side approach at tub/shower - MN 1341.0456, MN 1341.0458; remove barriers or wall framing, enlarge toilet room and patch walls	2	\$0.00	\$0.00
Bathroom without tub/shower seat at 17"-19" above the floor - MN 1341.0456, MN 1341.0458; provide new tub/shower seat or relocate existing	2	\$0.00	\$0.00
Bathroom without horizontal and vertical grab bars for tub/shower - MN 1341.0456, MN 1341.0458; provide new grab bars (18", 36", 42")	2	\$0.00	\$0.00
Bathroom without lever or similar faucet control and/or without adjustable bar and 60" hose - MN 1341.0456, MN 1341.0458; replace existing tub/shower faucet and head	2	\$0.00	\$0.00

Toilet room accessibility improvements due to noncompliant clearances at fixtures or doors, and heights of fixtures - MN 1341.0454; major remodeling: remove barriers or wall framing, enlarge toilet room by relocating one or more walls (affect one or more adjacent spaces)	5	\$15,000.00	\$7:
Public/common use room without 30"x48" clear space for forward approach at a sink - MN 1341.0464; remove barriers or wall framing or modify base cabinet	2	\$500.00	\$1,000.00
Public/common use room without sink at 34" max. height and 29" min. clear knee space below - MN 1341.0464; relocate/adjust height of sink and plumbing	2	\$500.00	\$1,000.00
Public/common use rooms without plumbing insulation/covering for a sink - MN 1341.0454; provide plumbing insulation/covering	2	\$50.00	\$100.00
Public/common use accessories (vending machine, condiments, etc.) that are mounted higher than 54" max. above the floor - MN 1341.0470; relocate accessories	2	\$20.00	\$40.00
Less than 5% of public/common use sales/service counter/window at 36" max. above the floor or 36" min. width - MN 1341.0720; relocate/adjust height of counter and base cabinet	1	\$400.00	\$400.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior stair less than 36" min. clear width - IBC 1003.3.3.1; remove existing stairs, provide new stairs (assume 3 treads total)	1	\$700.00	\$700.00
Exterior flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; remove existing stairs, provide new stairs (assume 3 treads total)	2	\$700.00	\$1,400.00
Exterior flight of stairs with less than two handralls (residential exception = 1 h.r. min.) - IBC 1003.3.3.11; provide new handrall (assume 3 treads total)	Calculated	\$250.00	\$0.00
Exterior stair handralls are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrall	6	\$150.00	\$900.00
Exterior stair handralls do not provide between 1-1/4" - 1-1/2" gripping surface (non-accessible/residential exception = 2" max. grip) - IBC 1003.3.3.11; remove existing handrall, provide new handrall (assume 3 treads total)	4	\$160.00	\$640.00
Exterior stair handrall ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrall end	6	\$150.00	\$900.00
Exterior stair handrall ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrall end	12	\$370.00	\$4,440.00
Exterior stair handralls are not continuous - IBC 1003.3.3.11; modify existing handrall	2	\$150.00	\$300.00
Exterior stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 6 lin. feet)	6	\$300.00	\$2,400.00
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required; remove existing stoop, provide new stoop	6	\$500.00	\$3,000.00
Exterior door landing less than 44" min. in direction of travel (residential exception = 36") or greater than 7" rise for non-accessible exterior doors in groups F, H, R, S, and U - IBC 1003.3.1.5, IBC 1003.3.1.4; assume replacement of exterior stoop required; remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
Interior stair less than 36" min. clear width - IBC 1003.3.3.1; widen stairs, modify railings and adjacent walls	2	\$0.00	\$0.00
Flight of stairs with noncompliant rise/run (7" max. rise/11" min. run) (residential exception: 7.75" max. rise/10" min. run) - IBC 1003.3.3.3; replace stairs, modify railings and adjacent walls	2	\$0.00	\$0.00
Stairway landing does not extend 36" in direction of travel at top or foot of stairs - IBC 1003.3.3.4; reconfigure/remodel adjacent walls	1	\$0.00	\$0.00
Stair flight exceeds 12'-0" max. vertical rise between landings - IBC 1003.3.3.6; replace stairs, modify railings, landings, and adjacent walls	1	\$0.00	\$0.00
Stair handralls are not located at 34"-38" above the tread - IBC 1003.3.3.11; relocate/modify existing handrall	1	\$50.00	\$50.00
Stair handralls do not provide between 1-1/4" - 1-1/2" gripping surface (non-accessible/residential exception = 2" max. grip) - IBC 1003.3.3.11; remove existing handrall, provide new handrall (assume 9' floor to floor)	2	\$400.00	\$800.00

Stair handrail ends do not return to walls or terminate in newel posts - IBC 1003.3.3.11; modify existing handrail end	8	\$50.00	
Stair handrail ends do not extend 12" beyond the top riser or 12" plus one tread beyond the bottom riser - IBC 1003.3.3.11; modify existing handrail end	8	\$50.00	\$400.00
Stair flight or landing with noncompliant guardrail (42" min. height, 4" or 21" min. spacing between intermediate rails) (residential exception = 34" - 38" height) - IBC 1003.2.12; provide new guardrail (estimate 3'-8" lin. Feet)	6	\$300.00	\$1,800.00
Stairway improvements required due to noncompliant rise/run, width, headroom, landings, and height - IBC 1003.3.3; major remodeling: replace stairs, modify railings, landings, and adjacent walls	2	\$5,000.00	\$10,000.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Occupancy of building requires installation of additional toilet fixture(s) or additional bathroom - IBC Chap. 29; major remodeling: enlarge toilet room by relocating one or more walls and fixtures, or construct new bathroom walls, door, fixtures, and remodel adjacent areas	19	\$15,000.00	\$285,000.00
Occupancy of building requires installation of additional drinking fountain - IBC Chap. 29; provide new accessible drinking fountain and plumbing	10.00	\$1,950.00	\$19,500.00
Bathroom not provided with means of mechanical ventilation - IBC 1202.4.2.1; provide ceiling exhaust fan, electric hook-up, and ductwork	5	\$400.00	\$2,000.00
<b>Fire Protection Systems - 2000 International Building Code (IBC)</b>			1
Occupancy, area, and construction type of building require installation of fire sprinkler system - IBC Chap. 5, UBC 903; provide new sprinkler system	0	\$3.00	\$0.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1
Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	42	\$700.00	\$29,400.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	8402	\$3.28	\$27,558.56
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new Insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$5.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	33806	\$7.00	\$235,242.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.68), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	95020	\$6.00	\$570,120.00
<b>Food Service Areas - 1998 Minnesota Food Code, Ch. 4626</b>			1
Food prep area without non-absorbent wall surfaces - MN 4626; assume 60 l.f. wall x 8'-0" high, provide new fiberglass reinforced wall paneling	1	\$1,250.00	\$1,250.00
Food prep area without non-absorbent ceiling surface - MN 4626; assume 400 s.f. space, provide new suspended ceiling for clean room	1	\$1,000.00	\$1,000.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>			1
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	118775	\$2.00	\$237,550.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/500 ton/cfm = additional ton cooling required) x \$600/ton)	237.55	\$600.00	\$142,530.00
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	95020	\$2.00	\$190,040.00

Calculated occupancy 950  
# Exst. Baths/Tlt. Rms. 5

Calculated loads 6

Exst. Tit.-M/Unisex 11  
#Exst. Lav.-M/Unisex 9  
#Exst. Tit.-F 8  
#Exst. Lav.-F 6  
#Exst. Drinking Ftn. 0

19  
12  
19  
12  
10

MAP ID # 31-1  
 PID # 353024430047  
 Parcel Name 620 39TH AVENUE NE, REGION TRUCK EQUIPMENT INC.

INDIVIDUAL BUILDING SUMMARY REPORT

Inspector	LAG	Mean/Basic Cost Calculations (Cost per SF Floor Area)			
Inspection Date	3/8/2004	sq/ft	Area	Cost	
Survey Method	INTERIOR				
Bldg Occupancy	B				
Bldg Type	BUSINESS				
Wall Construction	MASONRY				
Roof Construction	STEEL				
# Stories	1				
Basement (Y/N)	N				
Story-Height	16				
Floor Area	4820				
Building Area	4820				
Year Built	1962				
Sprinklered	N				
Elevator	N				
		Exterior Wall And Frame	\$95.35	4,820.00	\$459,587.00
		Story Height Adjustment (Add or Deduct)	\$2.00	4,820.00	\$9,640.00
		Basement		0.00	\$0.00
		Location Factor**	add (%)	0.13	\$60,999.51
		Total Replacement Cost			\$530,226.51
		Total Deficiency Cost			\$176,551.56
		Percentage of Code Deficiency To Replacement Cost			33.30%
		Satisfies Step 2 Test (469.174 10 (c)) for Structurally Substandard Building (Y/N)			Y
		**Location Factor varies by location and building type (commercial or residential)			

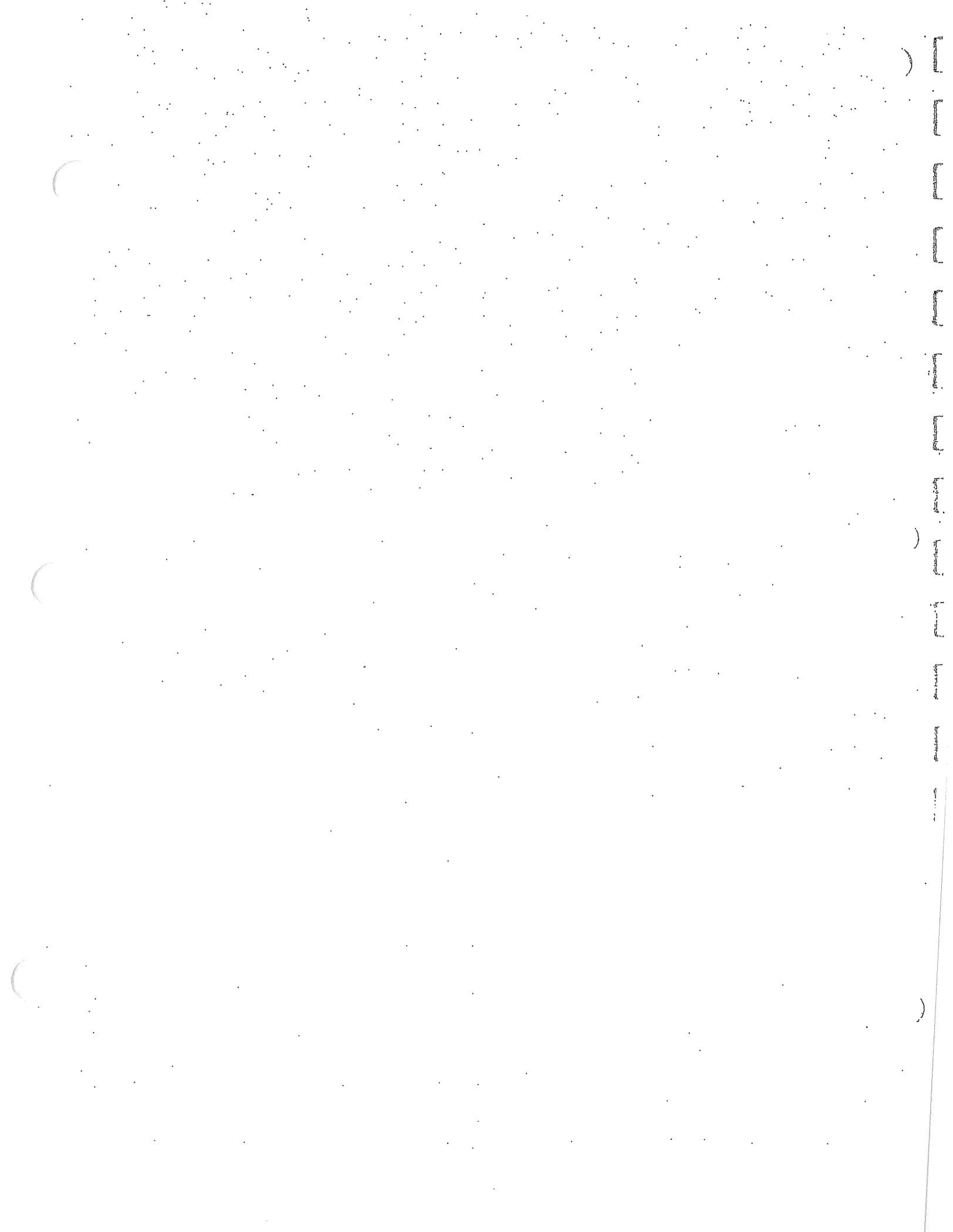
Summary of Building Deficiencies (Code Deficiencies)	Deficiency Cost
Accessibility (Exterior and Interior)/Building Egress/Building Construction	\$35,321.00
Fire Protection Systems	\$0.00
Energy Code Compliance	\$110,804.96
Food Service Areas	\$0.00
Heating, Ventilation, and Cooling Systems (HVAC)	\$30,426.60
Electrical Systems	\$0.00

Deficiency	Area/Number of Req'd. Improvements	Unit Cost	Deficiency Cost
Accessibility (Exterior) - 1999 Minneosta Accessiblity Code, Ch. 1341			1
No disability parking available - MN 1341.0403; add striping for one stall plus signage	N	\$240.00	\$240.00
No van accessible parking available - MN 1341.0403; add striping for one stall plus signage	N	\$250.00	\$250.00
Disbilty parking space without required signage - MN 1341.0428; add signage each stall	1	\$80.00	\$80.00
Exterior accessible route less than 48" wide - MN 1341.0422; remove existing walk, provide new sidewalk	N	\$500.00	\$500.00
Non-compliant or no curb cut provided for exterior accessible route - MN 1341.0430; remove existing walk and curb, provide new pedestrian curb ramp	N	\$500.00	\$500.00
Exterior entrance door on an accessible route without required maneuvering clearance at door approach or min. 48" between sets of doors - MN 1341.0442; remove existing barriers or wall framing, patch walls	N	\$500.00	\$500.00
Exterior entrance door on an accessible route without lever handle or loop-style hardware; MN 1341.0442; replace existing door hardware	N	\$200.00	\$200.00
Accessibility (Interior) - 1999 Minnesota Accessibility Code, Ch. 1341			1
Door on an interior accessible route without required maneuvering clearance at door approach or door opening is less than 32" clear width - MN 1341.0442; remove existing barriers or wall framing, patch walls	2	\$250.00	\$500.00
Door on an interior accessible route without lever handle or loop-style hardware - MN 1341.0442; replace existing door hardware	4	\$175.00	\$700.00
Toilet room door opening less than 32" min. clear wldth - MN 1341.0442; remove existing door, enlarge opening and provide new door	1	\$0.00	\$0.00
Toilet room door without required maneuvering clearance at (interior) door approach - MN 1341.0442; remove existing barriers or wall framing, patch walls	2	\$0.00	\$0.00
Toilet room without unobstructed 5'-0" turning radius within room - MN 1341.0460; remove barriers or wall framing, enlarge toilet room and patch walls	2	\$0.00	\$0.00
Toilet room without lavatory at 34" max. height and 29" min. clear knee space below - MN 1341.0454; relocate/adjust height of lavatory and plumbing	2	\$0.00	\$0.00
Toilet room without lever or similar faucet controls for lavatory - MN 1341.0454; replace existing lavatory faucet	2	\$0.00	\$0.00
Toilet room without plumbing insulation/covering for lavatory - MN 1341.0454; provide plumbing insulation/covering	2	\$0.00	\$0.00
Toilet room accessories (soap dispenser, towel dispenser, etc.) that are mounted higher than 40" max. above the floor - MN 1341.0470; relocate existing toilet accessories	2	\$0.00	\$0.00
Toilet room without clear space for side transfer water closet/toilet stall - MN 1341.0448; remove barriers or wall framing, enlarge toilet room and patch walls	2	\$0.00	\$0.00
Toilet room without toilet seat at 17"-19" above the floor - MN 1341.0448; replace existing toilet fixture	2	\$0.00	\$0.00
Toilet room without horizontal and vertical grab bars for water closet/toilet stall - MN 1341.0448; provide new grab bars (18", 30", 42")	2	\$0.00	\$0.00
Toilet room without urinal rim mounted at 17" max. above the floor - MN 1341.0452; relocate/adjust height of urinal and plumbing	2	\$0.00	\$0.00
Toilet room without 30"x42" clear space for forward approach at urinal - MN 1341.0452; remove existing barriers or wall framing, patch walls	2	\$0.00	\$0.00
Toilet room accessibility improvements due to noncompliant clearances at fixtures or doors, and heights of fixtures - MN 1341.0454; major remodeling; remove barriers or wall framing, enlarge toilet room by relocating one or more walls (affect one or more adjacent spaces)	2	\$15,000.00	\$30,000.00

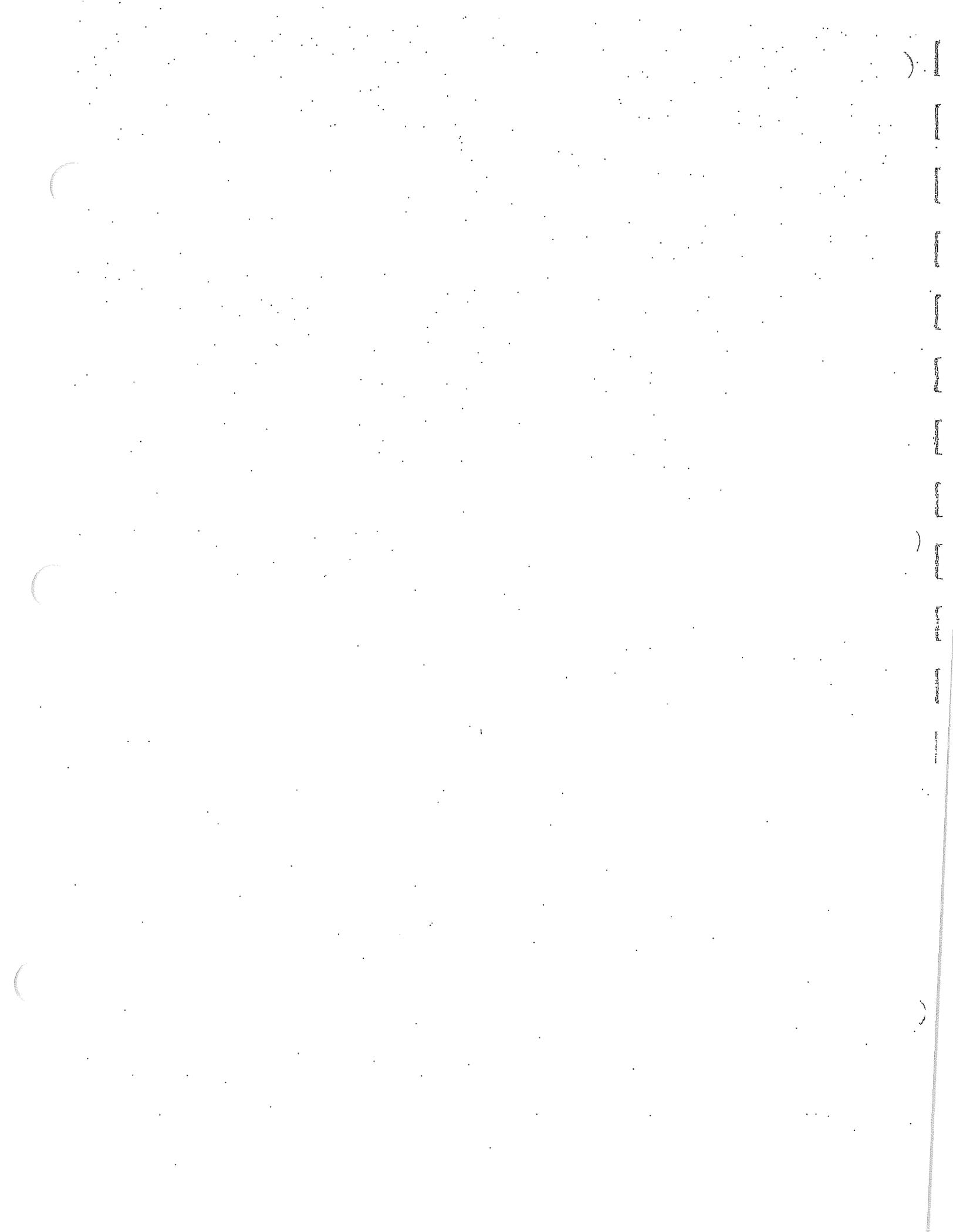
Drinking fountain without 30"x48" clear floor space for side or forward approach - MN 1341.0446; remove existing barriers or wall framing, patch walls	1	\$500.00	\$500.00
Drinking fountain without spout at 36" max. height and 27" min. knee clearance - MN 1341.0446; relocate/adjust height of fountain and plumbing	1	\$250.00	\$250.00
<b>Building Egress - 2000 International Building Code (IBC)</b>			1
Exterior door with greater than 1/2" threshold (accessible) - IBC 1003.3.1.6; assume replacement of exterior stoop required: remove existing stoop, provide new stoop	2	\$500.00	\$1,000.00
<b>Building Construction - 2000 International Building Code (IBC)</b>			1
Urinals or water closet without adjacent non-absorbent wall surface - IBC 1209.2; assume 20 s.f. wall surface, provide new fiberglass reinforced wall paneling adjacent to existing fixture	1	\$100.00	\$100.00
<b>Energy Code Compliance - 2000 Minnesota Energy Code, Ch. 7672, 7674, or 7676</b>			1
Window exceeds thermal transmittance standards (window glazing is non-insulated) - MN 7672.0800, MN 7676.0700; remove existing window assembly, provide new window assembly, replace interior and exterior trim	14	\$700.00	\$9,800.00
For building construction prior to 1976, foundation wall with less than R-5 insulation - MN 7672.0800, MN 7676.0700; excavate foundation wall at perimeter of building, assume add insulation depth to 4' below finished floor (l.f. perimeter x 4'-0" x \$3.28 (insulation + excavation))	11857	\$3.28	\$38,890.96
For building construction prior to 1976, exterior wall area with less than R-11 insulation - MN 7672.0800, MN 7676.0700; residential improvement: assume price for new insulate 2x4 wall w/vinyl siding (s.f. wall surface x \$6.50), commercial improvement: assume price for EIFS or interior wall furring and insulation (s.f. wall surface x \$7.00)	4742	\$7.00	\$33,194.00
For building construction prior to 1976, attic/roof area with less than R-38 insulation (residential) or R-23 insulation (commercial) - MN 7672.0800, MN 7676.0700; residential improvement - assume add 6.5" blown-in cellulose (s.f. x \$0.68), commercial improvement - assume total reroof required, 'flat' roof, built-up roofing and roof edge (s.f. roof x \$6.00)	4820	\$6.00	\$28,920.00
<b>Heating, Ventilation, and Cooling Systems (HVAC) - Commercial deficiencies</b>			1
For building construction prior to 1989, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls) for increased air exchanges ((s.f. area x 1.25 cfm/s.f. = additional cfm required) x \$2.00/cfm)	1808	\$2.00	\$3,616.00
For building construction prior to 1989, condensing unit does not provide sufficient cooling for increased air exchanges above; upgrade condensing unit for additional air exchanges ((additional cfm required/600 ton/cfm = additional ton cooling required) x \$600/ton)	3,616	\$600.00	\$2,169.60
For building construction prior to 1989, building electrical systems are not sufficient to handle additional mechanical units associated with increased air exchanges; provide increased capacity to existing electrical system (s.f. x \$2.00/s.f.)	4820	\$2.00	\$9,640.00
For building construction prior to 1989, warehouse or repair garage occupancy, mechanical systems do not provide sufficient number of air exchanges; upgrade air handling units (cooling and heating coil + controls, condensing unit) for increased air exchanges (1 ton additional cooling required for every 8 people x \$2,000.00/ton)	4	\$2,000.00	\$8,000.00
For building construction prior to 1989, repair garage occupancy, mechanical systems do not provide sufficient number of air exchanges for exhaust fumes; provide new engine/tailpipe exhaust system including fans, adapters, and tubing (\$4000.00) and new CO detector system including sensor and panel (\$3,000.00)	1	\$7,000.00	\$7,000.00
Hazardous exhaust system required for the paint booth per IMC section 510.	900	\$2.00	\$1,800.00

Calculated occupancy	48
# Exst. Baths/Tit. Rms.	2
#Exst. Tit.-M/Unisex	2
#Exst. Lav.-M/Unisex	1
#Exst. Tit. -F	0
#Exst. Lav.-F	0
#Exst. Drinking Ftn.	1

Calculated loads	1
	1
	1
	0
	0
	1

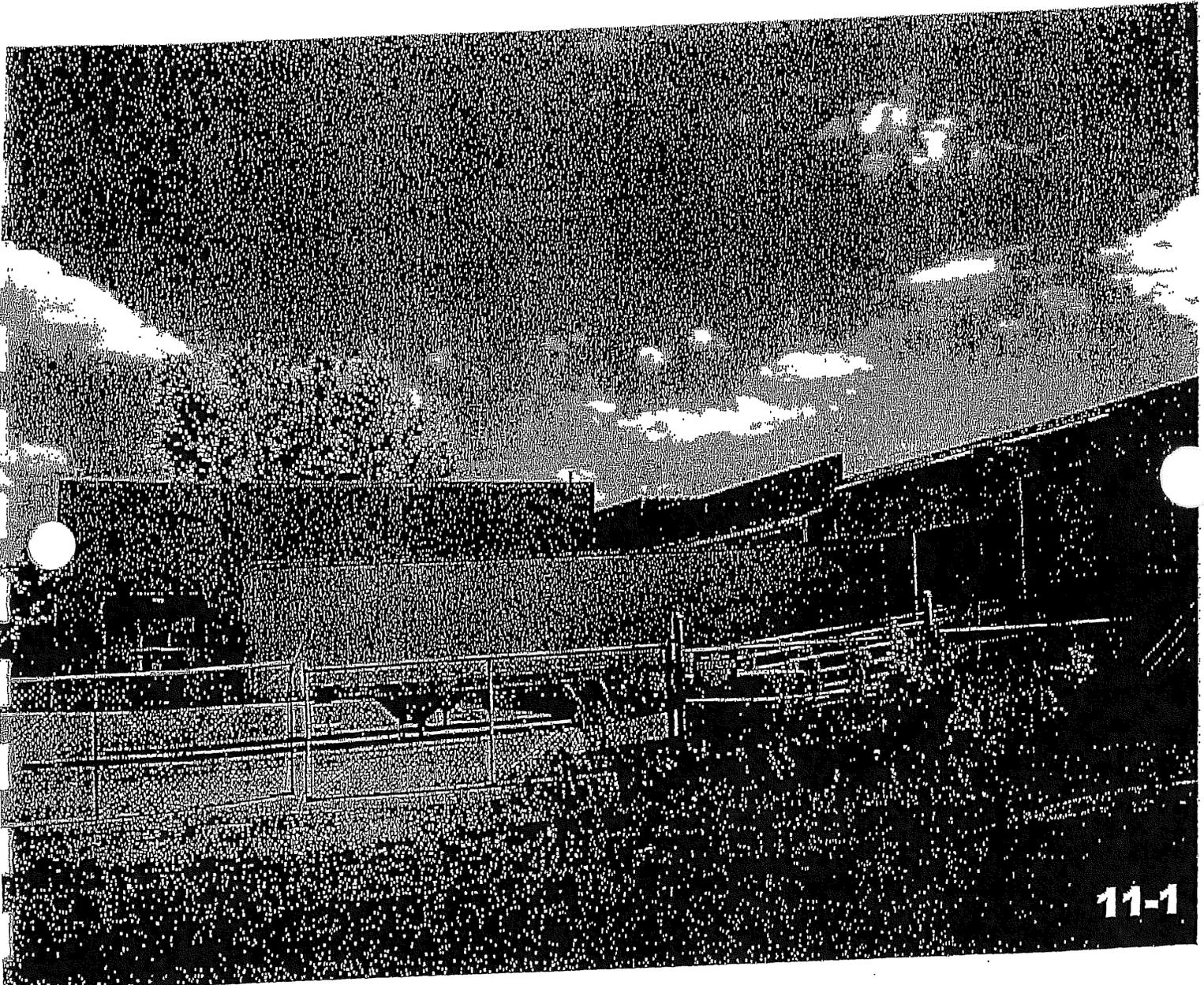


DOCUMENTATION OF CONTACTS/EVALUATIONS				EXHIBIT A
CITY OF COLUMBIA HEIGHTS				
TAX INCREMENT FINANCING DISTRICT REDEVELOPMENT ELIGIBILITY ASSESSMENTS				
MAP ID	BUSINESS/PARCEL NAME	OWNER/CONTACT NAME/NUMBER	DOCUMENTATION OF CONTACTS/ ATTEMPTS; COMMENTS	SUBSTANDARD DETERMINATION
21-1	450 38TH AVE NE, STEEL TECH	Scott Smith, 763-788-7971	City of Columbia Heights sent letter of request; 7/6 & 7/8 - called to schedule appointment to walk through building - no answer; 7/8 - called Randi Schumacher about contacting owner - He said owner will not allow access to building interior; 7/9 - exterior evaluation completed	Y
24-1	515-517 38TH AVE NE, JR PROPERTIES	Dick Pearo, 763-571-9103	City of Columbia Heights sent letter of request; 3/8 - called to schedule appointment to walk through building - appt scheduled for 3/10; 3/10 - arrived at building to do assessment, but no answer - called owner and representative said owner will not allow access to building interior; 3/10 - exterior evaluation completed	Y

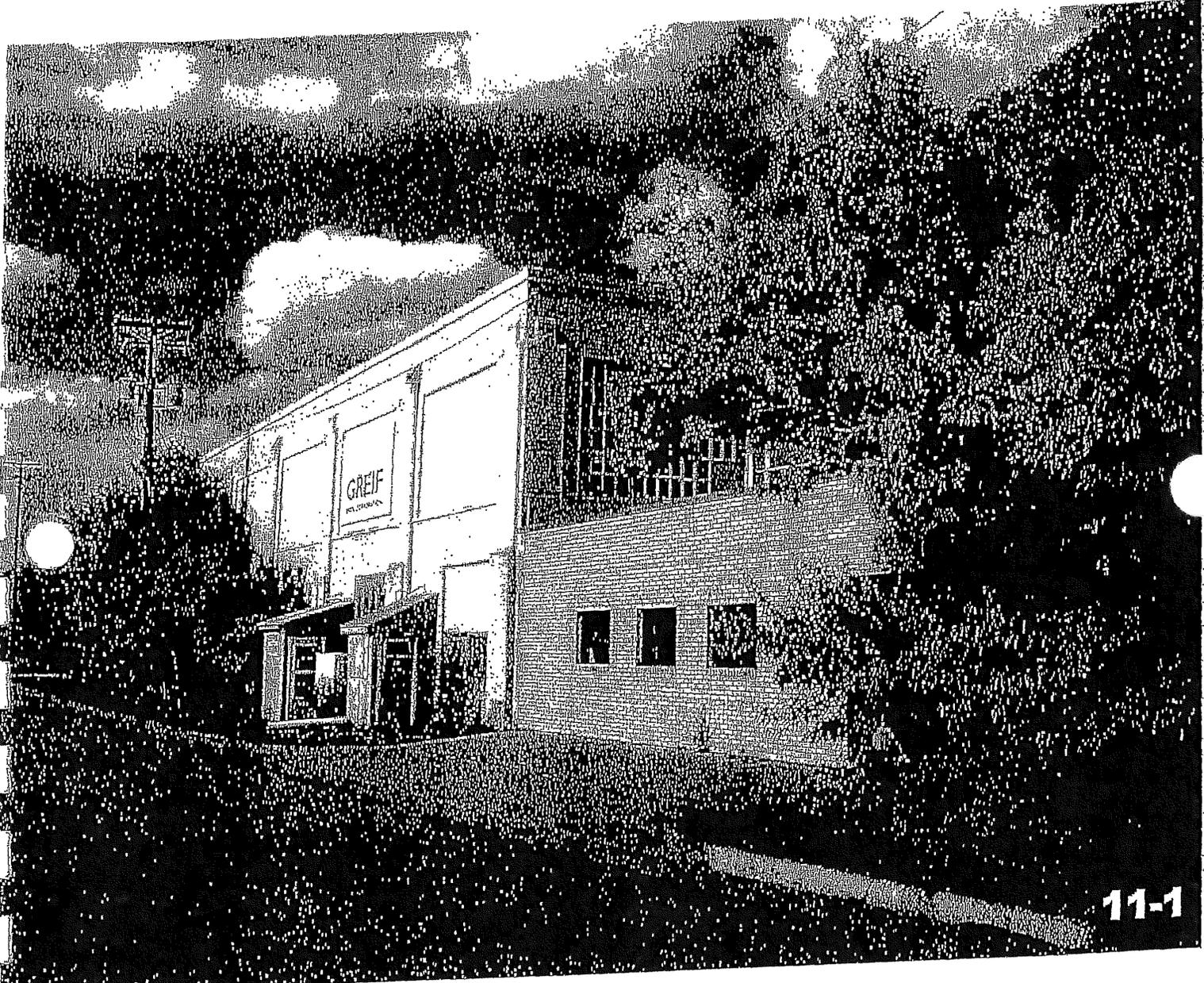




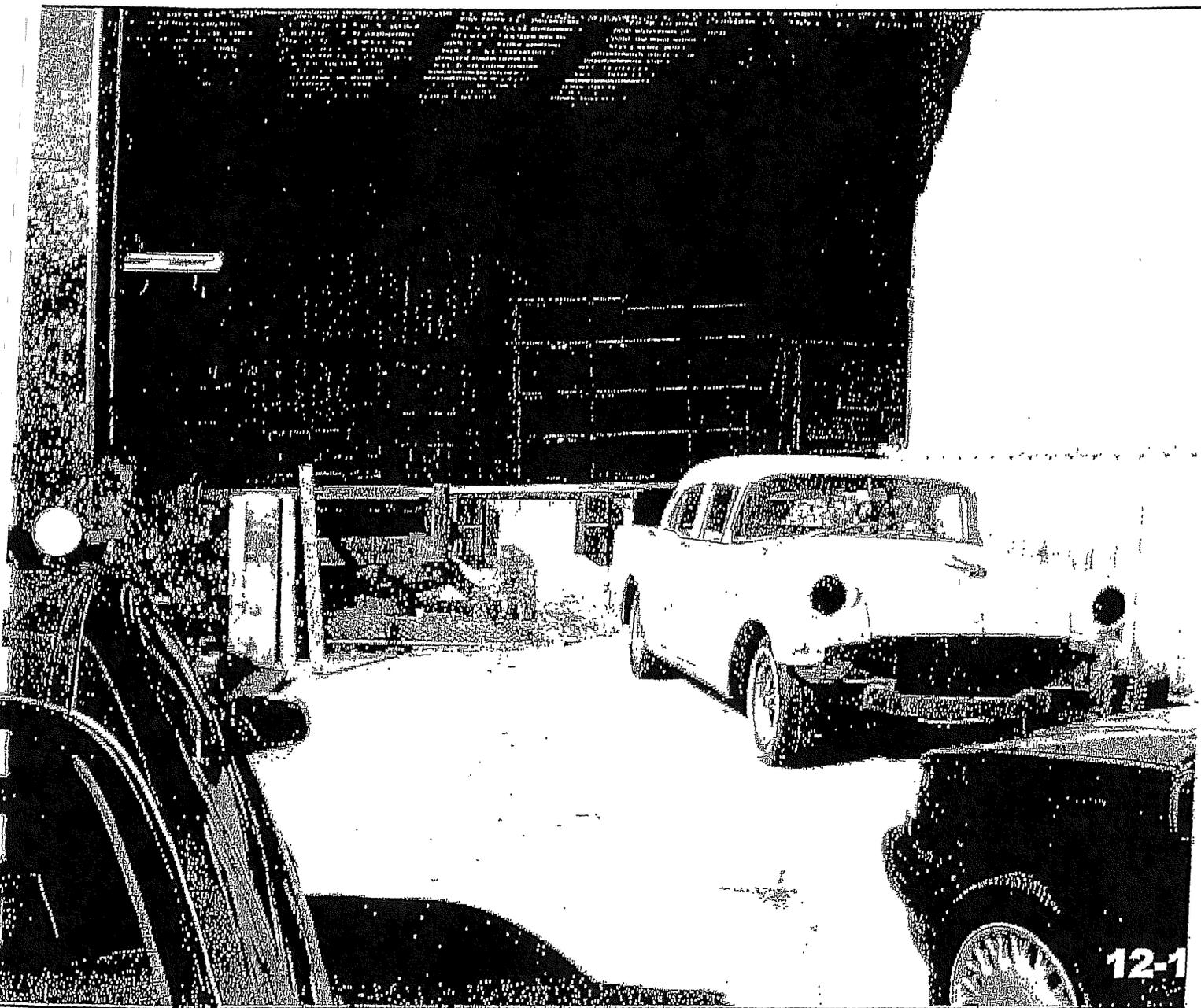
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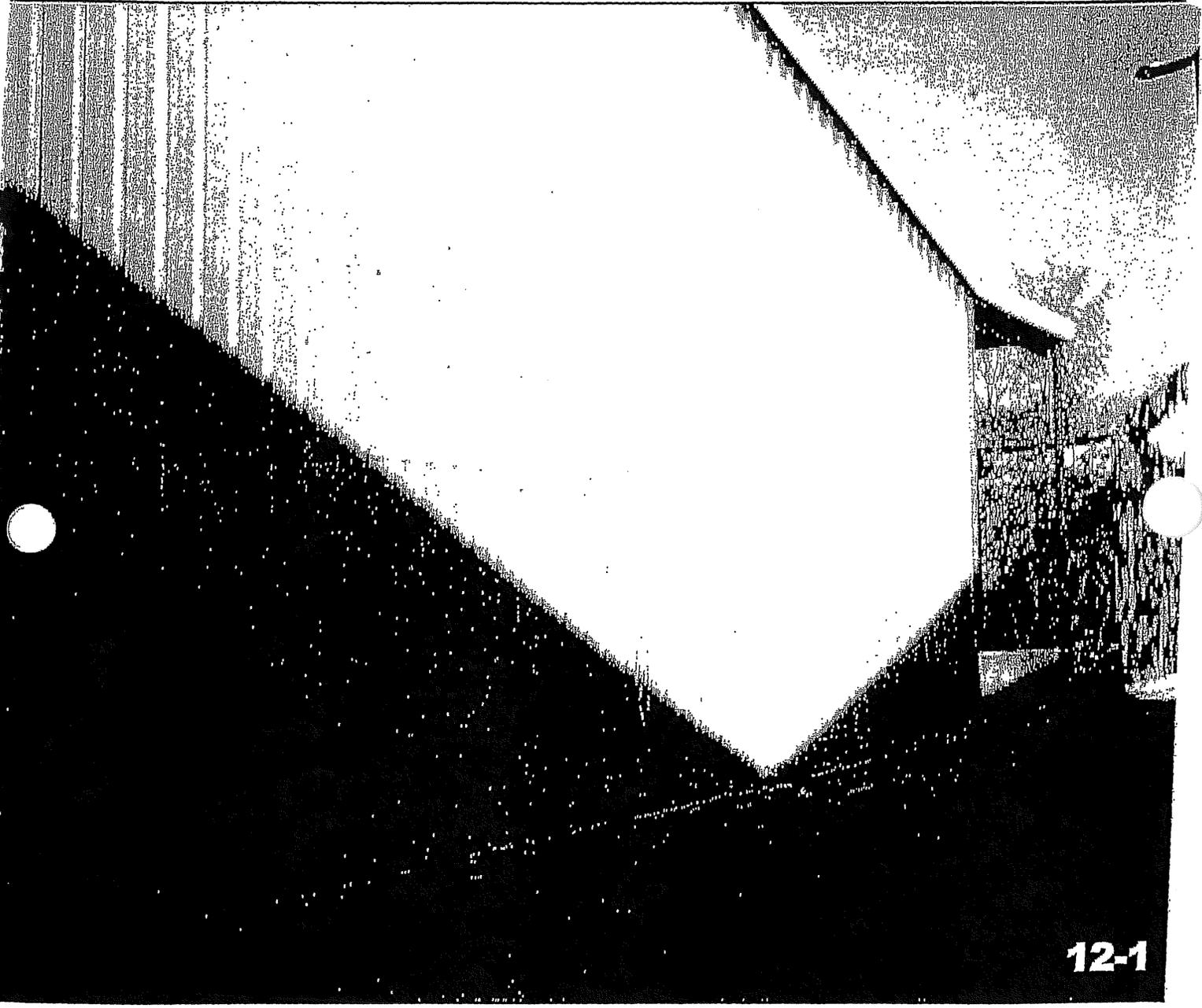


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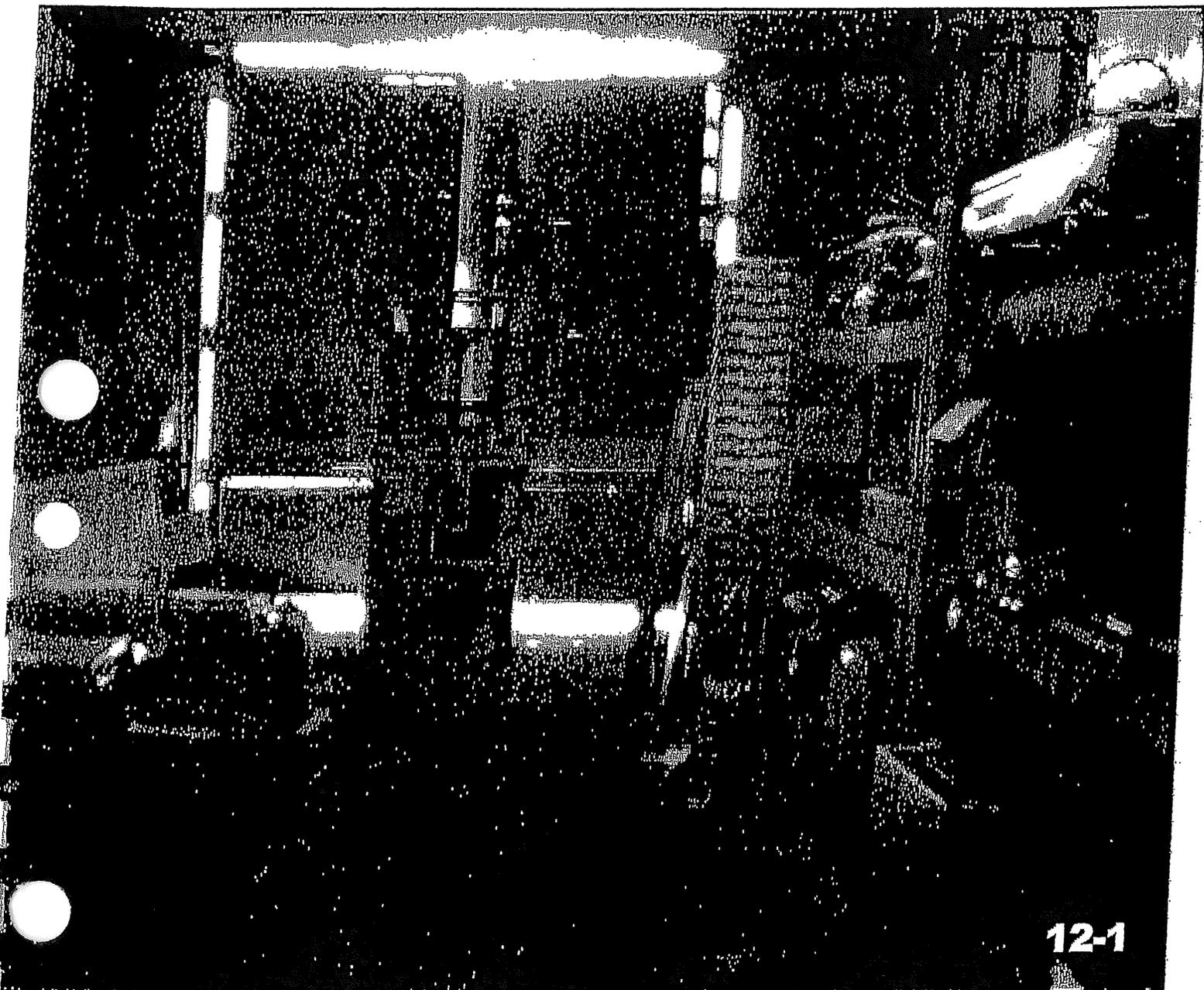




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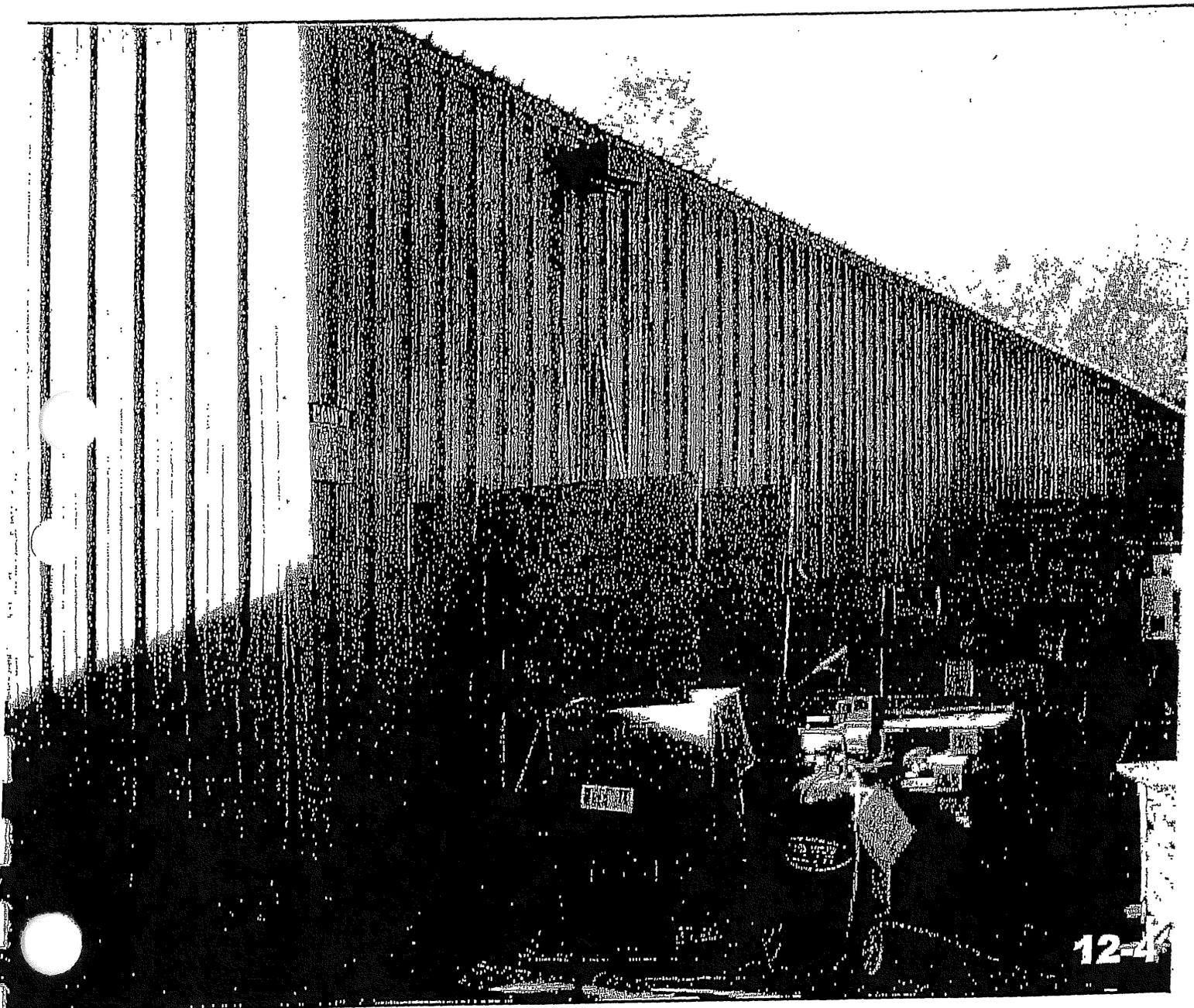
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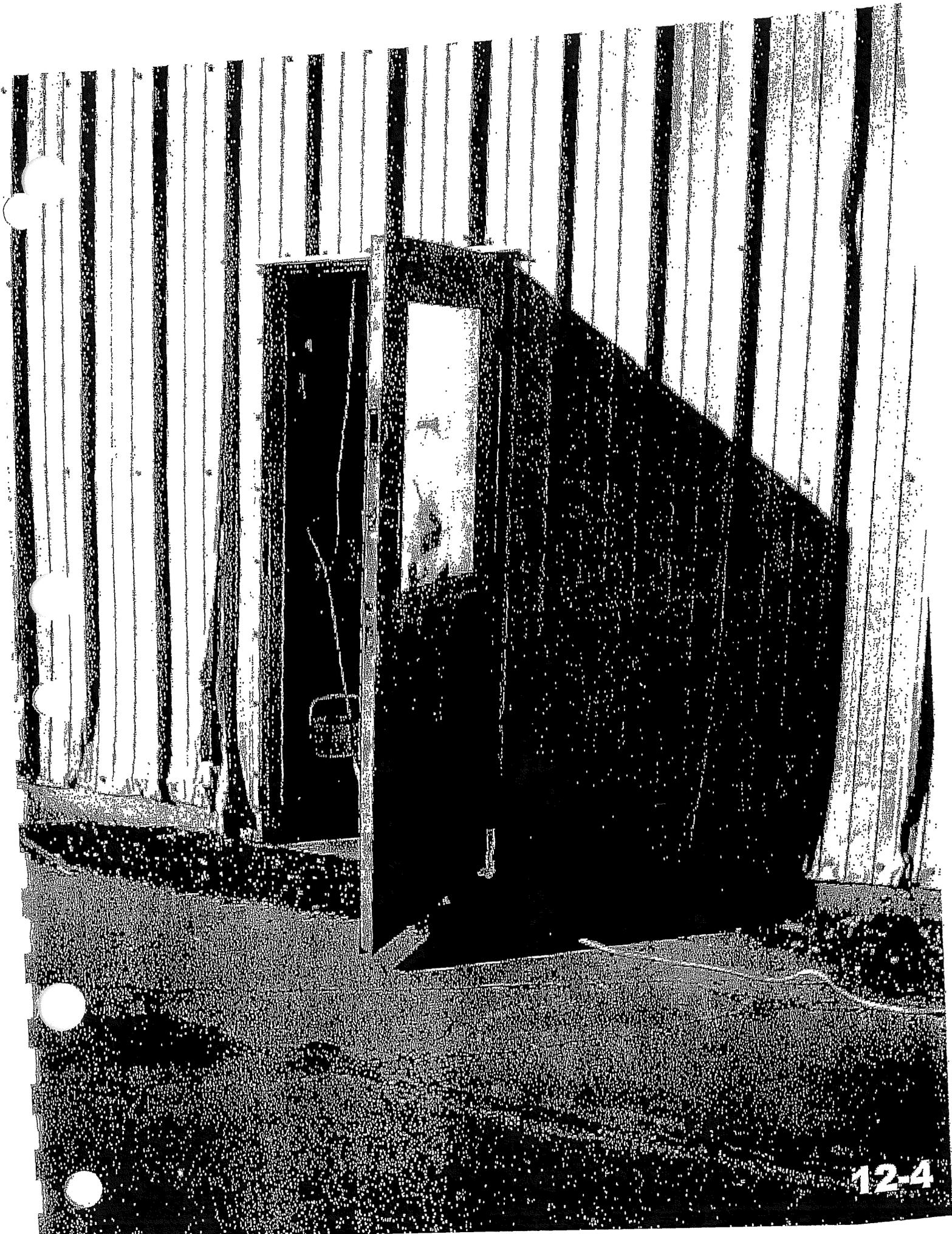
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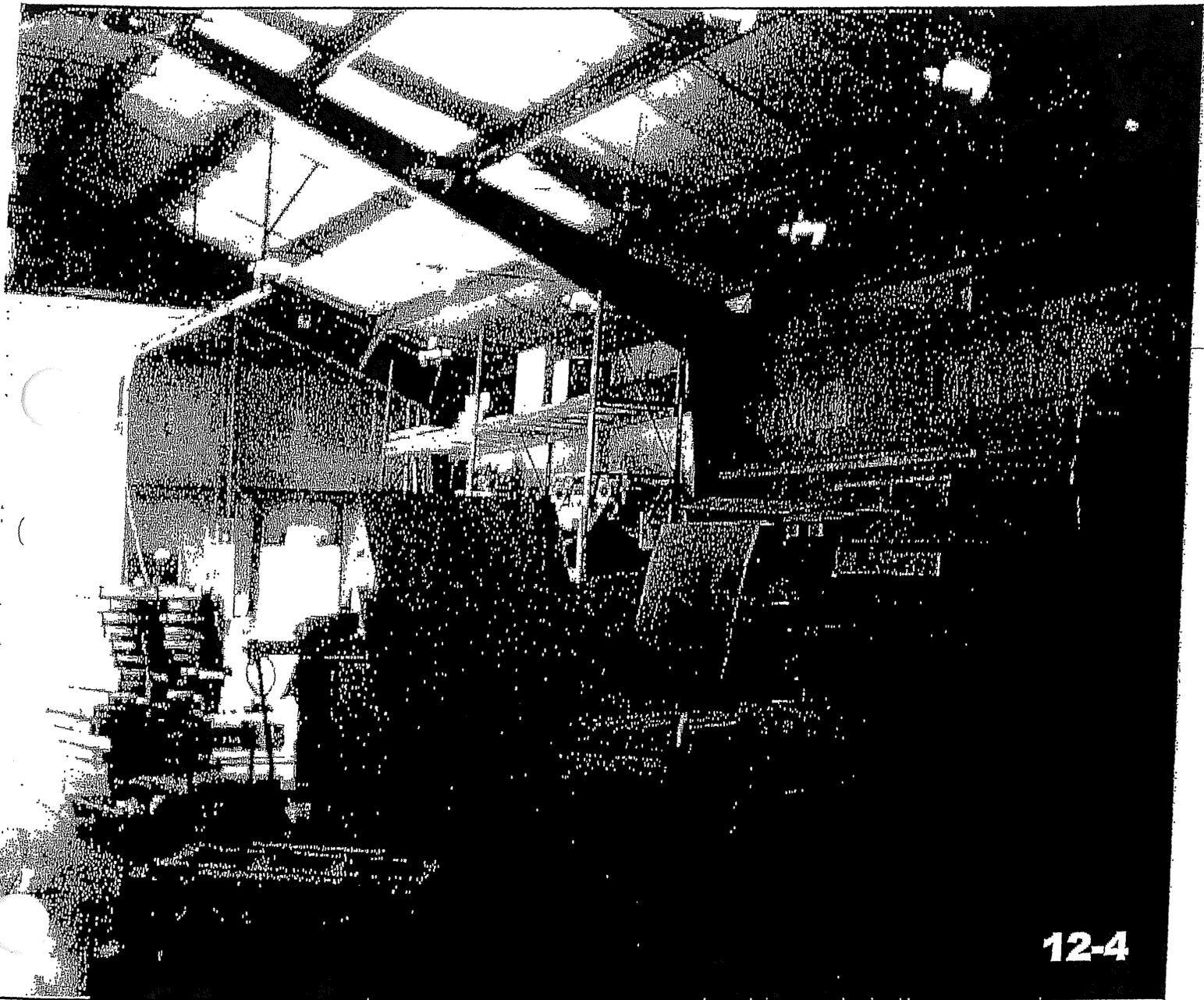


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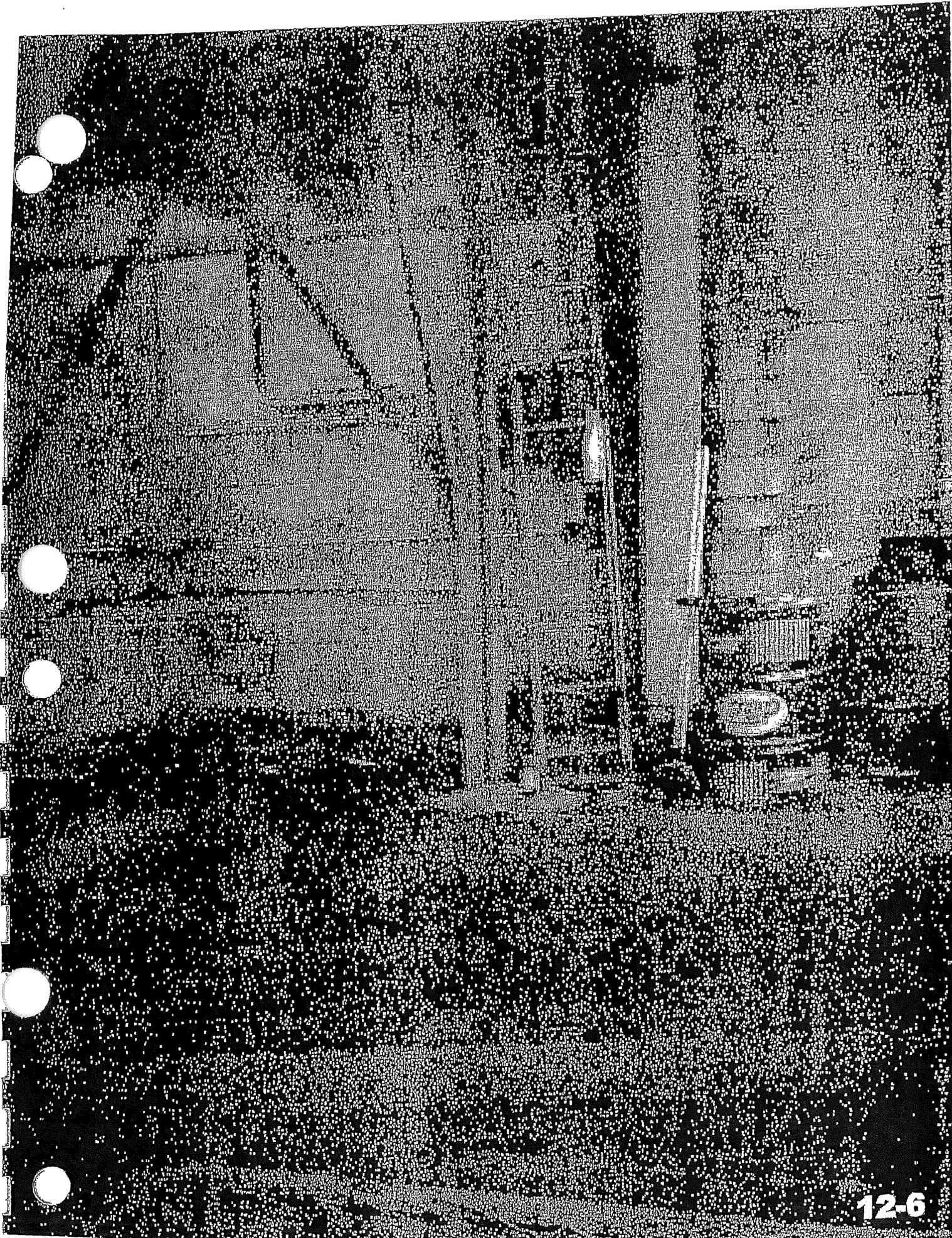


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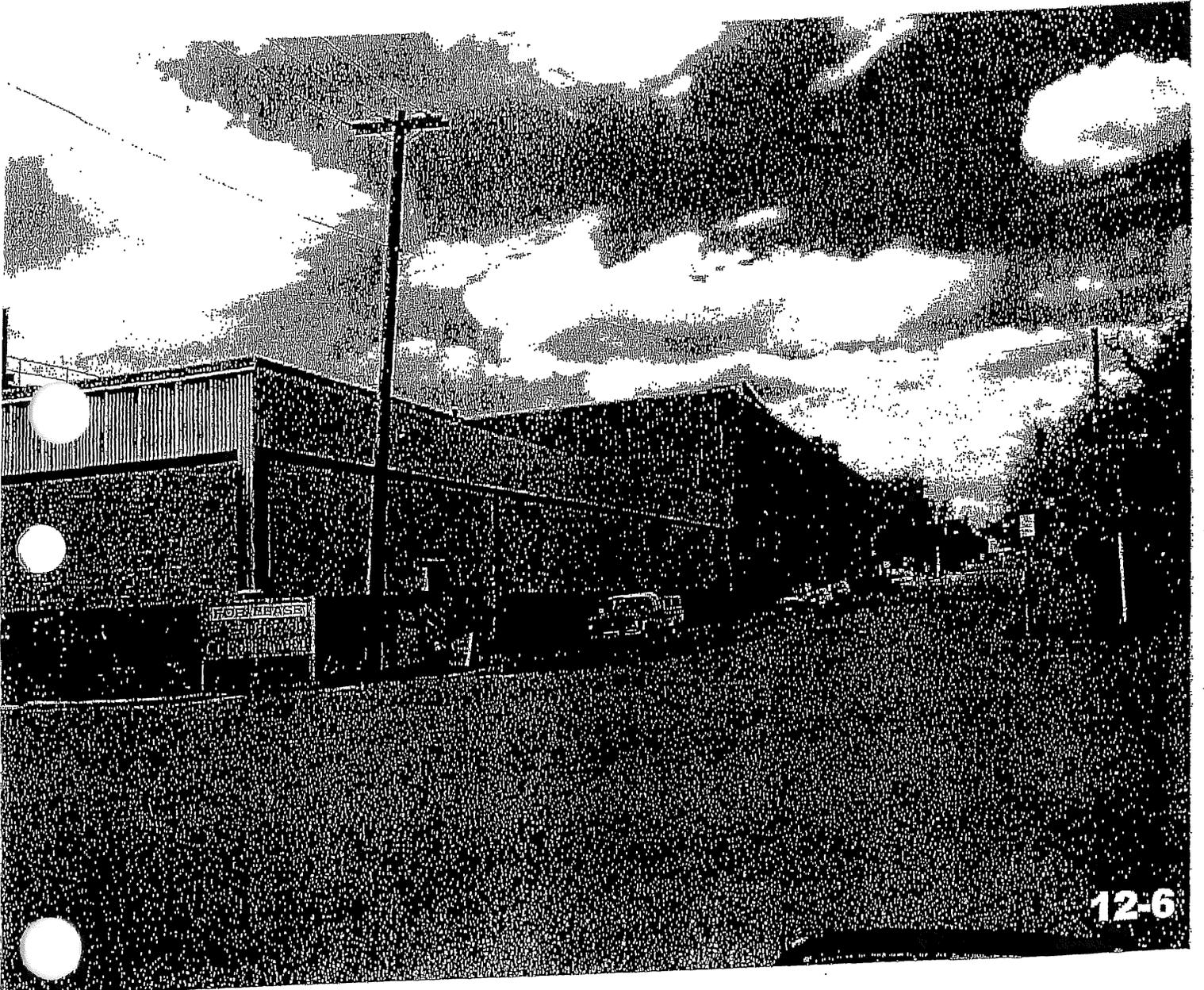
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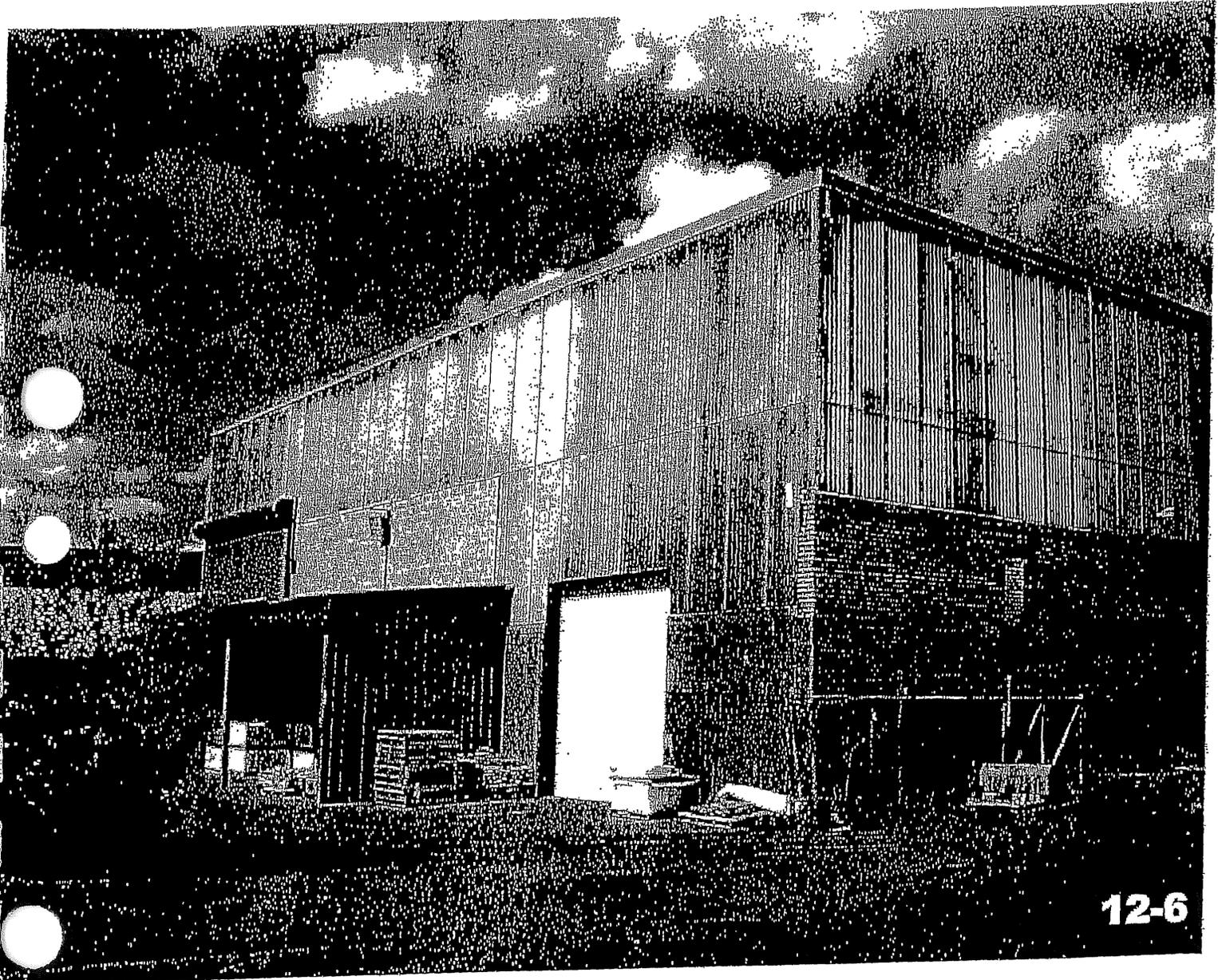




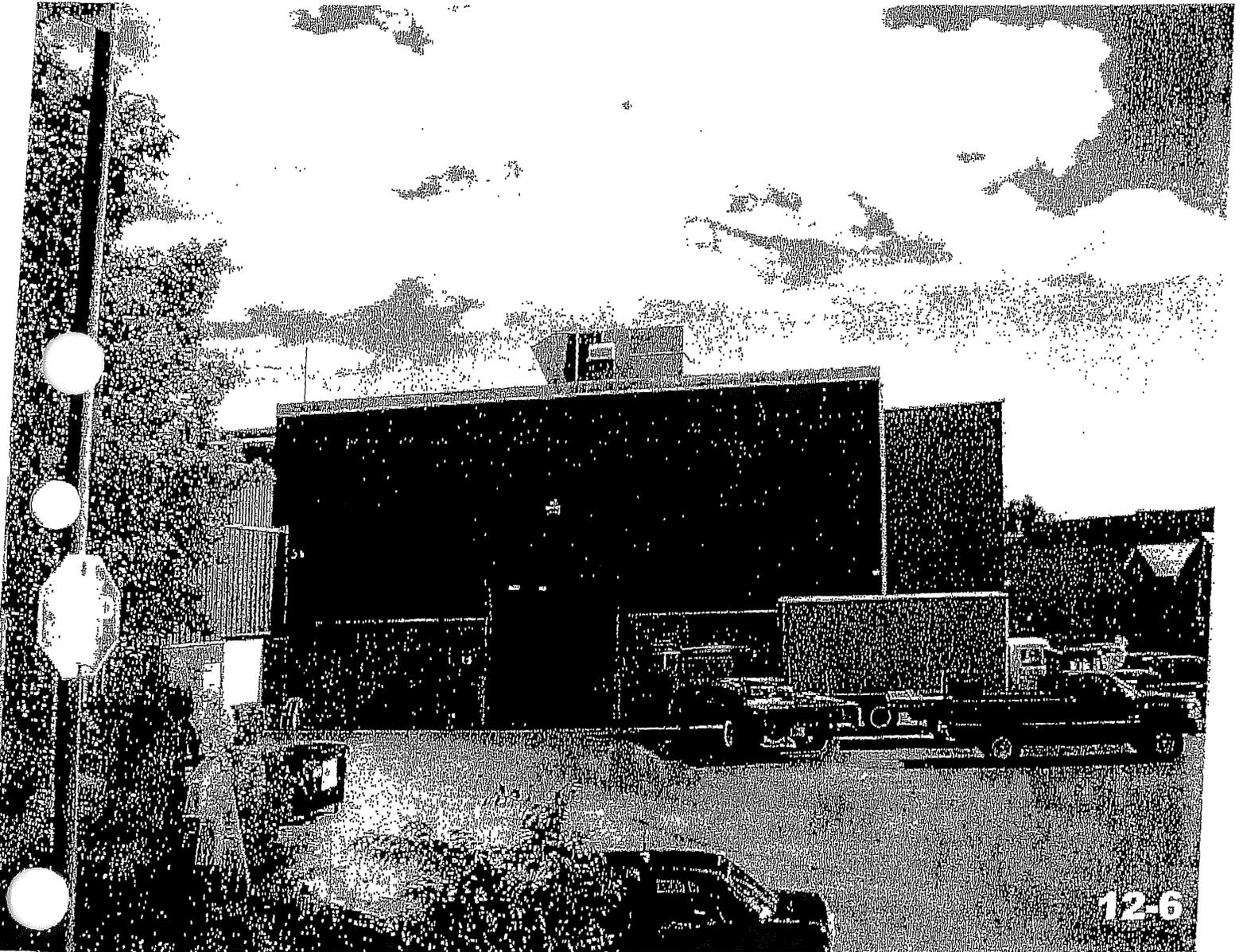
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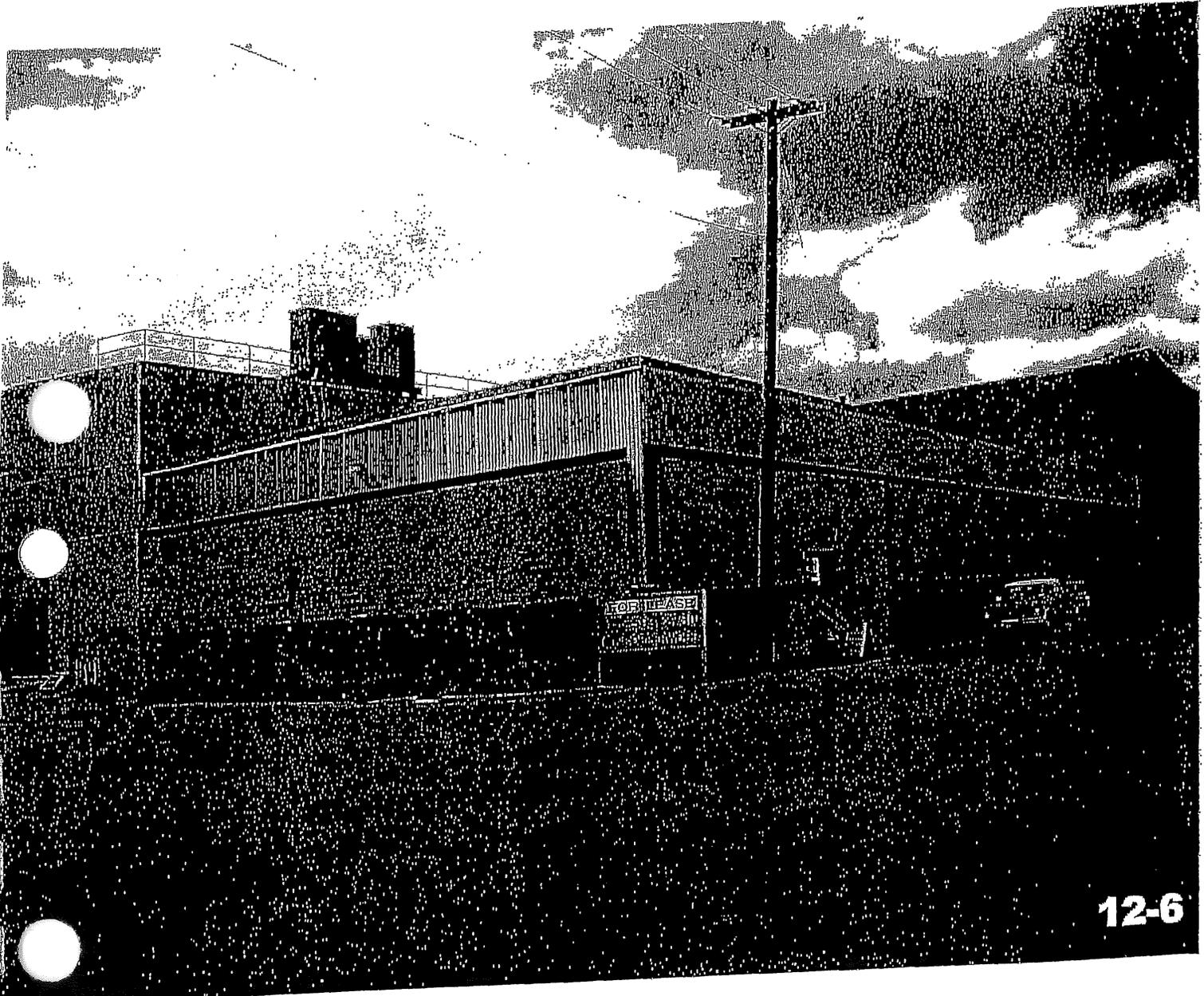
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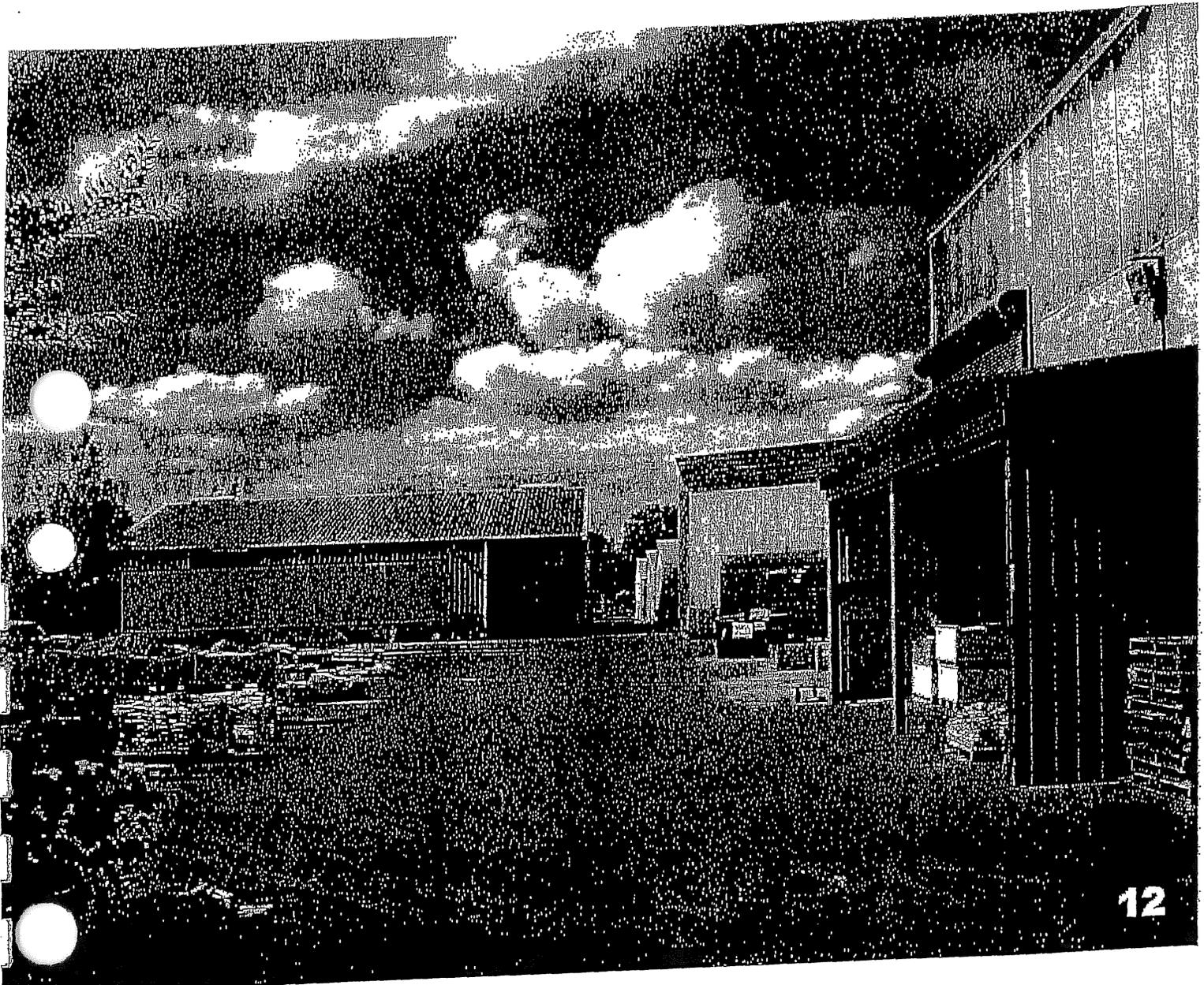
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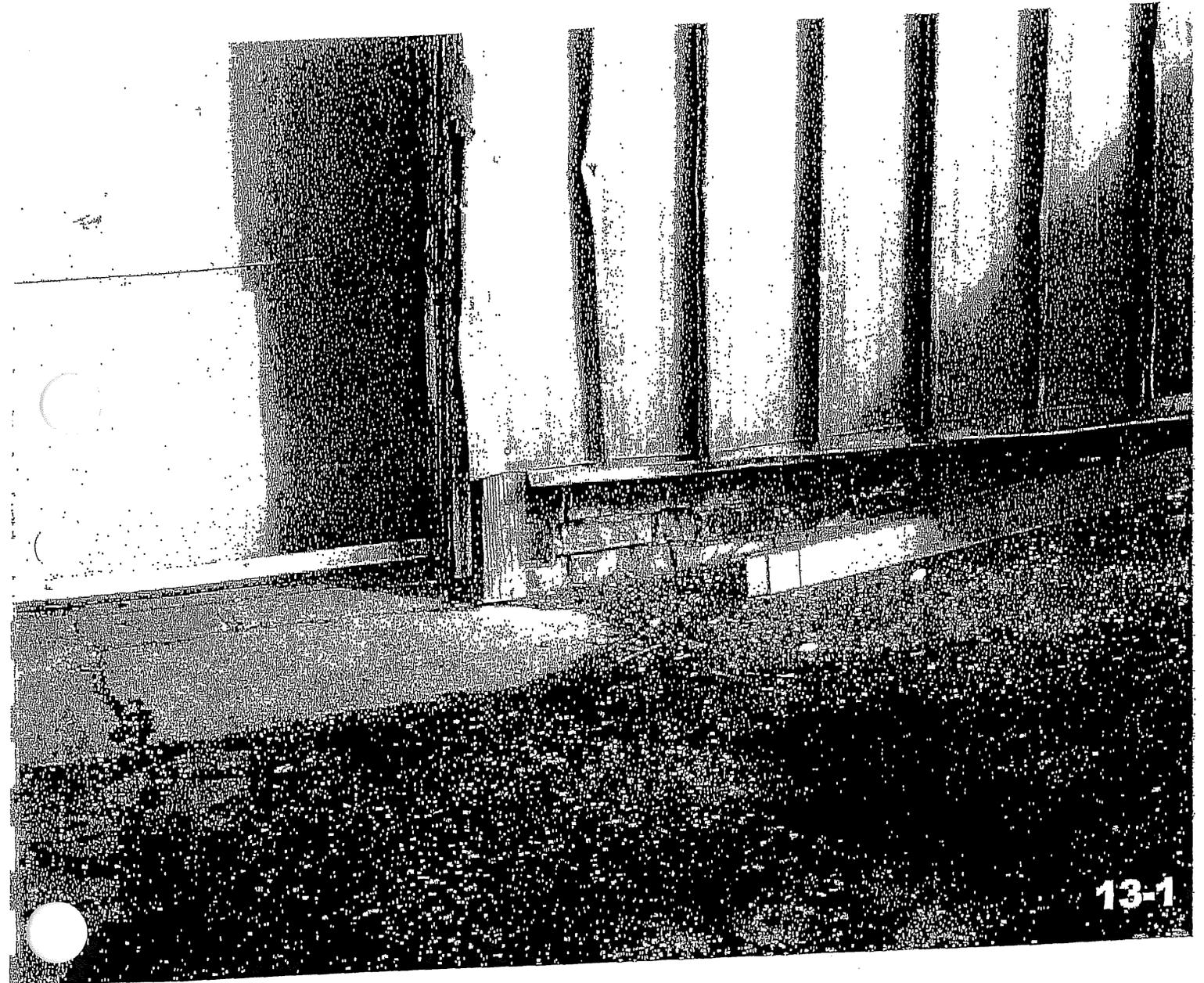




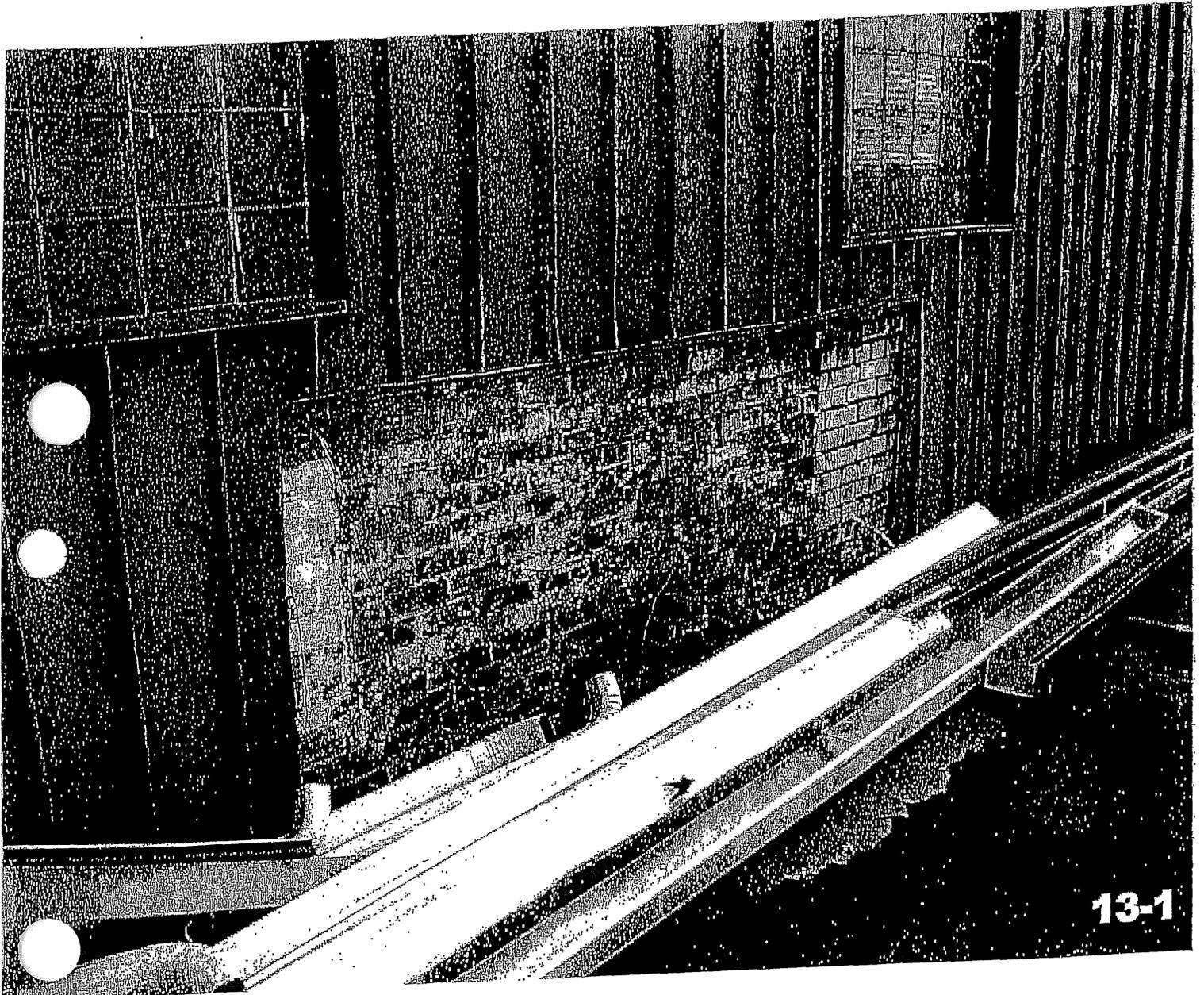


OFFICE  
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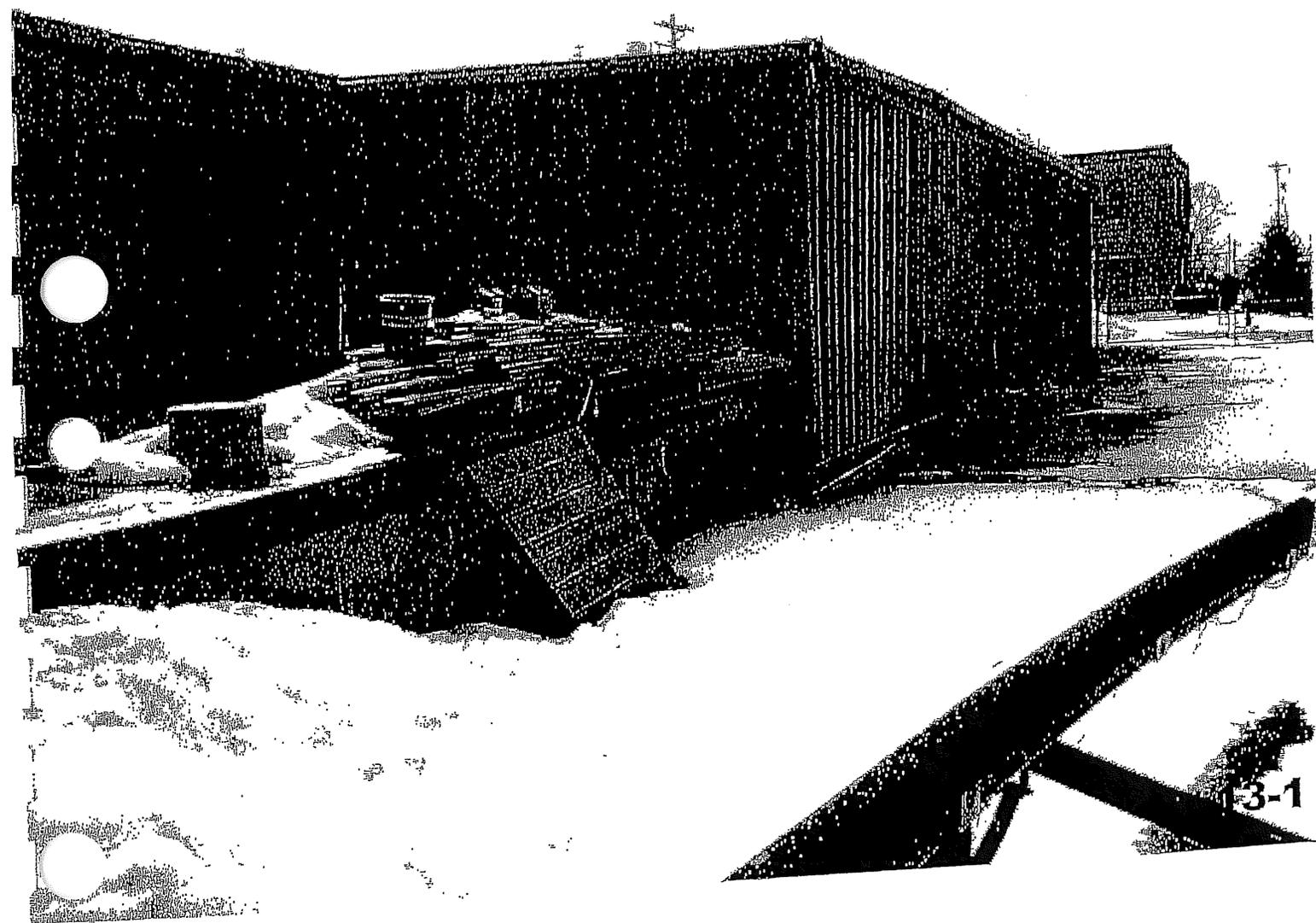
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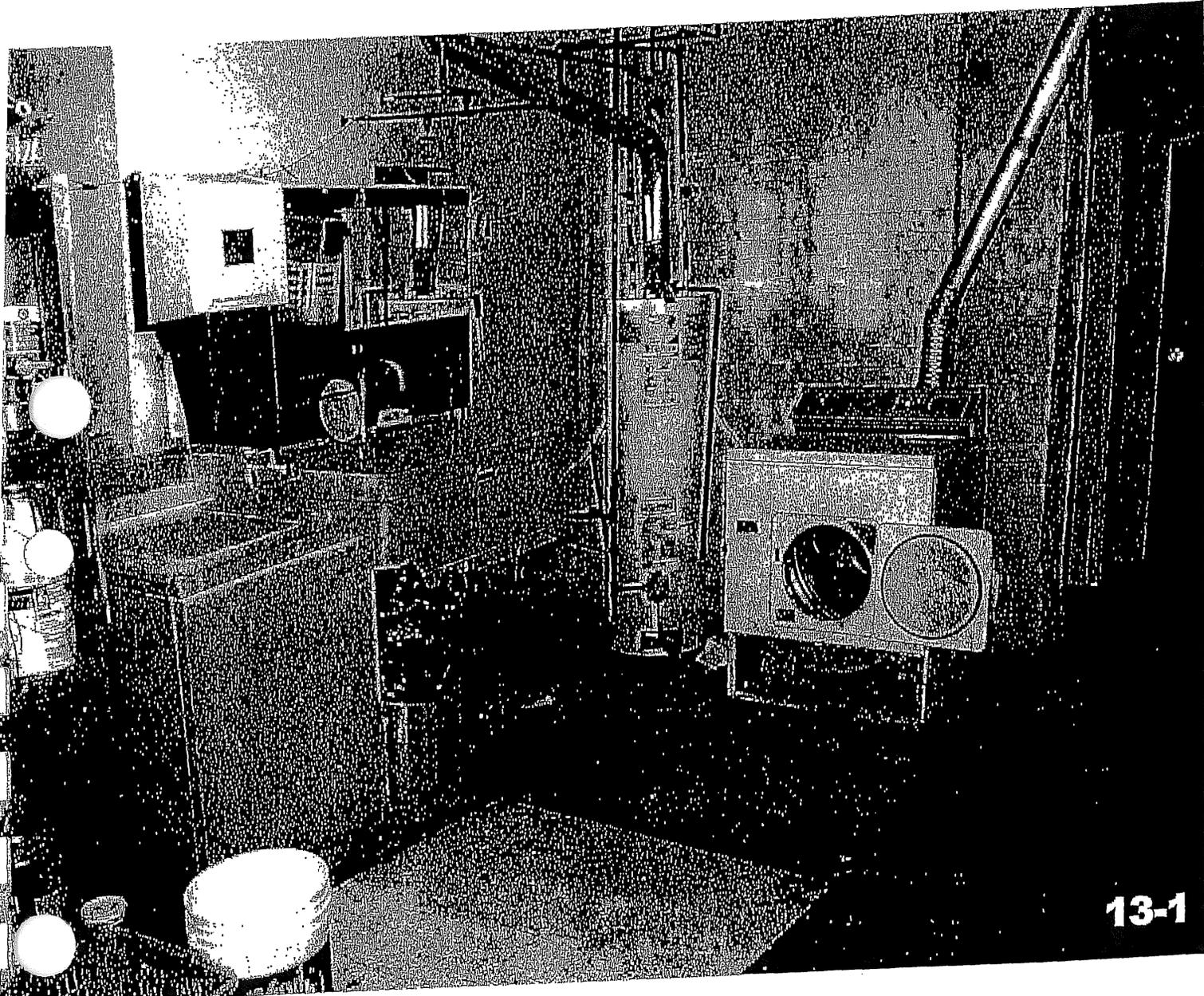


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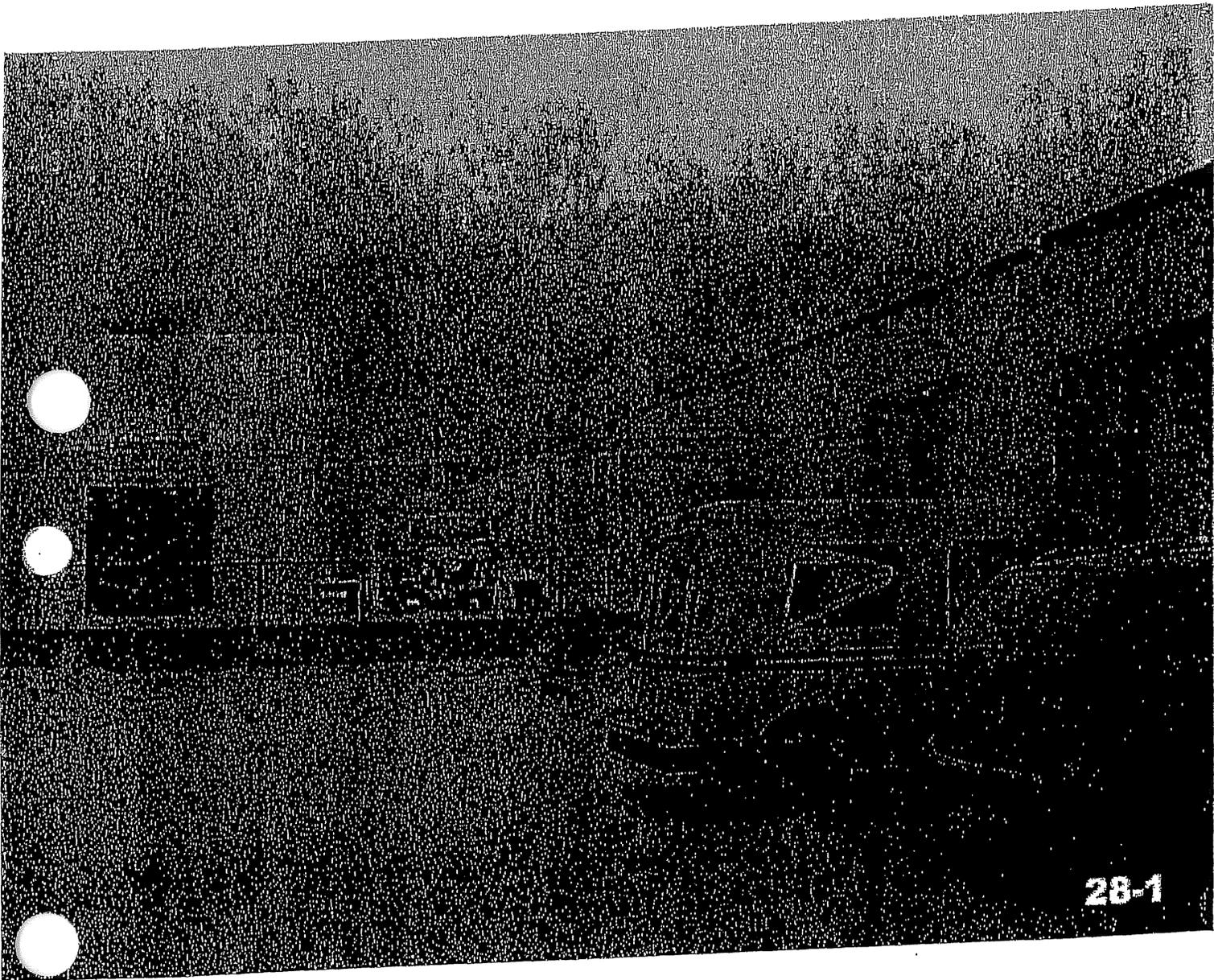


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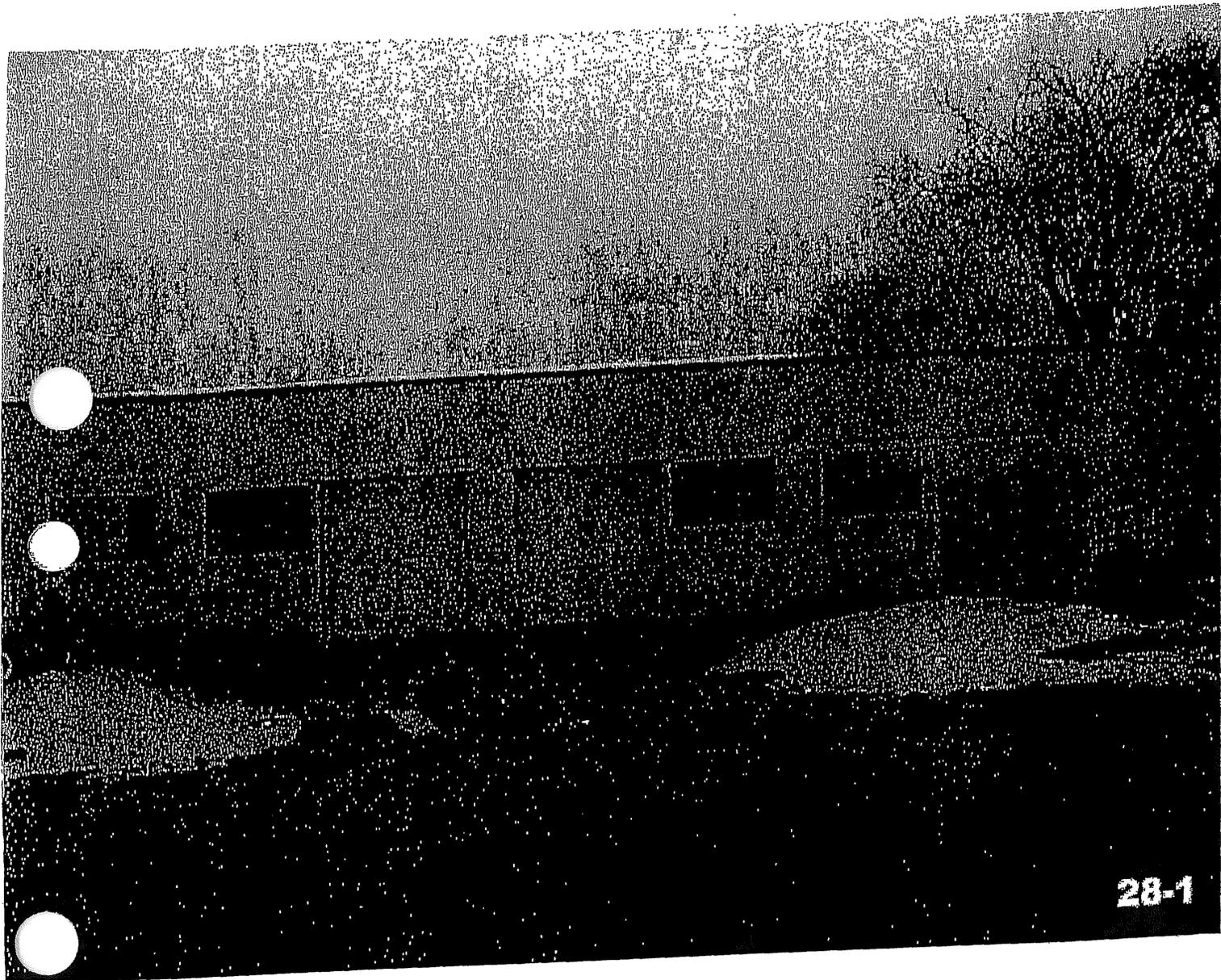
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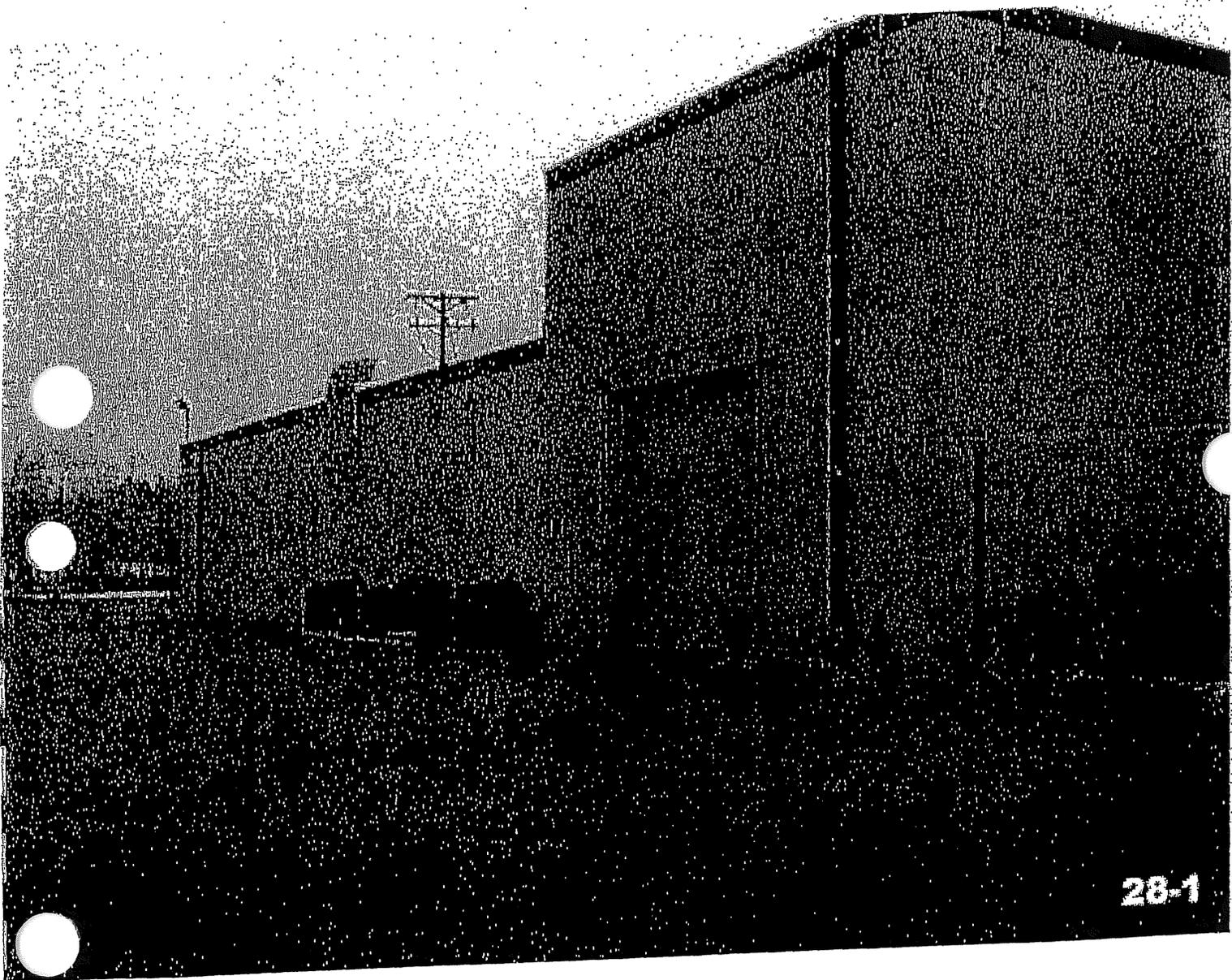
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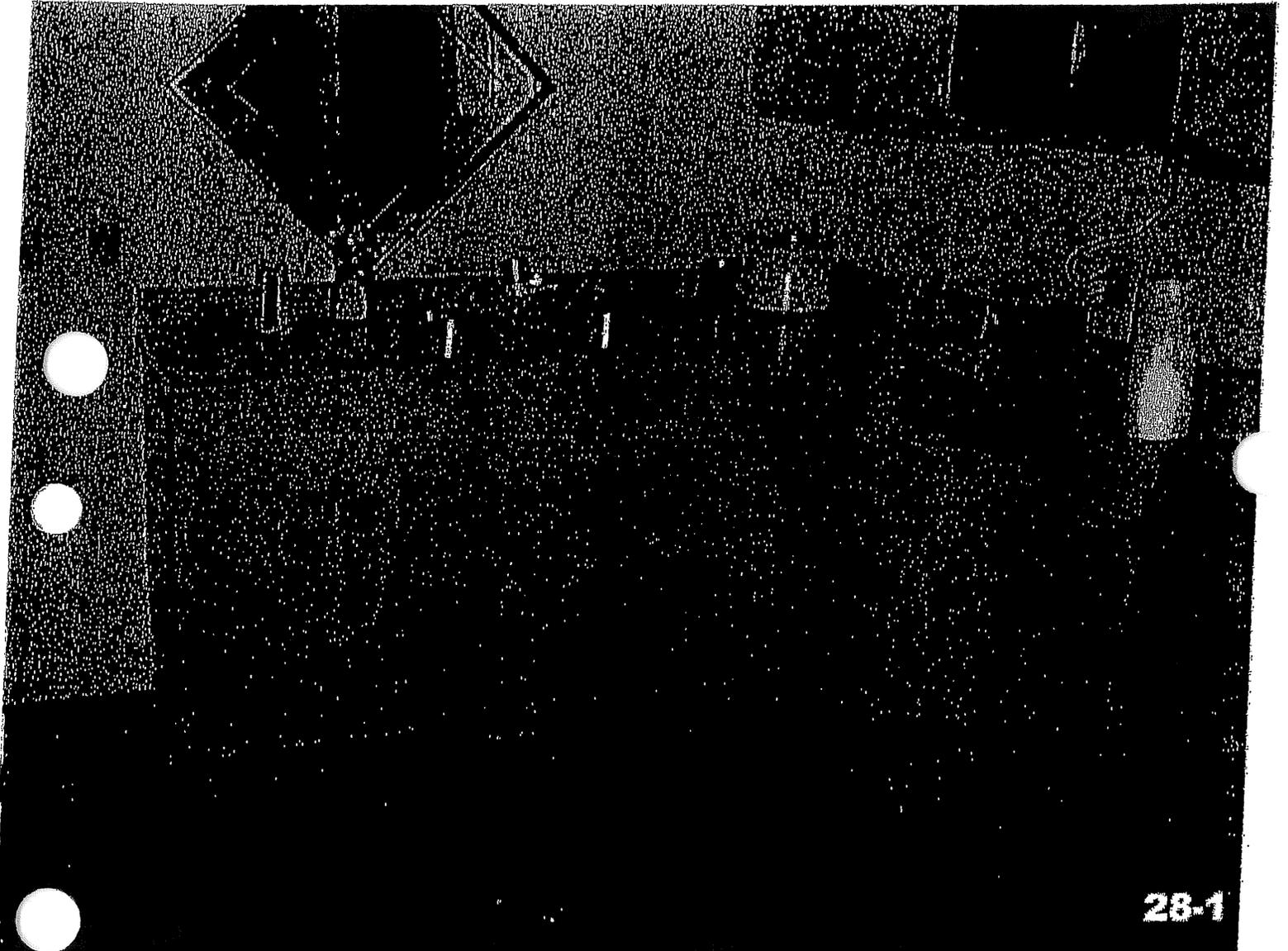
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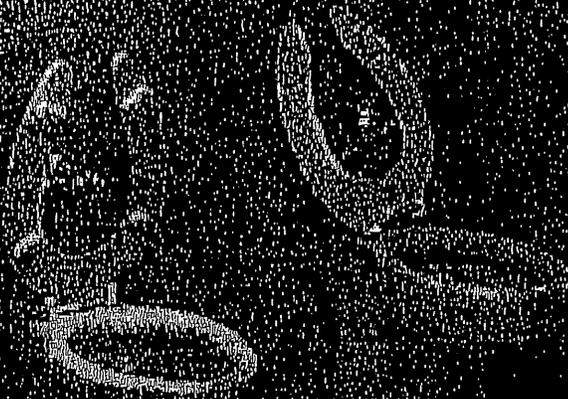
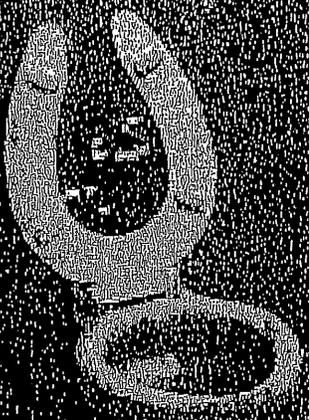
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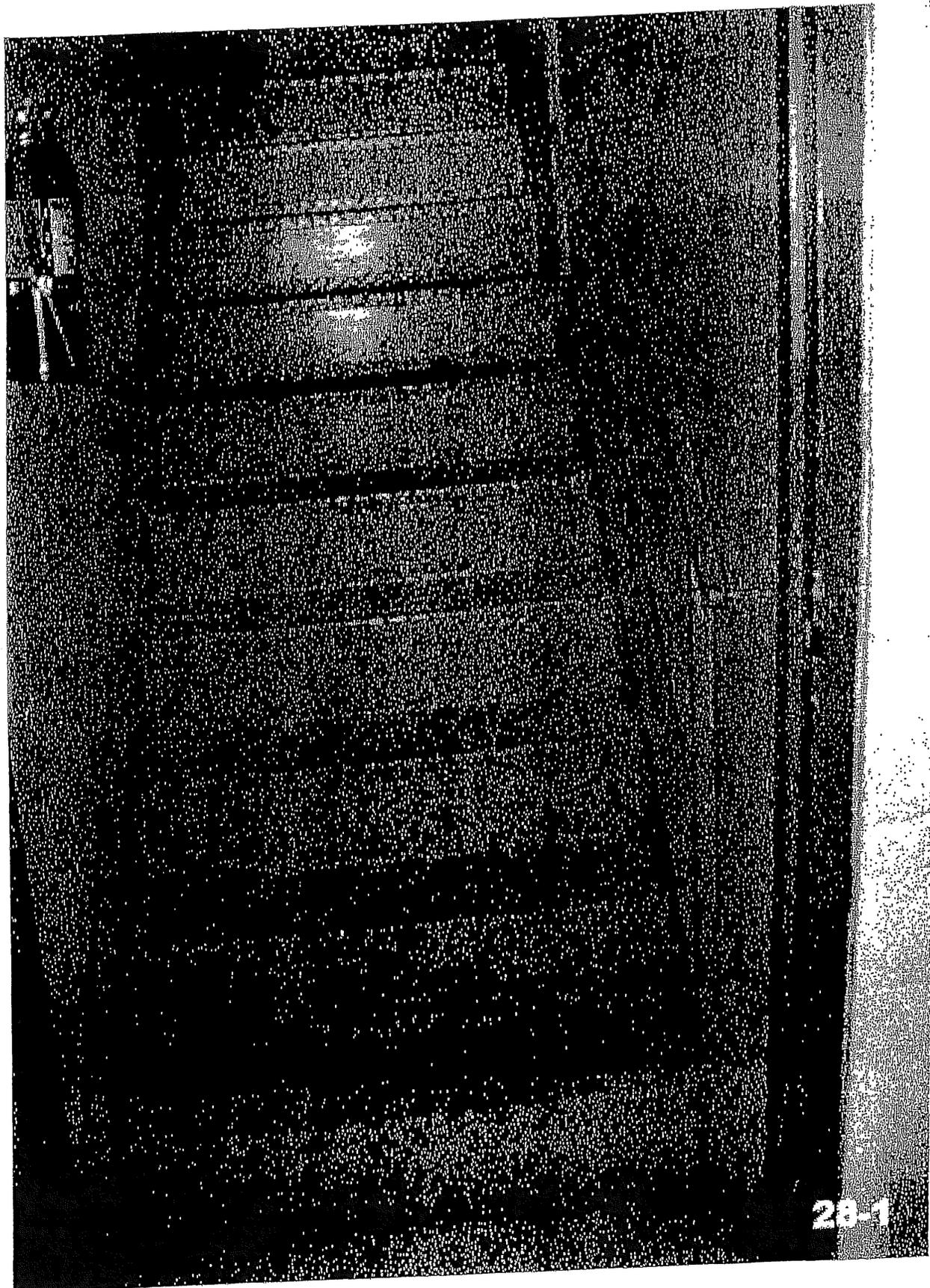
First Aid

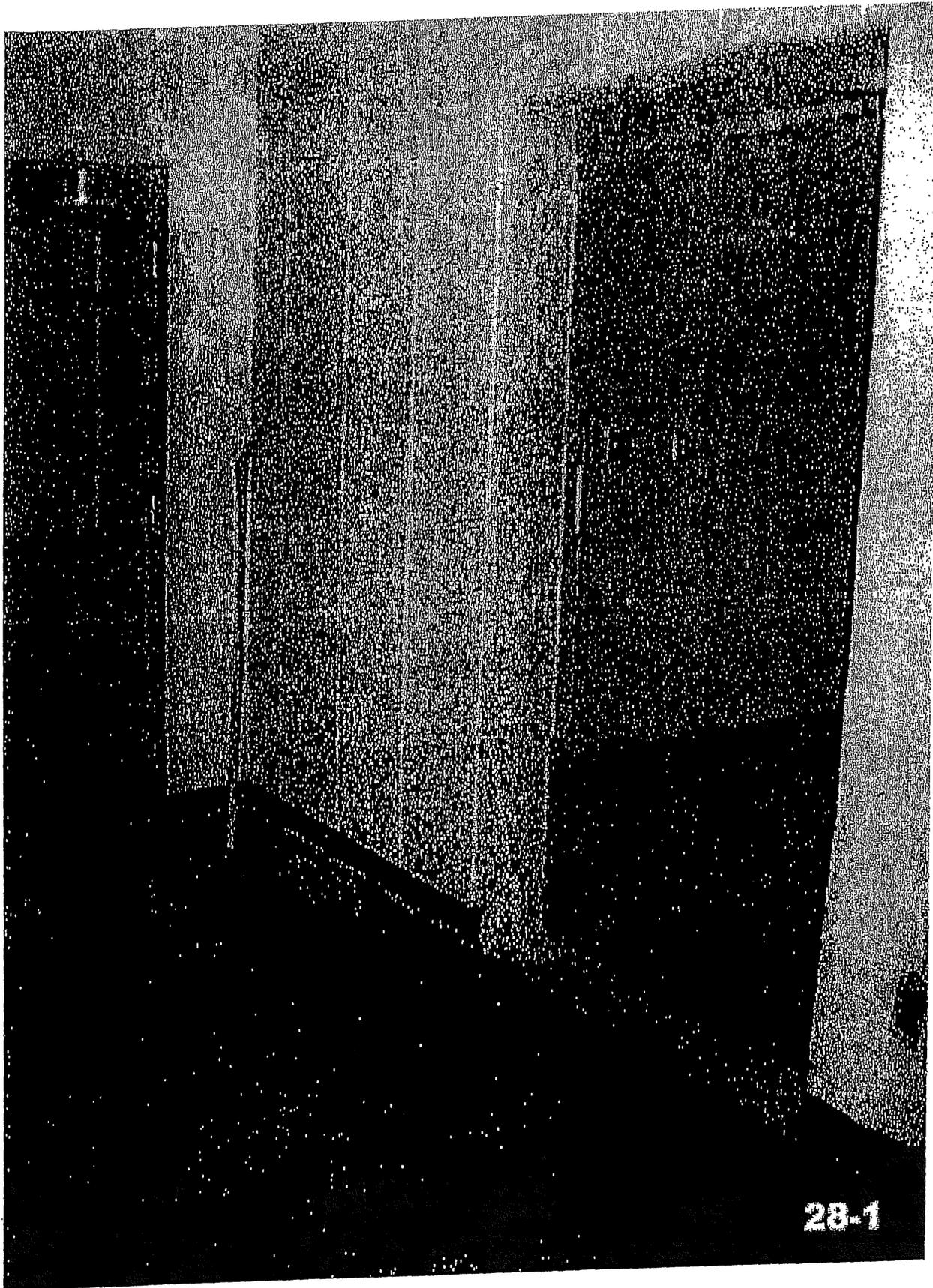
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APPENDIX G

BUT/FOR QUALIFICATIONS

BUT/FOR ANALYSIS	
Current Market Value - Est.	4,475,800
New Market Value - Est.	125,827,750
Difference	121,351,950
Present Value of Tax Increment	13,937,075
Difference	107,414,875
Value Likely to Occur Without Tax Increment is Less Than:	107,414,875

*The proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the Huset Park Area TIF District permitted by the TIF Plan:*

The proposed development consists of a mixed-use development consisting of up to 559 units of owner-occupied housing and a neighborhood retail office development in the City of Columbia Heights. This area is occupied by 15 parcels, which requires acquisition, environmental remediation, and demolition and relocation to permit the proposed development. Current estimates for environmental clean-up of the area are over \$4,650,000. It is not likely that any new development on this site is feasible without significant environmental remediation. A grant of \$1,300,000 of State and Metropolitan funds has been secured for the project, but it is not known if future grants will be awarded. The grant was awarded only because of a comprehensive redevelopment plan, which is feasible only with further assistance of tax increment. In addition to the costs of remediation, the land acquisition costs and site preparation is expected to be over \$13,000,000. Without any public assistance, the cost of raw land (prior to internal streets, utilities, SAC/WAC, landscaping, etc) per unit of housing is estimated to be over \$31,000. The proposed sales prices of the units are expected to be \$200,000 to \$275,000, which is too low to support significant raw land prices.

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan:*

It is not likely that any new development on this site is feasible without significant environmental remediation. Only small portions of the site are not affected by soil contamination and the new development on the site would be sporadic and less than \$10,000,000. For taxes payable in 2005, the County assessors has decreased the estimated market value on the parcels in the District by approximately \$2,300,000 due to the environmental conditions. The site had previously been in a TIF district since 1989 and has seen only one piece of property develop, even with public assistance.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is less than \$10,000,000.
- b. If all development which is proposed to be assisted with tax increment were to occur in the District, the total increase in market value would be up to \$121,351,950 (see table on previous page).
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$13,937,075. (see table on previous page).

Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$107,414,875 (the amount in clause b less the amount in clause c) without tax increment assistance.

*Responsible* EMINENT DOMAIN

*Case Study*

**Columbia Heights**

Anoka County

Population 18,698

*Before*



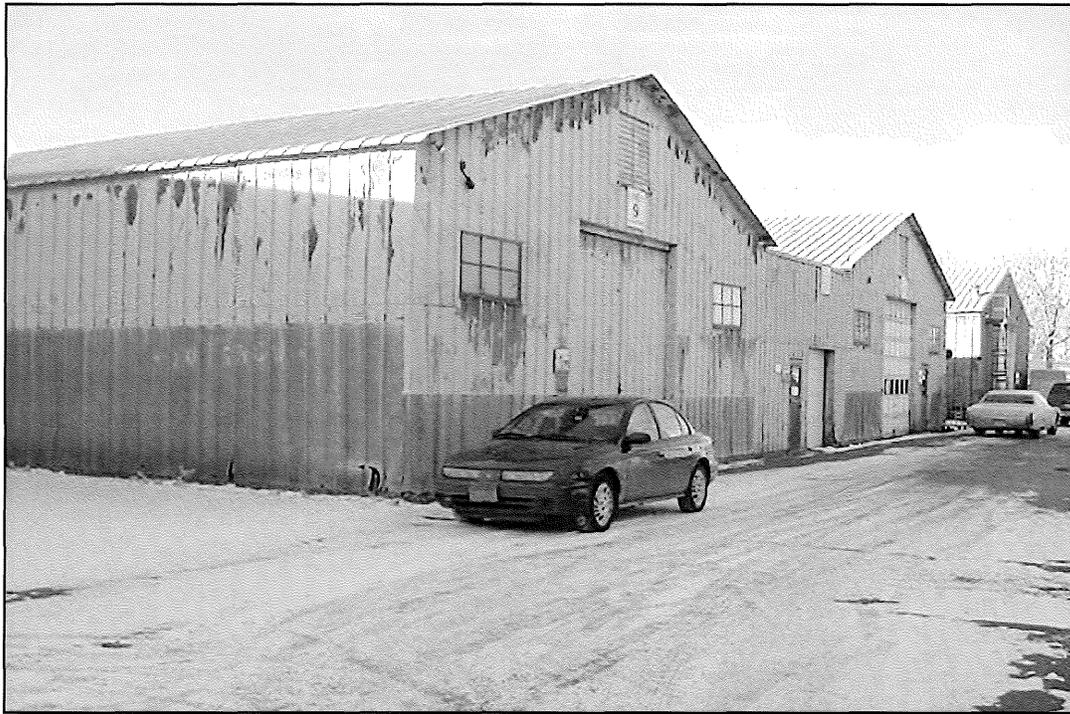
*Case Study*

**Columbia Heights**

**Anoka County**

Population 18,698

*Before*



*Case Study*

**Columbia Heights**

**Anoka County**

Population 18,698

*Before*



*Case Study*

**Columbia Heights**

Anoka County

Population 18,698

*Before*



*Case Study*

**Columbia Heights**

Anoka County

Population 18,698

*Clean-up In Progress*



## *Case Study*

### **Columbia Heights**

**Anoka County**

Population 18,698

### *Plans for After*



*Case Study*

**Columbia Heights**

**Anoka County**

Population 18,698

*After In Progress*



## *Case Study*

### **Columbia Heights**

**Anoka County**

Population 18,698

#### **Background**

Nine buildings on a 29-acre industrial site in Columbia Heights were blighted and underutilized, and the property had extreme soil and groundwater contamination. The entire site was an eyesore in the community and generated complaints from residents. In 2000, the city declared that redeveloping the site was its top priority.

The property – which is bounded by residential single-family homes on two sides – was contaminated with chlorinated solvents, foundry waste (metals), and petroleum products. These contaminants are extremely harmful to people and to the environment. At least 128,123 cubic yards of contamination is being removed from the site. Removing the contaminated soil alone will require 7,111 truckloads. If the trucks were lined up end to end they would extend for 73 miles, approximately from Minneapolis to Mankato. The clean-up work cost approximately \$5 million. These costs were funded by grants from the Department of Employment and Economic Development and the Metropolitan Council.

#### **The Process**

The eminent domain process was initiated because the developer was unable to negotiate with seven of the eight property owners. The appraisal process for these seven properties resulted in appraisals that were much higher than the assessed market value. The city stressed this as a cost to cities using eminent domain and a benefit to property owners.

The settlements reached were significantly higher than the appraised values. In one example, the property's market value was \$168,000, the appraised value was \$438,000, and the settlement was \$500,000. In addition, the high cost of contamination remediation was not used to reduce the acquisition price of the property. For example, two properties had contamination clean-up costs that exceeded the market value of the property, yet the property owners received the full market value.

Negotiated settlements were reached with all but one owner. The parcel is one-third acre in size, out of a 29-acre project. The City is proceeding with, but has not yet completed, the condemnation process on this property. The purpose for the condemnation is to build a public road that is needed to serve the redevelopment. The property owner has been paid \$320,000 for the real estate, which is assessed for tax purposes at \$158,900. The owner also received \$165,000 for trade fixtures, and \$162,912 in relocation benefits. All totaled, the property owner has received \$647,912 to date. Also, at the request of the owner, the City allowed him to remain in the building rent-free for 6 months while he built a new building in Coon Rapids. The property owner was compensated fairly, helped to relocate and is now operating in Coon Rapids.

## **Columbia Heights**

**Anoka County**

Population 18,698

### **Benefit to the Community**

This industrial park redevelopment will provide many benefits to the residents of Columbia Heights, none of which would be realized without the tool of eminent domain. The community benefits include:

- Removing 128,000 cubic yards of contamination, making the property safe for people and the environment.
- Constructing 550 new, for-sale housing units, 15,000 square feet of neighborhood commercial (retail) space, and a new parkway.
- Ensuring between 10% and 20% of the new homes will be affordable according to the Metropolitan Council definition.
- Providing housing for seniors who can no longer manage a single-family home.
- Providing construction jobs for 5 years, as that is how long it will take to complete the project.
- Increasing the property values from \$5,200,000 to \$125,000,000.
- Increasing annual total property taxes from \$47,000 to \$1,700,000, which represents a 12% citywide increase in tax base.
- Making the School District operating levy more affordable by adding new market value.
- Improving the image of the City as a desirable place to live work and play.

On balance, the City treated the property owners more than fairly, while at the same time ensuring significant benefits for the current 18,501 residents as well future residents.

Lorne Luder

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in  
Saint Paul  
Neighborhoods**





**Investing  
in  
Saint Paul  
Neighborhoods**



# Redevelopment Snapshots

# Arlington Jackson Business Center

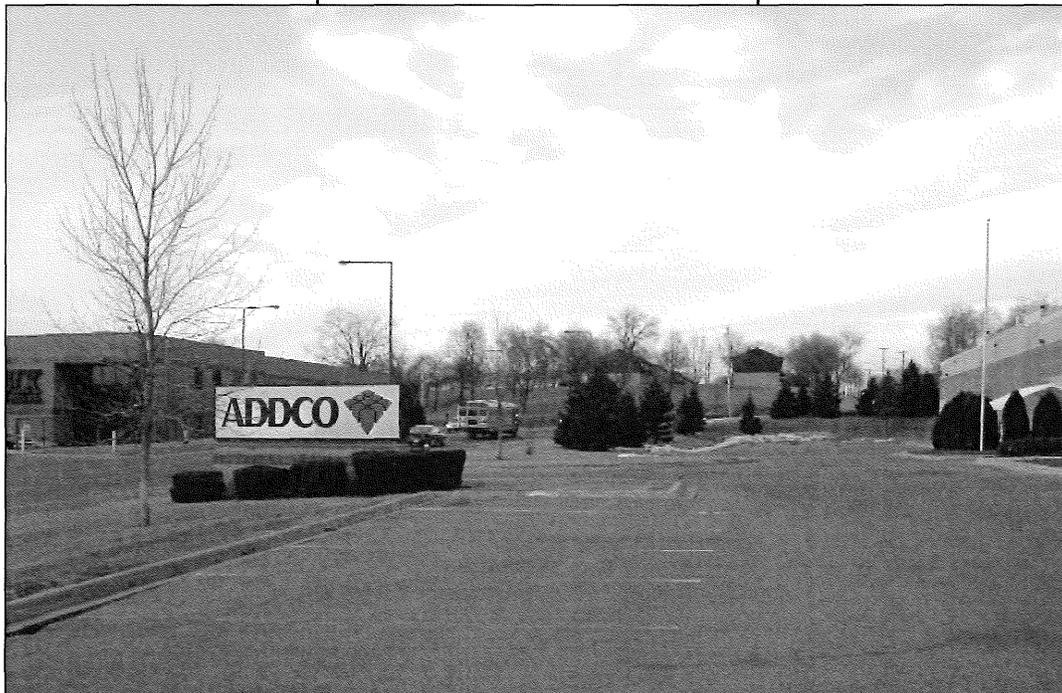
In Saint Paul's North End Neighborhood

## PRE-DEVELOPMENT



**Jobs: 23 Property Taxes: \$67,773 a year**

## POST-DEVELOPMENT



**Jobs: 559 New Businesses: 4**  
**Property Taxes: \$519,180 a year**



# Great Northern Business Center

In Saint Paul's Frogtown and North End Neighborhoods

## PRE-DEVELOPMENT



**Jobs: 70 Property Taxes: \$55,500 a year**

## POST-DEVELOPMENT



**Jobs: 680 New Businesses: 9  
Property Taxes: \$857,000 a year**



# Westminster Junction Business Center

In Saint Paul's East Side Neighborhood

## PRE-DEVELOPMENT



**Jobs: 50 Property Taxes: \$138,000**

## POST-DEVELOPMENT



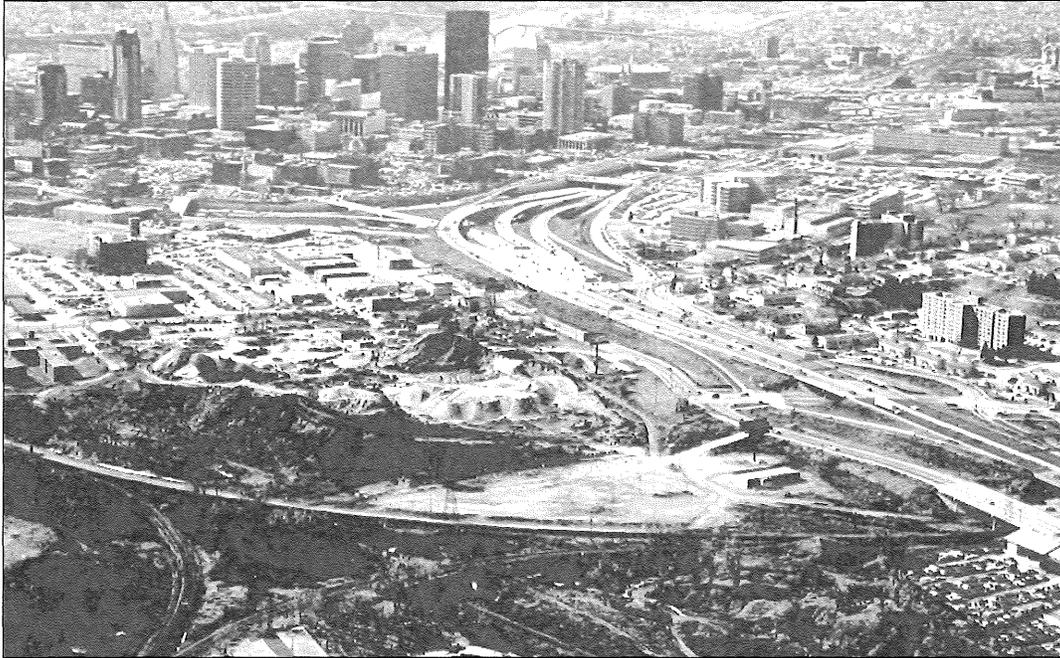
**Jobs: 614 New Businesses: 9  
Property Taxes: \$1.2 million**



# Williams Hill Business Center

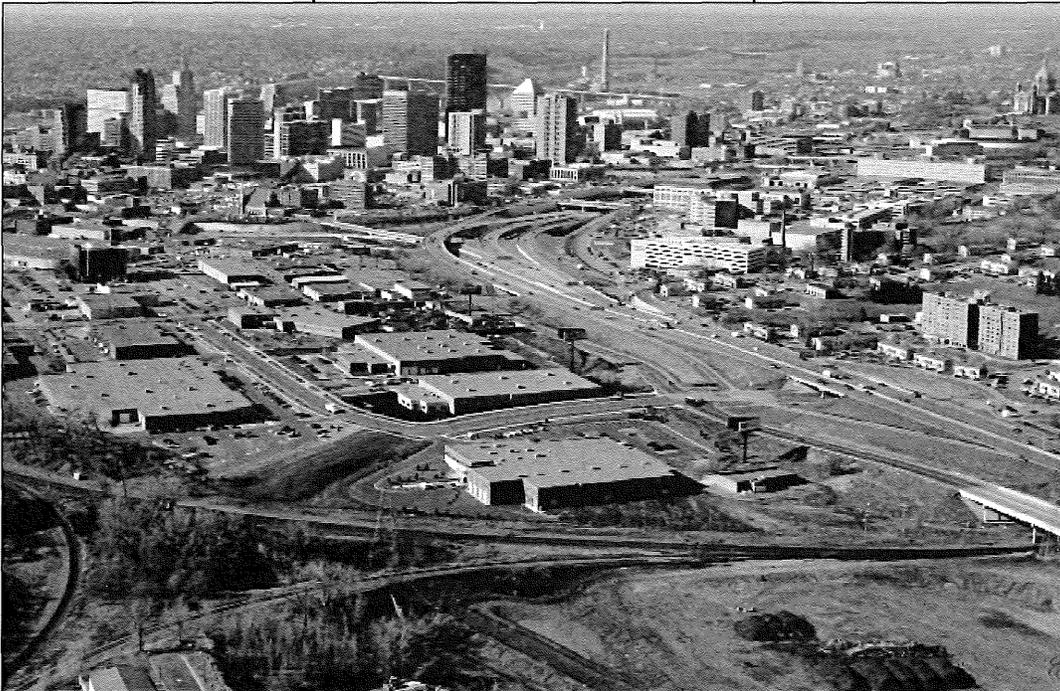
In Saint Paul's East Side Neighborhood

## PRE-DEVELOPMENT



**Jobs: 12 Property Taxes: \$80,000 a year**

## POST-DEVELOPMENT



**Jobs: 432 New Businesses: 6  
Property Taxes: \$672,000 a year**



## A. The Port Authority invests in neighborhoods:

### 1. Land Assembly

The Port affects the environment in a very personal way. It has since it was organized in 1932. The air we breathe, the water we drink, and the soil beneath our feet is improved by the Port's work. To be sure, the Port is a redeveloper of polluted and under-utilized land into homes for growing businesses. Today we have developed 18 business centers that generate more than \$24 million a year in property taxes.

We begin the job cycle by acquiring sites considered too risky to develop because they are polluted or otherwise defective and then clean them up to Minnesota Pollution Control Agency standards with a smorgasbord of federal, state and city loans and grants. We then sell them for \$1 to businesses that agree to add Saint Paul residents to their workforces and develop their property to specific development and design standards.

These are our "green gifts" to Saint Paul.

We are an environmentally friendly solution to the urban sprawl that threatens to turn the Twin Cities into a parking lot. The metropolitan area is one of the top three worst sprawl areas in the country and the National Park Trust estimates that 6,000 acres of parkland and open space is endangered by this kind of haphazard urban planning.

"One of the challenges for the East Side of Saint Paul is employing its strong labor force within the community," said Curt Milburn, executive director of the Phalen Corridor Initiative. The Initiative, of which the Port Authority is a member, recently completed Phalan Boulevard, a catalyst for about \$100 million in investment on Saint Paul's East Side.

"People now are driving long distances for manufacturing jobs that we should have right here with such a talented workforce," he said. "The Port Authority brings manufacturers interested in creating new jobs to our community."

We also make it easier for developers and their bankers to say "Yes" to redevelopment, because our partners and we help lessen the possibilities that their sites are contaminated and will require costly clean-up after construction begins.

And, by reusing already developed sites, we help keep businesses where their employees live, help ease traffic congestion and heal the pockmarked areas of inactivity that can infect and debilitate an inner-city neighborhood.

"The Port did a fantastic job for us from the beginning to the end of this project," said Mark Nordland, of the CSM Corporation, which worked with the Port to clean up the last remaining site in the Port-developed Westgate Business Center. CSM built a 98,000-square-foot, high technology, office-warehouse building to the site. "We had ideas and we went to the Port looking for support in shepherding the project through. The Port was extremely responsive. We were successful in achieving all the components and getting the building process underway."



## 2. Jobs

The Port is all about jobs – their creation and retention – because good-paying jobs with a future help fuel the East Metro's economic prosperity.

We play a role in the beginning, middle and end of the job cycle – first enabling manufacturers to expand in Saint Paul through our various redevelopment services and then recruiting and training workers for jobs in those businesses, and finally helping to place them.

Through Employer Solutions Inc., we continually reach out to a variety of employers to help them overcome obstacles to business and job growth. We are now doing what no one has done in the past – asking employers what they need and how best to help them grow and expand in Saint Paul.

ESI took the lead in innovative programming to recruit, train and place people in jobs in or near our business centers. These programs help provide people with the opportunity to build skills and work experience so they can be more competitive for jobs that develop in our business centers.

"Without the connections made by the Port and Employer Solutions Inc., I wouldn't have found this job as a researcher for Capitol Lien Records & Research," said Frances Brinkman of Saint Paul. "The counselors not only set up the interview, but also helped me with my resume. I called on a Monday, met with the counselor the next day and had a job offer on that Friday."

We also help fill gaps in efforts to train workers for jobs right out of high school. To that end, we work closely with area unions, the under-employed, and those who are hard to employ because of language or other barriers.

In the past decade, we have helped create or retain more than 21,000 jobs in Saint Paul.

"The Port Authority is a critical partner to the Saint Paul business community," said Dave Birkemeier, plant manager at the Rexam Beverage Can Americas manufacturing plant in Saint Paul. "They continue to contribute to our success. Rexam Beverage Can Americas, the company's largest sector, generates \$1.6 billion a year in sales. The Port provided funding for a Rexam employee-driven training program that is considered a model for the company nationally.



**SAINT PAUL PORT AUTHORITY: JOBS AND BROWNFIELDS PRODUCTION: 1995-2005**

**RICE & SYCAMORE (1995)**

<u>Company</u>	<u>Bank</u>	<u>Real Estate Investment</u>	<u>Equipment Investment</u>	<u>Acres Purchased</u>	<u>Building Sq.Ft.</u>	<u>Current Jobs</u>	<u>Annual Weighted Average Hourly Prod. Wage</u>	<u>Payable 2005 Real Estate Taxes</u>
Northwest Sheetmetal	Wells Fargo	\$ 600,000	\$ 150,000	2.2	15,360	35	\$33.00	\$ 31,240
Warner Stellian	North Star Bank	\$ 1,500,000	\$ 120,000	4.1	30,000	80	\$13.00	\$ 68,746
Sub-Total		\$ 2,100,000	\$ 270,000	6.3	45,360	115	\$19.09	\$ 99,986

**CROSBY LAKE (1996)**

<u>Company</u>	<u>Bank</u>	<u>Real Estate Investment</u>	<u>Equipment Investment</u>	<u>Acres Purchased</u>	<u>Building Sq.Ft.</u>	<u>Current Jobs *</u>	<u>Annual Weighted Average Hourly Prod. Wage</u>	<u>Payable 2005 Real Estate Taxes</u>
EMC Corporation	Norwest/BDF	\$4,000,000		9.2	120,000	89	\$9.24	\$ 177,580
National Checking	US Bank/Bond	\$4,563,000	\$ 996,000	4.8	65,562	92	\$24.36	\$ 125,014
Summit Brewing	Commerce Mtge./SBA	\$6,500,000	\$ 5,450,000	4.3	58,000	39	\$13.75	\$ 103,940
Davanni's	Riverside	\$1,350,000	\$ 500,000	1.1	15,000	43	\$10.50	\$ 29,690
Twin City Tile	Norwest	\$1,450,000		3.5	40,000	51	\$21.30	\$ 69,296
Harris Contracting	US Bank/Bond	\$3,000,000		4.0	63,400	113	\$21.91	\$ 119,466
Sub-Total		\$ 20,863,000	\$ 6,946,000	27.0	361,962	427	\$17.83	\$ 624,986

**ARLINGTON (1997)**

<u>Company</u>	<u>Bank</u>	<u>Real Estate Investment</u>	<u>Equipment Investment</u>	<u>Acres Purchased</u>	<u>Building Sq.Ft.</u>	<u>Current Jobs</u>	<u>Annual Weighted Average Hourly Prod. Wages</u>	<u>Payable 2005 Real Estate Taxes</u>
Addco Industries	UNUM/Bond	\$3,500,000	\$ 250,000	7.0	80,000	87	\$17.11	\$ 150,628
Viking Sprinkler	US Bank	\$3,000,000	\$ 1,000,000	3.5	66,000	66	\$21.03	\$ 116,666
Asian Foods	US Bank/SBA 504	\$1,826,000	\$ 790,000	4.5	66,000	199	\$14.68	\$ 140,656
Bix Fruit	Firstar/Bond	\$2,300,000		5.0	59,400	207	\$11.26	\$ 111,230
Sub-Total		\$ 10,626,000	\$ 2,040,000	20.0	271,400	559	\$14.54	\$ 519,180

**WILLIAMS HILL (1998)**

<u>Company</u>	<u>Bank</u>	<u>Real Estate Investment</u>	<u>Equipment Investment</u>	<u>Acres Purchased</u>	<u>Building Sq.Ft.</u>	<u>Current Jobs</u>	<u>Annual Weighted Average Hourly Prod. Wages</u>	<u>Payable 2005 Real Estate Taxes</u>
Carpenter's Union	North Star	\$5,600,000		8.0	118,415	66	\$15.00	\$ 155,048
Miratec Systems	US Bank/Excel/Bond	\$1,981,000	\$ 513,000	2.7	44,500	21	\$14.25	\$ 66,182
Brissman Kennedy	Hiteman Financial	\$3,902,400		5.3	63,545	60	\$18.71	\$ 140,338
G&K Services	Self-financed	\$2,400,000		4.7	76,096	185	\$9.50	\$ 127,574
Ideal Printers	M & I/Alliance/Bond	\$2,170,000	\$ 900,000	2.9	45,659	66	\$17.15	\$ 95,322
JKD/Capital Wood	Firstar/Bond	\$2,400,000	\$ 70,000	3.4	50,586	34	\$19.51	\$ 87,360
Sub-Total		\$ 18,453,400	\$ 1,483,000	27.0	398,801	432	\$13.81	\$ 671,824

## SAINT PAUL PORT AUTHORITY: JOBS AND BROWNFIELDS PRODUCTION: 1995-2005

### WESTMINSTER JUNCTION BUSINESS CENTER (2003)

Company	Bank	Real Estate Investment	Equipment Investment	Acres Purchased	Building Sq.Ft.	Current Jobs *	Annual	
							Weighted Average Hourly Prod. Wages	Payable 2005 Real Estate Taxes
Regions Hospital	Wells Fargo	\$ 20,000,000	12,000,000	5.1	134,000	64	\$23.00	\$ 396,000
Hiway Fed. Credit Union	Self-financed	8,500,000	5,000,000	3.8	40,000	141	\$19.00	180,000
Now Micro	US Bank/SBA	1,800,000	50,000	2.6	36,000	32	\$20.50	45,000
Trinity Technologies **	Alliance Bank	1,075,000	300,000	1.7	15,000	10	\$15.00	27,950
Langer Development **	Anchor Bank	6,030,000		6.0	67,000	67	\$10.50	109,200
Westminster Junc. Venture **		31,000,000		5.1	130,000	300	\$23.00	504,000
<b>Sub-Total</b>		<b>\$ 68,405,000</b>	<b>\$ 17,350,000</b>	<b>24.29</b>	<b>422,000</b>	<b>614</b>	<b>\$20.46</b>	<b>\$ 1,262,150 **</b>

### GREAT NORTHERN BUSINESS CENTER (2001)

#### North (Maxson Steel)

Company	Bank	Real Estate Investment	Equipment Investment	Acres Purchased	Building Sq.Ft.	Current Jobs	Annual	
							Weighted Average Hourly Prod. Wages	Payable 2005 Real Estate Taxes
Custom Drywall	Self-financed	\$ 3,000,000		4.8	63,000	272	\$24.62	\$ 123,930
Ice Nine/Crystal D	Cherokee	1,800,000	100,000	1.3	26,000	19	\$14.00	32,500 **
Benco Messenger Serv. **	Cherokee	3,000,000	300,000	2.0	30,000	70	\$22.00	40,950 **
Twin City Glass	Fidelity-Edina	2,000,000	50,000	2.0	30,000	59	\$15.31	52,000 **
Warners Stellan **	Mortgage Broker	6,000,000		8.2	120,000	100	\$14.00	156,000 **
<b>Sub-Total</b>		<b>\$ 15,800,000</b>	<b>\$ 450,000</b>	<b>18.3</b>	<b>269,000</b>	<b>520</b>	<b>\$20.78</b>	<b>\$ 405,380</b>

#### South (Dale Street)

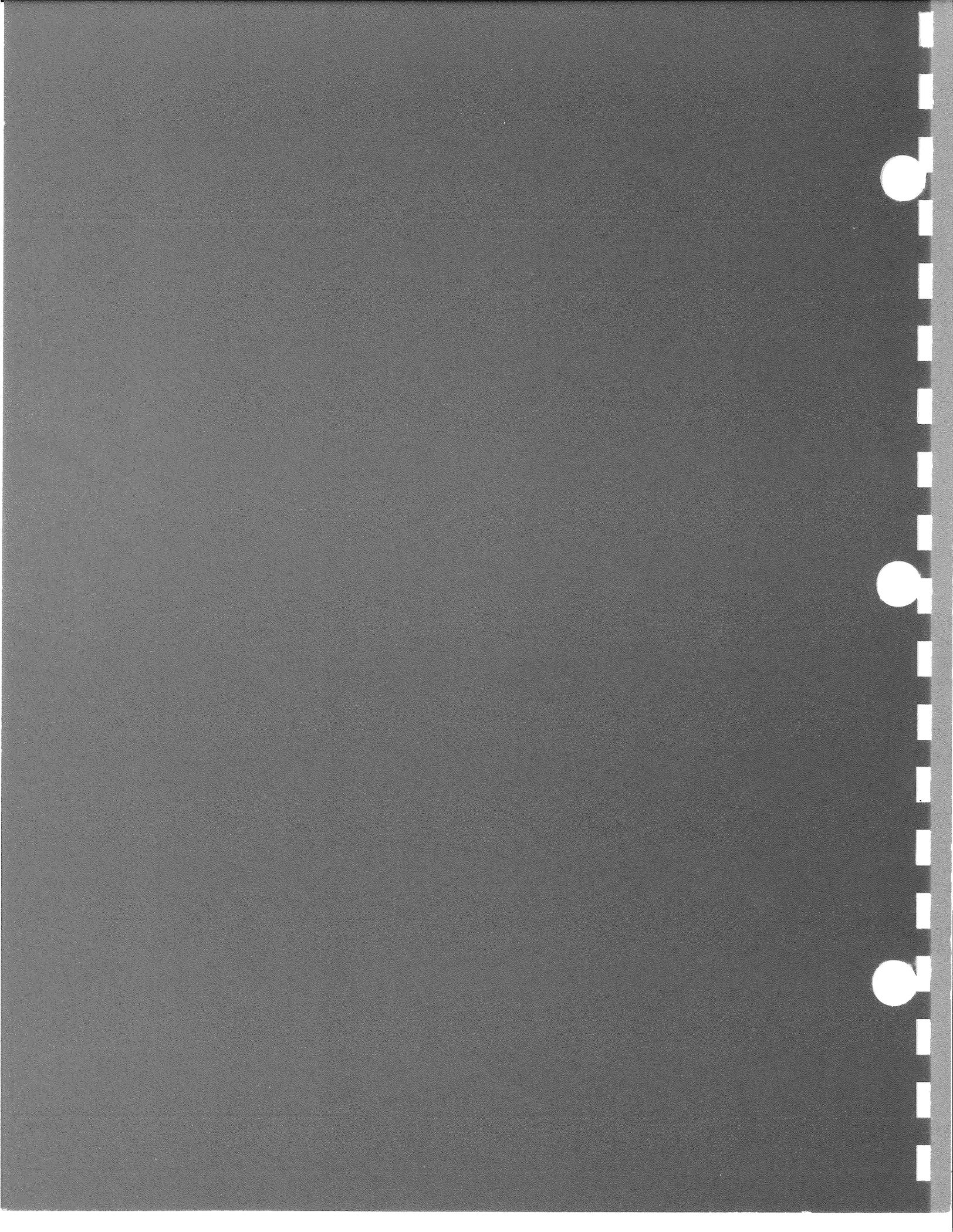
Company	Bank	Real Estate Investment	Equipment Investment	Acres Purchased	Building Sq.Ft.	Current Jobs	Annual	
							Weighted Average Hourly Prod. Wages	Payable 2005 Real Estate Taxes
Circuittech		2,700,000		3.0	45,000	31	18.99	\$ 116,000
Restoration Professionals	Community Nat'l.	1,750,000		2.3	35,000	36	16.75	\$ 63,000
DESP Rentals LLC	US Bank	3,475,000		2.8	42,000	23	14.43	\$ 125,000
Future Project Development **		4,000,000	1,000,000	4.9	68,000	70	15.00	\$ 148,000
<b>Sub-Total</b>		<b>\$ 11,925,000</b>	<b>\$ 1,000,000</b>	<b>13.0</b>	<b>190,000</b>	<b>160</b>	<b>\$16.08</b>	<b>\$ 452,000 **</b>

### RIVER BEND (1998)

Company	Bank	Real Estate Investment	Equipment Investment	Acres Purchased	Building Sq.Ft.	Current Jobs	Annual	
							Weighted Average Hourly Prod. Wages	Payable 2005 Real Estate Taxes
River Bend I LLC Phase I **		\$9,000,000		10.0	120,000	400	\$15.00	\$ 300,000
River Bend I LLC Phase II **		\$9,000,000		11.0	150,000	400	\$12.00	\$ 300,000
		<b>\$18,000,000</b>	<b>\$0</b>	<b>21</b>	<b>270,000</b>	<b>800</b>	<b>\$13.50</b>	<b>\$ 600,000 **</b>
<b>GRAND TOTAL OF ALL BUSINESS CENTERS</b>		<b>\$ 166,172,400</b>	<b>\$ 29,539,000</b>	<b>156.9</b>	<b>2,228,523</b>	<b>3,627</b>	<b>\$16.72</b>	<b>\$ 4,635,506</b>

\* Note: Jobs numbers do not include projected jobs over the 10-year life of the Workforce Agreement.

\*\* Numbers are estimates and subject to change as land is acquired and/or construction plans are finalized.





# PPERRIA

Prospect Park and East River Road Improvement Association, Inc.  
Pratt Community Education Center

66 Malcolm Avenue Southeast  
Minneapolis, Minnesota 55414

March 13, 2006

Dear Representative Kahn,

The Prospect Park and East River Road Improvement Association supports SF 2750. We strongly support this bill applying to all entities that have the right or power of eminent domain including the University of Minnesota. If the University of Minnesota is not included in SF 2750 we strongly recommend that the bill be amended to include the University.

The University of Minnesota has used eminent domain, or the threat of using eminent domain, to acquire land without establishing a public purpose for that land. Currently, the University of Minnesota is threatening to take the historic Station 19 building, 2001 University Avenue Southeast, for some unknown stadium purpose. The building is clearly not necessary for stadium purposes. The University did not consider this building to be included in the stadium impact area. In the Draft Environmental Impact Statement 10/24/05 on page 117 the University states that no architectural resource "will be affected by the Stadium Project . . ." After 2 letters from the State Historic Preservation Office (May 20, 2005 and November 21, 2005) the University claims on p. 134 of the Final Environmental Impact Statement that " . . . the Stadium Project will require some reconfiguration of the parking associated with the Historic Station 19 property. The Stadium has been planned to avoid altering or otherwise impacting the historic Station 19 building."

In a letter dated September 19, 2005, the University offered to purchase Station 19. The owners are not willing to sell and now face the prospect of having this historic building taken from them by the University of Minnesota. We have been informed that the University of Minnesota is not bound by national or local preservation laws and that the University of Minnesota has refused to voluntarily agree to comply with national and local preservation laws. The University's right or power of eminent domain and exemption from historic preservation laws means that no building, land or resource is safe from acquisition by the University of Minnesota.

The University of Minnesota's use or threat of using eminent domain has had a destabilizing effect on the area around the University. Knowing that a large University with the right or power of eminent domain may take your property, creates a disincentive to invest in your property.

Please give a copy of this letter to Senator Don Betzold.

Thank-you.

Very truly yours,

Joseph Ring, PPERRIA President