# City of Grand Rapids,
## Itasca County, Minnesota

## MODIFICATION TO THE DEVELOPMENT PROGRAM
Municipal Development District No. 1

## &

## Tax Increment Financing (TIF) Plan
Establishment of Tax Increment Financing District No. 1-14: Arbor Wood
(a redevelopment district)

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# Modification to the Development Program for Municipal Development District No. 1

## FOREWORD

The following text represents a Modification to the Development Program for Municipal Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Municipal Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 1-14: Arbor Wood.

For further information, a review of the Development Program for Municipal Development District No. 1, is recommended.  It is available from the Community Development Director at the City of Grand Rapids.  Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within Municipal Development District No. 1.

# Tax Increment Financing Plan for Tax Increment Financing District No. 1-14: Arbor Wood

## FOREWORD

The City of Grand Rapids (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 1-14: Arbor Wood (the "District"), a redevelopment tax increment financing district located in Municipal Development District No. 1.

## STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 - 469.133*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

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

## STATEMENT OF OBJECTIVES

The District currently consists of six (6) parcels of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the development of approximately 48,960 square feet of light manufacturing and warehousing space, and the District includes space for future redevelopment in the City. The City has not entered into a development agreement but anticipates entering into an agreement with Voyageur Capital Group, LLC, or an affiliate thereof (the "Developer"). Development is anticipated to begin in the winter of 2022/23 and be completed by the end of year 2023. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for the Development District.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Development District and the District..

## DEVELOPMENT PROGRAM OVERVIEW

Pursuant to the Development Program and authorizing state statutes, the City is authorized to undertake the following activities in the District:

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

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

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

## DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

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

| Parcel number | Address | Owner |
|---------------|---------|-------|
| 91-019-3200 | 502 Co. Rd. 63 | Voyageur Cap. |
| 91-019-2201 | Unassigned | Voyageur Cap. |
| 91-019-2202 | Unassigned | Voyageur Cap. |
| 91-019-2300 | Unassigned | Voyageur Cap. |
| 91-019-2403 | Unassigned | Voyageur Cap. |
| 91-019-3102 | Unassigned | Voyageur Cap. |

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

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

The City currently does not own any of the property to be included in the District.

## DISTRICT CLASSIFICATION

The City, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that the District, to be established, is a redevelopment district pursuant to M.S., Section 469.174, Subd. 10(a)(1).

- The District is a redevelopment district consisting of six (6) parcels.
- An inventory shows that parcels consisting of more than 70% of the area in the District is occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50% of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

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

## DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2025, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2050, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

## ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2022 for taxes payable 2023.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2025) the amount by which the original value has increased or decreased as a result of:

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

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

The original local tax rate for the District will be the local tax rate for taxes payable 2023, assuming the request for certification is made before June 30, 2023. The rates for 2023 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subds. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Development District, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100% of the available increase in tax capacity be used for repayment of the obligations of the City and current expenditures, beginning in the tax year payable 2025. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

| Project Tax Capacity | |
| --- | --- |
| Project estimated Tax Capacity upon completion | $1,139,204 |
| Original estimated Net Tax Capacity | -34,687 |
| Fiscal Disparities | -278,067 |
| Estimated Captured Tax Capacity | **826,450** |
| Original Local Tax Rate | 168.1770%  Pay 2022 |
| Estimated Annual Tax Increment | **$1,389,899** |
| Percent Retained by the City | 100% |

Note: Tax capacity includes a 3.00% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 26. The tax capacity of the District in year one is estimated to be $69,729.

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

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

## SOURCES OF REVENUE/BONDS TO BE ISSUED

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

| SOURCES | |
| --- | --- |
| Tax Increment | $ 24,281,515 |
| Interest | 2,428,151 |
| TOTAL | **$ 26,709,666** |

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

The City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of $15,408,367. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

## USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the development of approximately 48,960 square feet of light manufacturing and warehousing space. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein.

The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

| USES | |
|---|---|
| Land/Building Acquisition | $ 2,500,000 |
| Site Improvements/Preparation | 3,000,000 |
| Affordable Housing | - |
| Utilities | 2,500,000 |
| Other Qualifying Improvements | 4,980,217 |
| Administrative Costs (up to 10%) | 2,428,151 |
| PROJECT COSTS TOTAL | $ 15,408,368 |
| Interest | 11,301,298 |
| PROJECT AND INTEREST COSTS TOTAL | $ 26,709,666 |

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

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

## FISCAL DISPARITIES ELECTION

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities.

The City will choose to calculate fiscal disparities by clause b (inside).

## ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

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

| Impact on Tax Base | | | |
|---|---|---|---|
| Entity | 2021/Pay 2022 Total Net Tax Capacity | Estimated Captured Tax Capacity (CTC) upon completion | Percent of CTC to Entity Total |
| Itasca County | 63,718,485 | 826,450 | **1.2970%** |
| City of Grand Rapids | 9,252,644 | 826,450 | **8.9320%** |
| ISD 318 (Itasca County) | 44,974,111 | 826,450 | **1.8376%** |

| Impact on Tax Rates | | | | |
|---|---|---|---|---|
| Entity | Pay 2022 Extension Rate | Percent of Total | CTC | Potential Taxes |
| Itasca County | 61.0290% | 36.29% | 826,450 | $ 504,374 |
| City of Grand Rapids | 84.0570% | 49.98% | 826,450 | 694,689 |
| ISD 318 (Itasca County) | 22.8080% | 13.56% | 826,450 | 188,497 |
| Other | 0.2830% | 0.17% | 826,450 | 2,339 |
| | 168.1770% | 100.00% | | $1,389,899 |

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2022 rate. The total net capacity for the entities listed above are based on Pay 2022 figures. The District will be certified under the Pay 2023 rates, which were unavailable at the time this TIF Plan was prepared.

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

(1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is $24,281,515;

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

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

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. However, infrastructure will need to be extended to serve the site. It is anticipated that tax increment, along with utility funds and grants, will be used to finance the needed infrastructure. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is expected to be minimal. The City is reviewing options to finance the infrastructure improvements and may issue general obligation bonds. Issuance of general obligation debt supported by tax increment and/or utility revenues will not impact the City's ability to incur future debt or impact the City's debt limit.

(3)    Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $3,293,035;

(4)    Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $8,811,410;

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

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

## SUPPORTING DOCUMENTATION

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

(i) In making said determination, reliance has been placed upon (1) written representation made by the Developer to such effects; (2) review of the Developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the District and Appendix C.

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

## DISTRICT ADMINISTRATION

Administration of the District will be handled by the Community Development Director.

## Appendix A: Map of Municipal Development District No. 1 and the TIF District

# Tax Increment Financing District No. 1-14: Arbor Wood

## Municipal Development District No. 1

### City of Grand Rapids
### Itasca County, Minnesota

**Legend**

- – – Municipal Boundary
- ▭ TIF District No. 1-14
- ▭ Parcels
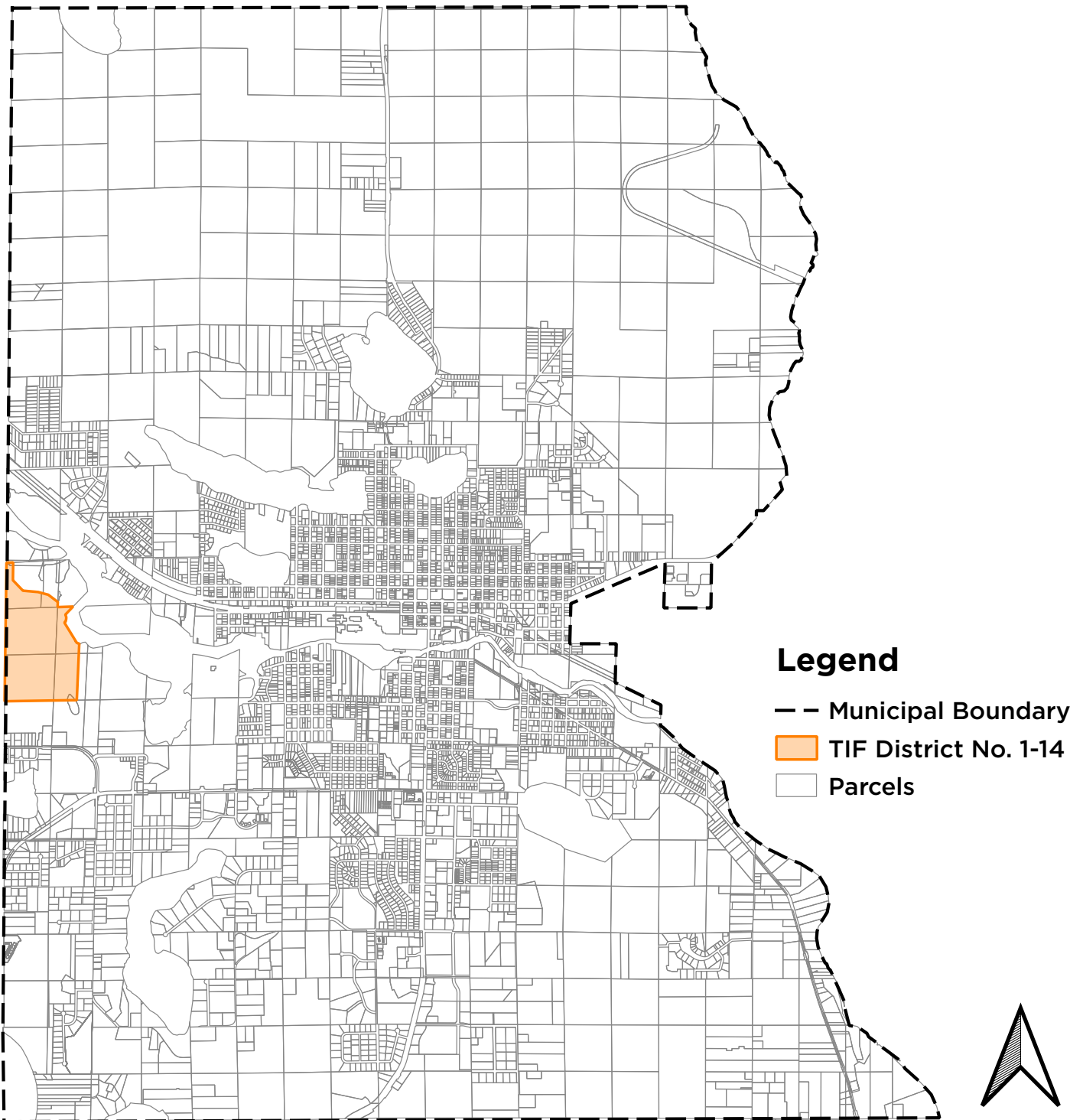
*The boundaries of the Municipal Development District No. 1 are coterminous with the corporate limits of the City of Grand Rapids.*

# Appendix B: Estimated Cash Flow for the District

# Tax Increment Financing District 1-14: Arbor Wood - 3% Inflation

## City of Grand Rapids, MN

### Redevelopment for approximately 48,960 SF Manufacturing and Warehousing and Future Development

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## ASSUMPTIONS AND RATES

| DistrictType: | Redevelopment |
|---|---|
| District Name/Number: | **TIF 1-14** |
| County District #: | **TBD** |
| First Year Construction or Inflation on Value | **2023** |
| Existing District - Specify No. Years Remaining | |
| Inflation Rate - Every Year: | **3.00%** |
| Interest Rate: | **5.00%** |
| Present Value Date: | **1-Aug-24** |
| First Period Ending | 1-Feb-25 |
| Tax Year District was Certified: | **Pay 2023** |
| Cashflow Assumes First Tax Increment For Development: | 2025 |
| Years of Tax Increment | 26 |
| Assumes Last Year of Tax Increment | 2050 |
| Fiscal Disparities Election [Outside (A), Inside (B), or NA] | **Inside(B)** |
| Incremental or Total Fiscal Disparities | **Incremental** |
| Fiscal Disparities Contribution Ratio | 25.1754% Pay 2022 |
| Fiscal Disparities Metro-Wide Tax Rate | 174.2243% Pay 2022 |
| Maximum/Frozen Local Tax Rate: | 168.177% Pay 2022 |
| Current Local Tax Rate: (Use lesser of Current or Max.) | 168.177% Pay 2022 |
| State-wide Tax Rate (Comm./Ind. only used for total taxes) | 36.2890% Pay 2022 |
| Market Value Tax Rate (Used for total taxes) | 0.11974% Pay 2022 |

### Tax Rates

| | | |
|---|---|---|
| Exempt Class Rate (Exempt) | | 0.00% |
| Commercial Industrial Preferred Class Rate (C/I Pref.) | | |
| First | $150,000 | 1.50% |
| Over | $150,000 | 2.00% |
| Commercial Industrial Class Rate (C/I) | | 2.00% |
| Rental Housing Class Rate (Rental) | | 1.25% |
| Affordable Rental Housing Class Rate (Aff. Rental) | | |
| First | $100,000 | 0.75% |
| Over | $100,000 | 0.25% |
| Non-Homestead Residential (Non-H Res. 1 Unit) | | |
| First | $500,000 | 1.00% |
| Over | $500,000 | 1.25% |
| Homestead Residential Class Rate (Hmstd. Res.) | | |
| First | $500,000 | 1.00% |
| Over | $500,000 | 1.25% |
| Agricultural Non-Homestead | | 1.00% |

## BASE VALUE INFORMATION  (Original Tax Capacity)

| Map ID | PID | Owner | Address | Land Market Value | Building Market Value | Total Market Value | Percentage Of Value Used for District | Original Market Value | Tax Year Original Market Value | Property Tax Class | Current Original Tax Capacity | Class After Conversion | After Conversion Orig. Tax Cap. | Area/ Phase |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 91-019-3200 | Voyageur Cap. | 502 Co. Rd. 63 | 258,200 | 963,000 | 1,221,200 | 100% | 1,221,200 | Pay 2023 | C/I Pref. | 23,674 | C/I Pref. | 23,674 | |
| | 91-019-2201 | Voyageur Cap. | Unassigned | 78,600 | | 78,600 | 100% | 78,600 | Pay 2023 | C/I Pref. | 1,179 | C/I Pref. | 1,179 | |
| | 91-019-2201 | Voyageur Cap. | Unassigned | 300 | | 300 | 100% | 300 | Pay 2023 | Taconite | - | C/I Pref. | 5 | |
| | 91-019-2202 | Voyageur Cap. | Unassigned | 15,800 | | 15,800 | 100% | 15,800 | Pay 2023 | C/I Pref. | 237 | C/I Pref. | 237 | |
| | 91-019-2300 | Voyageur Cap. | Unassigned | 267,300 | 164,100 | 431,400 | 100% | 431,400 | Pay 2023 | C/I Pref. | 7,878 | C/I Pref. | 7,878 | |
| | 91-019-2300 | Voyageur Cap. | Unassigned | 100 | | 100 | 100% | 100 | Pay 2023 | Taconite | - | C/I Pref. | 2 | |
| | 91-019-2403 | Voyageur Cap. | Unassigned | 39,100 | 11,600 | 50,700 | 100% | 50,700 | Pay 2023 | C/I Pref. | 761 | C/I Pref. | 761 | |
| | 91-019-3102 | Voyageur Cap. | Unassigned | 63,500 | | 63,500 | 100% | 63,500 | Pay 2023 | C/I Pref. | 953 | C/I Pref. | 953 | |
| | | | | 722,900 | 1,138,700 | 1,861,600 | | 1,861,600 | | | 34,681 | | 34,687 | |

Note:
1.  **Base values are based on information from the County Assessor dated Sept. 22, 2022.**
2.  **Located in SD # 318.**

# Tax Increment Financing District 1-14: Arbor Wood - 3% Inflation
## City of Grand Rapids, MN
### Redevelopment for approximately 48,960 SF Manufacturing and Warehousing and Future Development

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| PROJECT INFORMATION (Project Tax Capacity) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Area/Phase | New Use | Estimated Market Value Per Sq. Ft./Unit | Taxable Market Value Per Sq. Ft./Unit | Total Sq. Ft./Units | Total Taxable Market Value | Property Tax Class | Project Tax Capacity | Project Tax Capacity/Unit | Percentage Completed 2023 | Percentage Completed 2024 | Percentage Completed 2025 | Percentage Completed 2026 | First Year Full Taxes Payable |
| 1 | Arbor Wood | 72 | 72 | 48,960 | 3,523,936 | C/I Pref. | 69,729 | 1 | 100% | 100% | 100% | 100% | 2025 |
| 2 | Future Warehouse/Mfg. | 72 | 72 | 350,000 | 25,200,000 | C/I Pref. | 503,250 | 1 | 0% | 50% | 100% | 100% | 2027 |
| **TOTAL** | | | | | **28,723,936** | | **572,979** | | | | | | |
| **Subtotal Residential** | | | | 0 | 0 | | 0 | | | | | | |
| **Subtotal Commercial/Ind.** | | | | 398,960 | 28,723,936 | | 572,979 | | | | | | |

Note:

**1. Market values for Arbor Wood are based on information from the County Assessor dated Sept. 22, 2022.**

| TAX CALCULATIONS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| New Use | Total Tax Capacity | Fiscal Disparities Tax Capacity | Local Tax Capacity | Local Property Taxes | Fiscal Disparities Taxes | State-wide Property Taxes | Market Value Taxes | Total Taxes | Taxes Per Sq. Ft./Unit |
| **Arbor Wood** | 69,729 | 17,554 | 52,174 | 87,745 | 30,584 | 24,760 | 4,220 | 147,308 | 3.01 |
| Future Warehouse/Mfg | 503,250 | 126,695 | 376,555 | 633,279 | 220,734 | 182,080 | 30,174 | 1,066,267 | 3.05 |
| **TOTAL** | 572,979 | 144,250 | 428,729 | 721,024 | 251,318 | 206,840 | 34,394 | 1,213,575 | |

Note:

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

| WHAT IS EXCLUDED FROM TIF? | |
|---|---|
| **Total Property Taxes** | 1,213,575 |
| **less State-wide Taxes** | (206,840) |
| **less Fiscal Disp. Adj.** | (251,318) |
| **less Market Value Taxes** | (34,394) |
| **less Base Value Taxes** | (43,649) |
| **Annual Gross TIF** | 677,374 |

| MARKET VALUE BUT / FOR ANALYSIS | |
|---|---|
| Current Market Value - Est. | 1,861,600 |
| New Market Value - Est. | 28,723,936 |
| Difference | 26,862,336 |
| Present Value of Tax Increment | 11,766,878 |
| Difference | 15,095,458 |
| Value likely to occur without Tax Increment is less than: | **15,095,458** |

# Tax Increment Financing District 1-14: Arbor Wood - 3% Inflation
## City of Grand Rapids, MN
### Redevelopment for approximately 48,960 SF Manufacturing and Warehousing and Future Development

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **TAX INCREMENT CASH FLOW** | | | | | | | | | | | | | | |
| **% of OTC** | **Project Tax Capacity** | **Original Tax Capacity** | **Fiscal Disparities Incremental** | **Captured Tax Capacity** | **Local Tax Rate** | **Annual Gross Tax Increment** | **Semi-Annual Gross Tax Increment** | **State Auditor 0.36%** | **Admin. at 10%** | **Semi-Annual Net Tax Increment** | **Semi-Annual Present Value** | **PERIOD ENDING Yrs.** | **Tax Year** | **Payment Date** |
| | | | | | | | - | - | - | - | - | | | 02/01/25 |
| 100% | 69,729 | (34,687) | (8,822) | 26,220 | 168.177% | 44,096 | 22,048 | (79) | (2,197) | 19,772 | 18,819 | 0.5 | 2025 | 08/01/25 |
| | | | | | | | 22,048 | (79) | (2,197) | 19,772 | 37,179 | 1 | 2025 | 02/01/26 |
| 100% | 323,446 | (34,687) | (70,851) | 217,908 | 168.177% | 366,470 | 183,235 | (660) | (18,258) | 164,318 | 186,043 | 1.5 | 2026 | 08/01/26 |
| | | | | | | | 183,235 | (660) | (18,258) | 164,318 | 331,276 | 2 | 2026 | 02/01/27 |
| 100% | 577,225 | (34,687) | (136,586) | 405,952 | 168.177% | 682,718 | 341,359 | (1,229) | (34,013) | 306,117 | 595,240 | 2.5 | 2027 | 08/01/27 |
| | | | | | | | 341,359 | (1,229) | (34,013) | 306,117 | 852,765 | 3 | 2027 | 02/01/28 |
| 100% | 594,542 | (34,687) | (140,946) | 418,909 | 168.177% | 704,509 | 352,254 | (1,268) | (35,099) | 315,888 | 1,112,029 | 3.5 | 2028 | 08/01/28 |
| | | | | | | | 352,254 | (1,268) | (35,099) | 315,888 | 1,364,969 | 4 | 2028 | 02/01/29 |
| 100% | 612,378 | (34,687) | (145,436) | 432,255 | 168.177% | 726,954 | 363,477 | (1,309) | (36,217) | 325,952 | 1,619,602 | 4.5 | 2029 | 08/01/29 |
| | | | | | | | 363,477 | (1,309) | (36,217) | 325,952 | 1,868,025 | 5 | 2029 | 02/01/30 |
| 100% | 630,750 | (34,687) | (150,061) | 446,001 | 168.177% | 750,072 | 375,036 | (1,350) | (37,369) | 336,317 | 2,118,095 | 5.5 | 2030 | 08/01/30 |
| | | | | | | | 375,036 | (1,350) | (37,369) | 336,317 | 2,362,067 | 6 | 2030 | 02/01/31 |
| 100% | 649,672 | (34,687) | (154,825) | 460,160 | 168.177% | 773,883 | 386,942 | (1,393) | (38,555) | 346,994 | 2,607,644 | 6.5 | 2031 | 08/01/31 |
| | | | | | | | 386,942 | (1,393) | (38,555) | 346,994 | 2,847,231 | 7 | 2031 | 02/01/32 |
| 100% | 669,162 | (34,687) | (159,732) | 474,744 | 168.177% | 798,409 | 399,205 | (1,437) | (39,777) | 357,991 | 3,088,382 | 7.5 | 2032 | 08/01/32 |
| | | | | | | | 399,205 | (1,437) | (39,777) | 357,991 | 3,323,652 | 8 | 2032 | 02/01/33 |
| 100% | 689,237 | (34,687) | (164,786) | 489,764 | 168.177% | 823,671 | 411,836 | (1,483) | (41,035) | 369,318 | 3,560,446 | 8.5 | 2033 | 08/01/33 |
| | | | | | | | 411,836 | (1,483) | (41,035) | 369,318 | 3,791,465 | 9 | 2033 | 02/01/34 |
| 100% | 709,914 | (34,687) | (169,991) | 505,236 | 168.177% | 849,691 | 424,845 | (1,529) | (42,332) | 380,984 | 4,023,968 | 9.5 | 2034 | 08/01/34 |
| | | | | | | | 424,845 | (1,529) | (42,332) | 380,984 | 4,250,801 | 10 | 2034 | 02/01/35 |
| 100% | 731,212 | (34,687) | (175,353) | 521,172 | 168.177% | 876,491 | 438,246 | (1,578) | (43,667) | 393,001 | 4,479,082 | 10.5 | 2035 | 08/01/35 |
| | | | | | | | 438,246 | (1,578) | (43,667) | 393,001 | 4,701,794 | 11 | 2035 | 02/01/36 |
| 100% | 753,148 | (34,687) | (180,875) | 537,586 | 168.177% | 904,095 | 452,048 | (1,627) | (45,042) | 405,378 | 4,925,918 | 11.5 | 2036 | 08/01/36 |
| | | | | | | | 452,048 | (1,627) | (45,042) | 405,378 | 5,144,575 | 12 | 2036 | 02/01/37 |
| 100% | 775,742 | (34,687) | (186,564) | 554,492 | 168.177% | 932,528 | 466,264 | (1,679) | (46,459) | 418,127 | 5,364,608 | 12.5 | 2037 | 08/01/37 |
| | | | | | | | 466,264 | (1,679) | (46,459) | 418,127 | 5,579,274 | 13 | 2037 | 02/01/38 |
| 100% | 799,015 | (34,687) | (192,423) | 571,905 | 168.177% | 961,813 | 480,906 | (1,731) | (47,918) | 431,258 | 5,795,281 | 13.5 | 2038 | 08/01/38 |
| | | | | | | | 480,906 | (1,731) | (47,918) | 431,258 | 6,006,020 | 14 | 2038 | 02/01/39 |
| 100% | 822,985 | (34,687) | (198,457) | 589,841 | 168.177% | 991,977 | 495,988 | (1,786) | (49,420) | 444,783 | 6,218,067 | 14.5 | 2039 | 08/01/39 |
| | | | | | | | 495,988 | (1,786) | (49,420) | 444,783 | 6,424,942 | 15 | 2039 | 02/01/40 |
| 100% | 847,675 | (34,687) | (204,673) | 608,315 | 168.177% | 1,023,046 | 511,523 | (1,841) | (50,968) | 458,713 | 6,633,092 | 15.5 | 2040 | 08/01/40 |
| | | | | | | | 511,523 | (1,841) | (50,968) | 458,713 | 6,836,166 | 16 | 2040 | 02/01/41 |
| 100% | 873,105 | (34,687) | (211,075) | 627,343 | 168.177% | 1,055,046 | 527,523 | (1,899) | (52,562) | 473,062 | 7,040,484 | 16.5 | 2041 | 08/01/41 |
| | | | | | | | 527,523 | (1,899) | (52,562) | 473,062 | 7,239,819 | 17 | 2041 | 02/01/42 |
| 100% | 899,298 | (34,687) | (217,669) | 646,942 | 168.177% | 1,088,007 | 544,004 | (1,958) | (54,205) | 487,841 | 7,440,367 | 17.5 | 2042 | 08/01/42 |
| | | | | | | | 544,004 | (1,958) | (54,205) | 487,841 | 7,636,024 | 18 | 2042 | 02/01/43 |
| 100% | 926,277 | (34,687) | (224,461) | 667,129 | 168.177% | 1,121,957 | 560,978 | (2,020) | (55,896) | 503,063 | 7,832,865 | 18.5 | 2043 | 08/01/43 |
| | | | | | | | 560,978 | (2,020) | (55,896) | 503,063 | 8,024,905 | 19 | 2043 | 02/01/44 |
| 100% | 954,065 | (34,687) | (231,457) | 687,921 | 168.177% | 1,156,925 | 578,463 | (2,082) | (57,638) | 518,742 | 8,218,100 | 19.5 | 2044 | 08/01/44 |
| | | | | | | | 578,463 | (2,082) | (57,638) | 518,742 | 8,406,583 | 20 | 2044 | 02/01/45 |
| 100% | 982,687 | (34,687) | (238,663) | 709,337 | 168.177% | 1,192,942 | 596,471 | (2,147) | (59,432) | 534,891 | 8,596,194 | 20.5 | 2045 | 08/01/45 |
| | | | | | | | 596,471 | (2,147) | (59,432) | 534,891 | 8,781,181 | 21 | 2045 | 02/01/46 |
| 100% | 1,012,168 | (34,687) | (246,085) | 731,396 | 168.177% | 1,230,040 | 615,020 | (2,214) | (61,281) | 551,525 | 8,967,267 | 21.5 | 2046 | 08/01/46 |
| | | | | | | | 615,020 | (2,214) | (61,281) | 551,525 | 9,148,815 | 22 | 2046 | 02/01/47 |
| 100% | 1,042,533 | (34,687) | (253,729) | 754,117 | 168.177% | 1,268,251 | 634,125 | (2,283) | (63,184) | 568,658 | 9,331,438 | 22.5 | 2047 | 08/01/47 |
| | | | | | | | 634,125 | (2,283) | (63,184) | 568,658 | 9,509,606 | 23 | 2047 | 02/01/48 |
| 100% | 1,073,809 | (34,687) | (261,603) | 777,519 | 168.177% | 1,307,608 | 653,804 | (2,354) | (65,145) | 586,305 | 9,688,822 | 23.5 | 2048 | 08/01/48 |
| | | | | | | | 653,804 | (2,354) | (65,145) | 586,305 | 9,863,668 | 24 | 2048 | 02/01/49 |
| 100% | 1,106,023 | (34,687) | (269,713) | 801,623 | 168.177% | 1,348,146 | 674,073 | (2,427) | (67,165) | 604,481 | 10,039,537 | 24.5 | 2049 | 08/01/49 |
| | | | | | | | 674,073 | (2,427) | (67,165) | 604,481 | 10,211,116 | 25 | 2049 | 02/01/50 |
| 100% | 1,139,204 | (34,687) | (278,067) | 826,450 | 168.177% | 1,389,899 | 694,950 | (2,502) | (69,245) | 623,203 | 10,383,696 | 25.5 | 2050 | 08/01/50 |
| | | | | | | | 694,950 | (2,502) | (69,245) | 623,203 | 10,552,066 | 26 | 2050 | 02/01/51 |
| **Total** | | | | | | | 24,369,244 | (87,729) | (2,428,151) | 21,853,363 | | | | |
| | **Present Value From 08/01/2024** | | **Present Value Rate** | **5.00%** | | | 11,766,878 | (42,361) | (1,172,452) | 10,552,066 | | | | |

# Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 1-14: Arbor Wood (the "District"), as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subdivision 3* are as follows:

1. *Finding that Tax Increment Financing District No. 1-14: Arbor Wood is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

   The District consists of six (6) parcels and vacant right-of-way, with plans to redevelop the area for the development of approximately 48,960 square feet of light manufacturing and warehousing space. Parcels consisting of 70% of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50% of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 1-14: Arbor Wood permitted by the TIF Plan.*

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

   *The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax*

*increments for the maximum duration of the District permitted by the TIF Plan:* This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, construction costs, site and public improvements costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

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

b. If the proposed development occurs, the total increase in market value will be $26,862,336.

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 $11,766,878.

d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than $15,095,458 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. *Finding that the TIF Plan for Tax Increment Financing District No. 1-14: Arbor Wood conforms to the general plan for the development or redevelopment of the municipality as a whole.*

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

4. *Finding that the TIF Plan for Tax Increment Financing District No. 1-14: Arbor Wood will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Municipal Development District No. 1 by private enterprise.*

    The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State, help redevelop a long vacant site in the City that has been a priority for the City to redevelop, and add a high-quality development to the City.

## Appendix D: Redevelopment Qualifications for the District

*To be added to prior to the public hearing*

REPORT OF INSPECTION PROCEDURES AND RESULTS

FOR

DETERMINING QUALIFICATIONS

OF A

TAX INCREMENT FINANCING DISTRICT

# OSB PLANT
# REDEVELOPMENT TIF DISTRICT

*Prepared for*

CITY OF GRAND RAPIDS, MINNESOTA

November 7, 2022

**LHB**

# Table of Contents

# Part 1: Executive Summary

## Purpose of the Evaluation

LHB was hired by the City of Grand Rapids to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located at 502 County Road 63 in Grand Rapids, MN (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether two (2) buildings on six (6) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1: Proposed TIF District

## Scope of Work

The proposed TIF District consists of six (6) parcels with two (2) structures. Two (2) buildings were inspected on September 19, 2022. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are in Appendix B.

## Conclusion

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

- The proposed TIF District has a coverage calculation of 73.9 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

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

# Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

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

## Interior Inspection

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

## Exterior Inspection and Other Means

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

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

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

## Documentation

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

## Qualification Requirements

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

## 1. COVERAGE TEST

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

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

b. The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

## 2. CONDITION OF BUILDINGS TEST

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

"…and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

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

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

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

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

   i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c)) for the following reasons:
      1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
      2) Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*…"
      3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code.*
      4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
      5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

## 3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

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

"(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;

(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;

(3) tank facilities, or property whose immediately previous use was for tank facilities…"

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

# Part 3: Procedures Followed

LHB inspected two buildings on the interior and exterior during the day of September 19, 2022.

# Part 4: Findings

## 1. Coverage Test

a. The total square foot area of the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

## FINDING

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 73.9 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under Minnesota Statutes, Section 469.174, Subdivision (a) (1).



**Diagram 2 – Coverage Diagram**

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

# 2. Condition of Building Test

a. **BUILDING INSPECTION**

    i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether a building "appears" to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

b. **REPLACEMENT COST**

    i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2022.

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

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

c. **CODE DEFICIENCIES**

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

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

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

    iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2022; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

**FINDING**

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

d. **SYSTEM CONDITION DEFICIENCIES**

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

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

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

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

### FINDING

In our professional opinion, two (2) out of two (2) buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

## 3. Distribution of Substandard Structures

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

### FINDING

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

**Diagram 3 – Substandard Buildings**

Shaded yellow area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

# Part 5: Team Credentials

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

Michael has 34 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

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

## Phil Fisher – Inspector

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

# Appendices

**APPENDIX A**   Property Condition Assessment Summary Sheet
**APPENDIX B**   Building Code, Condition Deficiency and Context Analysis Reports
**APPENDIX C**   Building Replacement Cost Reports
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               Photographs

# APPENDIX A

Property Condition Assessment Summary Sheet

# OSB Plant Redevelopment TIF District

Property Condition Assessment Summary Sheet

Grand Rapids, Minnesota

| TIF Map No. | PID # | Property Address | Improved or Vacant | Survey Method Used | Site Area (S.F.) | Coverage Area of Improvements (S.F.) | Coverage Percent of Improvements | Coverage Quantity (S.F.) | No. of Buildings | Building Replacement Cost | 15% of Replacement Cost | Building Code Deficiencies | No. of Buildings Exceeding 15% Criteria | No. of buildings determined substandard |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | 91.019.2201 | N/A | Vacant | Exterior | 666,998 | 132,689 | 19.9% | 666,998 | 0 | | | | | |
| B | 91.019.2202 | N/A | Vacant | Exterior | 146,824 | 0 | 0.0% | 0 | 0 | | | | | |
| C | 91.019.2300 | N/A | Improved | Interior/Exterior | 1,909,440 | 572,850 | 30.0% | 1,909,440 | 1 | $6,525,115 | $978,767 | $2,921,000 | 1 | 1 |
| D | 91.019.2403 | N/A | Vacant | Exterior | 561,599 | 0 | 0.0% | 0 | 0 | | | | | |
| E | 91.019.3200 | 502 County Road 63 | Improved | Interior/Exterior | 1,849,355 | 739,742 | 40.0% | 1,849,355 | 1 | $40,966,347 | $6,144,952 | $14,112,000 | 1 | 1 |
| F | 91.019.3102 | N/A | Vacant | Exterior | 850,955 | 93,605 | 11.0% | 0 | 0 | | | | | |
| TOTALS | | | | | 5,985,171 | | | 4,425,793 | 2 | | | | 2 | 2 |

Total Coverage Percent: 73.9%

Percent of buildings exceeding 15 percent code deficiency threshold: 100.0%

Percent of buildings determined substandard: 100.0%

# APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

# OSB Plant Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

**Parcel C**                          **OSB Plant – Annex**

Address:                              502 West County Road 63, Grand Rapids, Minnesota 55744

Parcel ID:                            91-091-2300

Inspection Date(s) & Time(s):         September 19, 2022, 2:45 PM

Inspection Type:                      Interior and Exterior

Summary of Deficiencies:              It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:                                                           $6,525,115

Estimated Cost to Correct Building Code Deficiencies:                                 $2,921,000

Percentage of Replacement Cost for Building Code Deficiencies:                        44.8%

## DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Steel structural columns should be protected from rusting per code.
3. Steel structural columns have been modified and do not comply with code.

## COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
    a. There is no code required accessible parking.
    b. There is no code required accessible route into the building.
    c. There is no code compliant accessible route to all levels of the building.
    d. There is no code compliant accessible restroom in the building.
    e. There is no code required potable water in the building.
    f. There is no code compliant drinking fountain in the building.
    g. There are no code compliant showers.

2. Light and Ventilation
    a. Lighting does not comply with code.
    b. Electrical wiring does not comply with code.
    c. The HVAC system does not comply with code.
    d. The plumbing system does not comply with code.

3. Fire Protection/Adequate Egress

a. There are no code required smoke detectors in the building.

b. There is no code required emergency lighting system in the building.

c. The emergency notification system does not comply with code.

d. The building sprinkler system does not comply with code.

e. The stairways do not comply with code.

f. Door hardware does not comply with code.

g. Thresholds do not comply with code for maximum height.

h. Flooring is damaged creating an impediment to emergency egress which does not comply with code.

4. Layout and Condition of Interior Partitions/Materials

a. All interior surfaces should be repaired/repainted.

b. Graffiti is present and should be removed.

c. Interior doors are damaged and should be replaced.

d. Elevated platforms are not properly protected per code.

5. Exterior Construction

a. Roofing material has failed allowing for water intrusion, contrary to code.

b. Sidewalls are open allowing for water intrusion which is contrary to code

c. Exterior doors should be repaired, repainted, or replaced.

d. The surrounding green space should be mowed.

e. Parking lots and roadways are in disrepair.

f. Hollow metal steel doors are rusting and should be repainted.

## DESCRIPTION OF CODE DEFICIENCIES

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

2. Protect steel structural columns from rusting per code.

3. Replace modified structural steel columns to comply with code.

4. Accessible parking should be created per code.

5. An accessible route into the building should be created per code.

6. An accessible route to all levels of the building should be created per code.

7. A code required accessible restroom should be created.

8. Showers should be made code compliant.

9. Code required potable water should be available in the building.

10. A code required accessible drinking fountain should be installed.

11. Elevated platforms should have safety toe boards installed per code.

12. The electrical wiring system should be replaced to comply with code.

13. The lighting system does not comply with code.

14. The HVAC system does not comply with code.

15. The plumbing system does not comply with code.

16. There are no code required smoke detectors.

17. There is no code required emergency lighting system installed.

18. The emergency notification system does not comply with code.

19. The building sprinkler system does not comply with code.

20. Stairways do not comply with code.

21. Door hardware does not comply with code.

22. Thresholds do not comply with code for maximum height.

23. Flooring is damaged creating an impediment to emergency egress which is contrary to code.

24. Sidewalls should be repaired/replaced to prevent water intrusion per code.

25. Roofing material has failed allowing for water intrusion, contrary to code.

## OVERVIEW OF DEFICIENCIES

This manufacturing facility annex has been vacant for several years. Code required potable water is not currently available in the building. There are several steel columns that have been modified to accommodate removal of equipment that do not comply with structural code. Accessible code issues include parking, access into the building, access to all levels of the building, accessible restrooms, accessible showers, and accessible drinking fountains. The exterior metal siding is failing allowing for water intrusion which is contrary to code. Roofing material is failing allowing for water intrusion which is contrary to code. Sidewalls should be repaired/replaced to prevent water intrusion per code. The HVAC system, the plumbing system, the lighting system, and the electrical wiring do not comply with code. All life safety systems required by code are not in compliance or are not present. The interior walls and ceilings should be repaired/repainted. Flooring is damaged creating an impediment to emergency egress which is contrary to code. Stairways do not comply with code. Door hardware and thresholds do not comply with code. Graffiti should be removed.

## ENERGY CODE DEFICIENCIES

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

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# OSB Plant Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

| Parcel E | OSB Plant – Main Building |
|---|---|
| Address: | 502 West County Road 63, Grand Rapids, Minnesota 55744 |
| Parcel ID: | 91-019-3200 |
| Inspection Date(s) & Time(s): | September 19, 2022, 2:00 PM |
| Inspection Type: | Interior and Exterior |
| Summary of Deficiencies: | It is our professional opinion that this building is Substandard because: |

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

| | |
|---|---|
| Estimated Replacement Cost: | $40,966,347 |
| Estimated Cost to Correct Building Code Deficiencies: | $14,112,000 |
| Percentage of Replacement Cost for Building Code Deficiencies: | 34.4% |

## DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Steel structural columns should be protected from rusting per code.

## COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
    a. There is no code required accessible parking.
    b. There is no code required accessible route into the building.
    c. There is no code compliant accessible route to all levels of the building.
    d. There is no code compliant accessible restroom in the building.
    e. There is no code required potable water in the building.
    f. There is no code compliant drinking fountain in the building.
    g. There are no code compliant showers.

2. Light and Ventilation
    a. Lighting does not comply with code.
    b. Electrical wiring does not comply with code.
    c. The HVAC system does not comply with code.
    d. The plumbing system does not comply with code.

3. Fire Protection/Adequate Egress
    a. There are no code required smoke detectors in the building.

    b.    There is no code required emergency lighting system in the building.

    c.    Through wall, floor and ceiling penetrations should have code required fire caulking installed.

    d.    The emergency notification system does not comply with code.

    e.    The building sprinkler system does not comply with code.

    f.    The stairways do not comply with code.

    g.    Door hardware does not comply with code.

    h.    Thresholds do not comply with code for maximum height.

    i.    Flooring is damaged creating an impediment to emergency egress which does not comply with code.

4. Layout and Condition of Interior Partitions/Materials

    a.    All interior surfaces should be repaired/repainted.

    b.    Graffiti is present and should be removed.

    c.    Interior doors are damaged and should be replaced.

    d.    Elevated platforms are not properly protected per code.

5. Exterior Construction

    a.    Exterior windows have failed allowing for water intrusion, contrary to code.

    b.    Roofing material has failed allowing for water intrusion, contrary to code.

    c.    Exterior doors should be repaired, repainted, or replaced.

    d.    The surrounding green space should be mowed.

    e.    Parking lots and roadways are in disrepair.

    f.    Hollow metal steel doors are rusting and should be repainted.

## DESCRIPTION OF CODE DEFICIENCIES

1. Steel lintels should be protected from rusting per code.
2. Protect steel structural columns from rusting per code.
3. Accessible parking should be created per code.
4. An accessible route into the building should be created per code.
5. An accessible route to all levels of the building should be created per code.
6. A code required accessible restroom should be created.
7. Code compliant showers should be installed.
8. Code required potable water should be available in the building.
9. A code required accessible drinking fountain should be installed.
10. Elevated platforms should have safety railings per code.
11. The electrical wiring system should be replaced to comply with code.
12. The lighting system does not comply with code.
13. The HVAC system does not comply with code.
14. The plumbing system does not comply with code.
15. There are no code required smoke detectors.
16. There is no code required emergency lighting system installed.
17. The emergency notification system does not comply with code.

18. The building sprinkler system does not comply with code.

19. Stairways do not comply with code.

20. Door hardware does not comply with code.

21. Thresholds do not comply with code for maximum height.

22. Flooring is damaged creating an impediment to emergency egress which is contrary to code.

23. Exterior windows have failed allowing for water intrusion, contrary to code.

24. Roofing material has failed allowing for water intrusion, contrary to code.


## OVERVIEW OF DEFICIENCIES

This manufacturing facility has been vacant for several years. Code required potable water is not currently available in the building. Accessible code issues include parking, access into the building, access to all levels of the building, accessible restrooms, accessible showers, and accessible drinking fountains. The exterior metal siding is failing allowing for water intrusion which is contrary to code. Roofing material is failing allowing for water intrusion which is contrary to code. The HVAC system, the plumbing system, the lighting system, and the electrical wiring do not comply with code. All life safety systems required by code are not in compliance or are not present. The interior walls and ceilings should be repaired/repainted. Flooring is damaged creating an impediment to emergency egress which is contrary to code. Stairways do not comply with code. Door hardware and thresholds do not comply with code. Graffiti should be removed.


## ENERGY CODE DEFICIENCIES

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


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# APPENDIX C

Building Replacement Cost Reports

Code Deficiency Cost Reports

Photographs

# OSB Plant Redevelopment TIF District

## Replacement Cost Report

**RSMeans data from GORDIAN**

| Square Foot Cost Estimate Report | | Date: | **10/17/2022** |
|---|---|---|---|

| | |
|---|---|
| Estimate Name: | **OSB Plant - Annex - Building B** |
| Building Type: | **Metal Panel / Rigid Steel** |
| Location: | **GRAND RAPIDS, MN** |
| Story Count: | **1** |
| Story Height (L.F.): | **36.00** |
| Floor Area (S.F.): | **52000** |
| Labor Type: | **OPN** |
| Basement Included: | **No** |
| Data Release: | **Year 2022 Quarter 3** |
| Cost Per Square Foot: | **$125.48** |
| Building Cost: | **$6,525,115.01** |
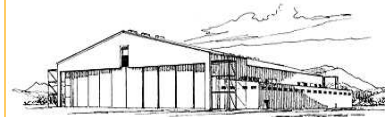


Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

| | | | Quantity | % of Total | Cost Per S.F. | Cost |
|---|---|---|---|---|---|---|
| **A** | | **Substructure** | | **15.00%** | **$16.37** | **$851,183.47** |
| **A1010** | | **Standard Foundations** | | | **$4.73** | **$246,146.83** |
| | A10101051560 | Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick | 1400 | | $2.79 | $145,111.40 |
| | A10101102900 | Strip footing, concrete, reinforced, load 6.8 KLF, soil bearing capacity 3 KSF, 12" deep x 32" wide | 1400 | | $1.75 | $91,009.10 |
| | A10102107300 | Spread footings, 3000 PSI concrete, load 75K, soil bearing capacity 6 KSF, 4' - 0" square x 12" deep | 26 | | $0.19 | $10,026.33 |
| **A1030** | | **Slab on Grade** | | | **$11.44** | **$594,824.88** |
| | A10301204520 | Slab on grade, 6" thick, light industrial, reinforced | 52000 | | $11.44 | $594,824.88 |
| **A2010** | | **Basement Excavation** | | | **$0.20** | **$10,211.76** |
| | A20101105740 | Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage | 52000 | | $0.20 | $10,211.76 |
| **B** | | **Shell** | | **38.90%** | **$42.44** | **$2,206,956.38** |
| **B1020** | | **Roof Construction** | | | **$16.55** | **$860,853.76** |
| | B10201245800 | Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load | 52000 | | $14.95 | $777,472.80 |
| | B10201245850 | Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load, add for columns | 52000 | | $1.60 | $83,380.96 |
| **B2010** | | **Exterior Walls** | | | **$6.17** | **$320,861.01** |
| | B20101463400 | Metal siding, steel, corrugated or ribbed, 20 ga, .0359" thick, galvanized | 35280 | | $5.04 | $262,056.31 |
| | B20101544100 | Metal siding support, 18' building height, 30 PSF wind load, 25' column spacing, wind columns | 35280 | | $1.13 | $58,804.70 |
| **B2030** | | **Exterior Doors** | | | **$11.39** | **$592,191.60** |
| | B20302205500 | Door, steel, vertical lift, door with frame, motor operator, 16"-0" x 16"-0" opening | 15.6 | | $11.39 | $592,191.60 |
| **B3010** | | **Roof Coverings** | | | **$8.14** | **$423,393.03** |
| | B30101300970 | Roofing, corrugated, steel, galvanized, 22 ga, 1.45 PSF | 52000 | | $6.85 | $356,200.00 |
| | B30104201400 | Roof edges, aluminum, duranodic, .050" thick, 6" face | 1400 | | $0.99 | $51,463.65 |
| | B30104300040 | Flashing, aluminum, no backing sides, .019" | 1400 | | $0.30 | $15,729.38 |
| **B3020** | | **Roof Openings** | | | **$0.19** | **$9,656.98** |
| | B30202100200 | Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", aluminum | 5.2 | | $0.19 | $9,656.98 |
| **C** | | **Interiors** | | **1.21%** | **$1.32** | **$68,618.66** |
| **C1010** | | **Partitions** | | | **$0.53** | **$27,554.49** |
| | C10101022000 | Concrete block (CMU) partition, regular weight, hollow, 8" thick, no finish | 2600 | | $0.53 | $27,421.26 |
| | C10101201100 | Tile partition, 8W series 8"x16", 4" thick wall, reinforced every 2 courses, glazed 2 sides | 5.2 | | $0.00 | $133.23 |
| **C1020** | | **Interior Doors** | | | **$0.31** | **$16,098.20** |
| | C10201022600 | Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8" | 10.4 | | $0.31 | $16,098.20 |
| **C1030** | | **Fittings** | | | **$0.35** | **$18,328.53** |
| | C10301100860 | Toilet partitions, cubicless, floor mounted, headrail braced, plastic laminate | 10.4 | | $0.26 | $13,446.04 |

| Code | Description | Qty | Unit Cost | Total |
|---|---|---|---|---|
| C10301101100 | Entrance screens, floor mounted, 54" high, painted metal | 5.2 | $0.03 | $1,708.63 |
| C10301101300 | Urinal screens, floor mounted, 24" wide, plastic laminate | 7.8 | $0.06 | $3,173.86 |
| **C3010** | **Wall Finishes** | | **$0.13** | **$6,637.44** |
| C30102300300 | Painting, masonry or concrete, latex, brushwork, primer & 1 coat | 5200 | $0.13 | $6,637.44 |
| **D** | **Services** | **44.89%** | **$48.99** | **$2,547,254.54** |
| **D1010** | **Elevators and Lifts** | | **$1.78** | **$92,396.70** |
| D10101102200 | Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM | 1 | $1.78 | $92,396.70 |
| **D2010** | **Plumbing Fixtures** | | **$3.74** | **$194,585.58** |
| D20101102000 | Water closet, vitreous china, tank type, 2 piece close coupled | 17.68 | $0.51 | $26,631.47 |
| D20102102040 | Urinal, vitreous china, stall type | 4.42 | $0.26 | $13,281.79 |
| D20103102080 | Lavatory w/trim, wall hung, PE on CI, 19" x 17" | 17.68 | $0.83 | $42,931.99 |
| D20104404340 | Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20" | 4.42 | $0.57 | $29,882.85 |
| D20107101680 | Shower, stall, baked enamel, terrazzo receptor, 36" square | 17.68 | $1.34 | $69,473.74 |
| D20108201920 | Water cooler, electric, wall hung, wheelchair type, 7.5 GPH | 4.42 | $0.24 | $12,383.74 |
| **D2020** | **Domestic Water Distribution** | | **$3.69** | **$192,078.61** |
| D20202502260 | Gas fired water heater, commercial, 100 < F rise, 600 MBH input, 576 GPH | 4.42 | $3.69 | $192,078.61 |
| **D2040** | **Rain Water Drainage** | | **$1.59** | **$82,812.26** |
| D20402104280 | Roof drain, CI, soil,single hub, 5" diam, 10' high | 20.8 | $1.24 | $64,601.78 |
| D20402104320 | Roof drain, CI, soil,single hub, 5" diam, for each additional foot add | 291.2 | $0.35 | $18,210.48 |
| **D3020** | **Heat Generating Systems** | | **$8.98** | **$467,098.84** |
| D30201082040 | Heating systems, steel boiler, gas, terminal unit heaters, 1,960 MBH, 26,100 SF bldg | 52000 | $8.98 | $467,098.84 |
| **D3050** | **Terminal & Package Units** | | **$0.38** | **$19,900.00** |
| D30502800270 | 16000 CFM, 5 HP vane axial fan | 2.6 | $0.38 | $19,900.00 |
| **D4010** | **Sprinklers** | | **$10.31** | **$536,142.36** |
| D40103701580 | Deluge sprinkler systems, steel, extra hazard, 1 floor, 10,000 SF | 52000 | $10.31 | $536,142.36 |
| **D4020** | **Standpipes** | | **$3.07** | **$159,763.27** |
| D40203101580 | Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor | 2 | $0.80 | $41,406.50 |
| D40203101600 | Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors | 2.8 | $0.28 | $14,801.57 |
| D40204103650 | Fire pump, electric, with controller, 5" pump, 100 HP, 1000 GPM | 2 | $1.99 | $103,555.20 |
| **D5010** | **Electrical Service/Distribution** | | **$1.19** | **$61,999.78** |
| D50101200280 | Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A | 3.25 | $0.21 | $10,816.57 |
| D50102300280 | Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A | 260 | $0.26 | $13,605.15 |
| D50102400200 | Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A | 2.6 | $0.72 | $37,578.06 |
| **D5020** | **Lighting and Branch Wiring** | | **$12.88** | **$669,594.64** |
| D50201100320 | Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 W per SF, with transformer | 52000 | $2.70 | $140,333.44 |
| D50201350200 | Miscellaneous power, to .5 watts | 52000 | $0.16 | $8,492.64 |
| D50202260680 | HID fixture, 16' above work plane, 3 watt/SF, type G, 157 FC, 3 fixtures per 1000 SF | 52000 | $10.01 | $520,768.56 |
| **D5030** | **Communications and Security** | | **$1.26** | **$65,354.87** |
| D50309100452 | Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire | 2.6 | $1.18 | $61,469.79 |
| D50309100460 | Fire alarm command center, addressable without voice, excl. wire & conduit | 1 | $0.07 | $3,885.08 |
| **D5090** | **Other Electrical Systems** | | **$0.11** | **$5,527.63** |
| D50902100200 | Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 7.5 kW | 2.6 | $0.08 | $4,044.40 |
| D50902100560 | Generator sets, w/battery, charger, muffler and transfer switch, diesel engine with fuel tank, 30 kW | 2 | $0.03 | $1,483.23 |
| **E** | **Equipment & Furnishings** | **0.00%** | **$0.00** | **$0.00** |
| **E1090** | **Other Equipment** | | **$0.00** | **$0.00** |
| **F** | **Special Construction** | **0.00%** | **$0.00** | **$0.00** |
| **G** | **Building Sitework** | **0.00%** | **$0.00** | **$0.00** |

| | | | |
|---|---|---|---|
| **SubTotal** | **100%** | **$109.12** | **$5,674,013.05** |
| **Contractor Fees (General Conditions,Overhead,Profit)** | **15.0%** | **$16.37** | **$851,101.96** |
| **Architectural Fees** | **0.0%** | **$0.00** | **$0.00** |
| **User Fees** | **0.0%** | **$0.00** | **$0.00** |
| **Total Building Cost** | | **$125.48** | **$6,525,115.01** |

# OSB Plant Redevlopment TIF District

Code Deficiency Cost Report

**Parcel C - 502 West County Road 63, Grand Rapids, Minnesota 55744**
Parcel ID 91-019-2300

**Building Name or Type**
OSB Plant - Annex

| Code Related Cost Items | Unit Cost | Units | Unit Quantity | | Total |
|---|---|---|---|---|---|
| **Accessibility Items** | | | | | |
| Parking | | | | | |
| Create code required accessible parking | $ 1,000.00 | Lump | 1 | $ | 1,000.00 |
| Accessible Routes | | | | | |
| Create a code required accessible route into the building | $ 500.00 | Lump | 1 | $ | 500.00 |
| Create a code required accessible route to all levels of the building | $ 1.78 | SF | 52,000 | $ | 92,560.00 |
| Restoom | | | | | |
| Create a code required accessible restroom | $ 1.95 | SF | 52,000 | $ | 101,400.00 |
| Potable Water | | | | | |
| Connect potable water to the building to comply with code | $ 0.25 | SF | 52,000 | $ | 13,000.00 |
| Drinking Fountain | | | | | |
| Install code required drinking fountaind | $ 0.24 | SF | 52,000 | $ | 12,480.00 |
| Showers | | | | | |
| Install code compliant showers | $ 1.34 | SF | 52,000 | $ | 69,680.00 |
| **Structural Elements** | | | | | |
| Steel Lintels | | | | | |
| Protect steel lintels from rusting per code | $ 1,000.00 | Lump | 1 | $ | 1,000.00 |
| Steel Structural Columns | | | | | |
| Protect steel structural columns from rusting per code | $ 0.25 | SF | 52,000 | $ | 13,000.00 |
| Replace modified structural steel columns to comply with code | $ 5.00 | SF | 52,000 | $ | 260,000.00 |
| **Exiting** | | | | | |
| Emergency Lighting System | | | | | |
| Install a code compliant emergency lighting sytem | $ 0.75 | SF | 52,000 | $ | 39,000.00 |
| Emergency Notification System | | | | | |
| Install a code compliant emergency notification system | $ 0.07 | SF | 52,000 | $ | 3,640.00 |
| Emergency Exit Signs | | | | | |
| Install code compliant emergency exit signs | $ 0.65 | SF | 52,000 | $ | 33,800.00 |
| Stairs | | | | | |
| Modify stairs to comply with code | $ 0.15 | SF | 52,000 | $ | 7,800.00 |
| Door Hardware | | | | | |
| Install code compliant door hardware | $ 250.00 | EA | 15 | $ | 3,750.00 |
| Thresholds | | | | | |
| Modify thresholds to comply with code for maximum height | $ 2,500.00 | Lump | 1 | $ | 2,500.00 |

| Code Related Cost Items | Unit Cost | Units | Unit Quantity | Total |
|---|---|---|---|---|
| Flooring | | | | |
| Repair/replace damaged flooring to create a code required unimpeded means for emergency egress | $ 0.35 | SF | 52,000 | $ 18,200.00 |
| Elevated Platforms | | | | |
| Install code required toe boards on elevated platforms to comply with code | $ 1,000.00 | Lump | 1 | $ 1,000.00 |

## Fire Protection
| | | | | |
|---|---|---|---|---|
| Smoke Detectors | | | | |
| Install code required smoke detectors | $ 1.18 | SF | 52,000 | $ 61,360.00 |
| Fire Caulking | | | | |
| Install code required fire caulking at all through wall, floor, and ceiling penetrations | $ 0.15 | SF | 52,000 | $ 7,800.00 |
| Sprinkler System | | | | |
| The building sprinkler system does not comply with code | $ 13.38 | SF | 52,000 | $ 695,760.00 |

## Exterior Construction
| | | | | |
|---|---|---|---|---|
| Siding | | | | |
| Replace failed/missing siding material to prevent water intrusion per code | $ 5.04 | SF | 5,000 | $ 25,200.00 |

## Roof Construction
| | | | | |
|---|---|---|---|---|
| Roofing Material | | | | |
| Replace failed roofing material to prevent water intrusion per code | $ 8.33 | SF | 5,000 | $ 41,650.00 |

## Mechanical - Electrical
| | | | | |
|---|---|---|---|---|
| Mechanical | | | | |
| Install code compliant HVAC system | $ 9.46 | SF | 52,000 | $ 491,920.00 |
| Install a code compliant plumbing system | $ 3.69 | SF | 52,000 | $ 191,880.00 |
| Electrical | | | | |
| Install a code compliant electrical wiring system | $ 4.05 | SF | 52,000 | $ 210,600.00 |
| Install a code compliant lighting system | $ 10.01 | SF | 52,000 | $ 520,520.00 |

Total Code Improvements  $ 2,921,000

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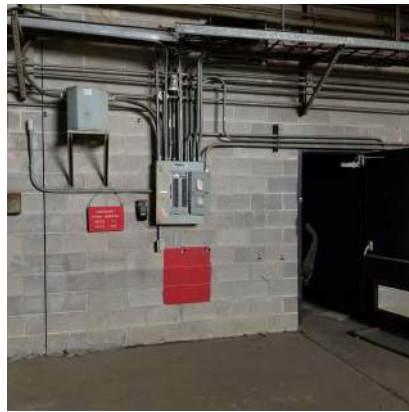


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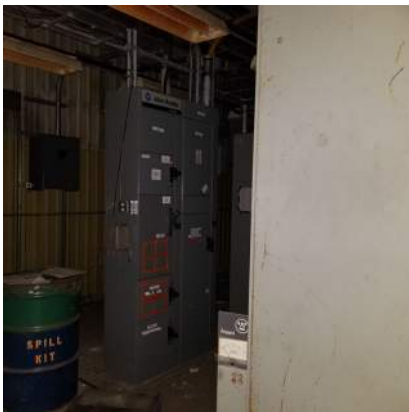


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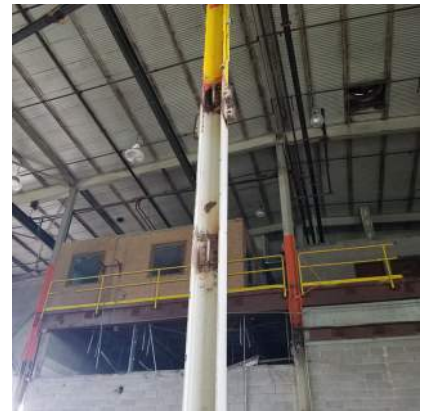


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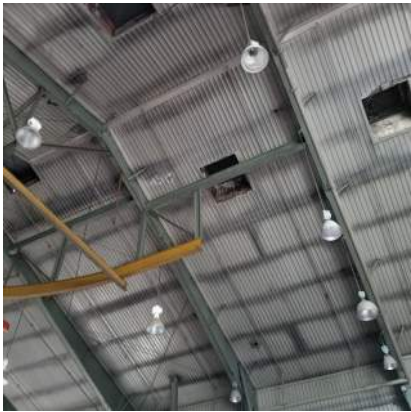


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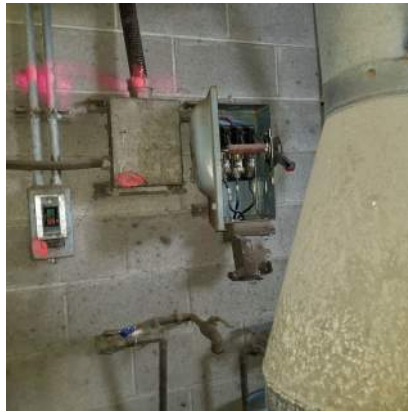


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# OSB Plant Redevelopment TIF District

## Replacement Cost Report

**RSMeans data from GORDIAN**

| Square Foot Cost Estimate Report | | | |
|---|---|---|---|
| **Estimate Name:** | **OSB Plant - Building A** | Date: | **10/17/2022** |
| **Building Type:** | **Sandwich Panel / Rigid Steel** | | |
| Location: | **GRAND RAPIDS, MN** | | |
| Story Count: | **1** | | |
| Story Height (L.F.): | **36.00** | | |
| Floor Area (S.F.): | **400000** | | |
| Labor Type: | **OPN** | | |
| Basement Included: | **No** | | |
| Data Release: | **Year 2022 Quarter 3** | Costs are derived from a building model with basic components. | |
| Cost Per Square Foot: | **$102.42** | Scope differences and market conditions can cause costs to vary significantly. | |
| Building Cost: | **$40,966,347.08** | | |

| | | Quantity | % of Total | Cost Per S.F. | Cost |
|---|---|---|---|---|---|
| **A** | **Substructure** | | **14.91%** | **$13.28** | **$5,313,121.98** |
| **A1010** | **Standard Foundations** | | | **$1.65** | **$658,993.98** |
| A10101051560 | Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick | 3450 | | $0.89 | $357,595.95 |
| A10101102900 | Strip footing, concrete, reinforced, load 6.8 KLF, soil bearing capacity 3 KSF, 12" deep x 32" wide | 3450 | | $0.56 | $224,272.43 |
| A10102107300 | Spread footings, 3000 PSI concrete, load 75K, soil bearing capacity 6 KSF, 4' - 0" square x 12" deep | 200 | | $0.19 | $77,125.60 |
| **A1030** | **Slab on Grade** | | | **$11.44** | **$4,575,576.00** |
| A10301204520 | Slab on grade, 6" thick, light industrial, reinforced | 400000 | | $11.44 | $4,575,576.00 |
| **A2010** | **Basement Excavation** | | | **$0.20** | **$78,552.00** |
| A20101105740 | Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage | 400000 | | $0.20 | $78,552.00 |
| **B** | **Shell** | | **46.48%** | **$41.40** | **$16,558,552.01** |
| **B1020** | **Roof Construction** | | | **$16.55** | **$6,621,952.00** |
| B10201245800 | Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load | 400000 | | $14.95 | $5,980,560.00 |
| B10201245850 | Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load, add for columns | 400000 | | $1.60 | $641,392.00 |
| **B2010** | **Exterior Walls** | | | **$3.41** | **$1,364,440.71** |
| B20101464200 | Metal siding, steel, sandwich panels, factory fabricated, 1" polystyrene, stl. core, 26 ga, colored 1 side | 86940 | | $3.41 | $1,364,440.71 |
| **B2020** | **Exterior Windows** | | | **$0.04** | **$15,588.00** |
| B20201023150 | Windows, wood, double hung, insulated glass, 3'-0" x 5'-6" | 20 | | $0.04 | $15,588.00 |
| **B2030** | **Exterior Doors** | | | **$11.39** | **$4,555,320.00** |
| B20302205500 | Door, steel, vertical lift, door with frame, motor operator, 16"-0" x 16"-0" opening | 120 | | $11.39 | $4,555,320.00 |
| **B3010** | **Roof Coverings** | | | **$9.82** | **$3,926,966.82** |
| B30101300970 | Roofing, corrugated, steel, galvanized, 22 ga, 1.45 PSF | 400000 | | $6.85 | $2,740,000.00 |
| B30103200300 | Insulation, rigid, roof deck, fiberboard, mineral, 1-1/2" thick, R4.17 | 400000 | | $2.55 | $1,021,384.00 |
| B30104201400 | Roof edges, aluminum, duranodic, .050" thick, 6" face | 3450 | | $0.32 | $126,821.14 |
| B30104300040 | Flashing, aluminum, no backing sides, .019" | 3450 | | $0.10 | $38,761.68 |
| **B3020** | **Roof Openings** | | | **$0.19** | **$74,284.48** |
| B30202100200 | Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", aluminum | 40 | | $0.19 | $74,284.48 |
| **C** | **Interiors** | | **1.48%** | **$1.32** | **$526,810.96** |
| **C1010** | **Partitions** | | | **$0.53** | **$210,932.80** |
| C10101022000 | Concrete block (CMU) partition, regular weight, hollow, 8" thick, no finish | 20000 | | $0.53 | $210,932.80 |
| **C1020** | **Interior Doors** | | | **$0.31** | **$123,832.32** |
| C10201022600 | Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8" | 80 | | $0.31 | $123,832.32 |
| **C1030** | **Fittings** | | | **$0.35** | **$140,988.64** |
| C10301100860 | Toilet partitions, cubicless, floor mounted, headrail braced, plastic laminate | 80 | | $0.26 | $103,431.04 |

| Code | Description | Quantity | Unit Cost | Total |
|---|---|---|---|---|
| C10301101100 | Entrance screens, floor mounted, 54" high, painted metal | 40 | $0.03 | $13,143.30 |
| C10301101300 | Urinal screens, floor mounted, 24" wide, plastic laminate | 60 | $0.06 | $24,414.30 |
| **C3010** | **Wall Finishes** | | **$0.13** | **$51,057.20** |
| C30102300300 | Painting, masonry or concrete, latex, brushwork, primer & 1 coat | 40000 | $0.13 | $51,057.20 |
| **D** | **Services** | **37.12%** | **$33.06** | **$13,224,425.55** |
| **D1010** | **Elevators and Lifts** | | **$0.46** | **$184,793.40** |
| D10101102200 | Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM | 2 | $0.46 | $184,793.40 |
| **D2010** | **Plumbing Fixtures** | | **$3.74** | **$1,496,812.09** |
| D20101102000 | Water closet, vitreous china, tank type, 2 piece close coupled | 136 | $0.51 | $204,857.48 |
| D20102102040 | Urinal, vitreous china, stall type | 34 | $0.26 | $102,167.62 |
| D20103102080 | Lavatory w/trim, wall hung, PE on CI, 19" x 17" | 136 | $0.83 | $330,246.08 |
| D20104404340 | Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20" | 34 | $0.57 | $229,868.05 |
| D20107101680 | Shower, stall, baked enamel, terrazzo receptor, 36" square | 136 | $1.34 | $534,413.36 |
| D20108201920 | Water cooler, electric, wall hung, wheelchair type, 7.5 GPH | 34 | $0.24 | $95,259.50 |
| **D2020** | **Domestic Water Distribution** | | **$0.26** | **$105,379.50** |
| D20202102060 | Electric water heater, residential, 100< F rise, 120 gallon tank, 23 GPH | 10 | $0.26 | $105,379.50 |
| **D2040** | **Rain Water Drainage** | | **$1.59** | **$637,017.44** |
| D20402104280 | Roof drain, CI, soil,single hub, 5" diam, 10' high | 160 | $1.24 | $496,936.80 |
| D20402104320 | Roof drain, CI, soil,single hub, 5" diam, for each additional foot add | 2240 | $0.35 | $140,080.64 |
| **D3020** | **Heat Generating Systems** | | **$0.57** | **$226,438.00** |
| D30201060860 | Boiler, electric, steel, steam, 60 KW, 205 MBH | 20 | $0.57 | $226,438.00 |
| **D3050** | **Terminal & Package Units** | | **$0.38** | **$153,076.90** |
| D30502800270 | 16000 CFM, 5 HP vane axial fan | 20 | $0.38 | $153,076.90 |
| **D4010** | **Sprinklers** | | **$10.31** | **$4,124,172.00** |
| D40103701580 | Deluge sprinkler systems, steel, extra hazard, 1 floor, 10,000 SF | 400000 | $10.31 | $4,124,172.00 |
| **D4020** | **Standpipes** | | **$0.40** | **$159,763.27** |
| D40203101580 | Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor | 2 | $0.10 | $41,406.50 |
| D40203101600 | Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors | 2.8 | $0.04 | $14,801.57 |
| D40204103650 | Fire pump, electric, with controller, 5" pump, 100 HP, 1000 GPM | 2 | $0.26 | $103,555.20 |
| **D5010** | **Electrical Service/Distribution** | | **$1.19** | **$476,921.38** |
| D50101200280 | Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A | 25 | $0.21 | $83,204.38 |
| D50102300280 | Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A | 2000 | $0.26 | $104,655.00 |
| D50102400200 | Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A | 20 | $0.72 | $289,062.00 |
| **D5020** | **Lighting and Branch Wiring** | | **$12.88** | **$5,150,728.00** |
| D50201100320 | Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 W per SF, with transformer | 400000 | $2.70 | $1,079,488.00 |
| D50201350200 | Miscellaneous power, to .5 watts | 400000 | $0.16 | $65,328.00 |
| D50202260680 | HID fixture, 16' above work plane, 3 watt/SF, type G, 157 FC, 3 fixtures per 1000 SF | 400000 | $10.01 | $4,005,912.00 |
| **D5030** | **Communications and Security** | | **$1.19** | **$476,729.58** |
| D50309100452 | Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire | 20 | $1.18 | $472,844.50 |
| D50309100460 | Fire alarm command center, addressable without voice, excl. wire & conduit | 1 | $0.01 | $3,885.08 |
| **D5090** | **Other Electrical Systems** | | **$0.08** | **$32,593.99** |
| D50902100200 | Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 7.5 kW | 20 | $0.08 | $31,110.76 |
| D50902100560 | Generator sets, w/battery, charger, muffler and transfer switch, diesel engine with fuel tank, 30 kW | 2 | $0.00 | $1,483.23 |
| **E** | **Equipment & Furnishings** | **0.00%** | **$0.00** | **$0.00** |
| **E1090** | **Other Equipment** | | **$0.00** | **$0.00** |
| **F** | **Special Construction** | **0.00%** | **$0.00** | **$0.00** |
| **G** | **Building Sitework** | **0.00%** | **$0.00** | **$0.00** |

| | | | |
|---|---|---|---|
| **SubTotal** | 100% | $89.06 | $35,622,910.50 |
| **Contractor Fees (General Conditions,Overhead,Profit)** | 15.0% | $13.36 | $5,343,436.58 |
| **Architectural Fees** | 0.0% | $0.00 | $0.00 |
| **User Fees** | 0.0% | $0.00 | $0.00 |
| **Total Building Cost** | | $102.42 | $40,966,347.08 |

# OSB Plant Redevelopment TIF District

## Code Deficiency Cost Report

**Parcel E - 502 West County Road 63, Grand Rapids, Minnesota 55744**
Parcel ID 91-019-3200

**Building Name or Type**
OSB Plant - Main Building

| Code Related Cost Items | Unit Cost | Units | Unit Quantity | Total |
|---|---|---|---|---|
| **Accessibility Items** | | | | |
| Parking | | | | |
| Create code required accessible parking | $ 1,000.00 | Lump | 1 | $ 1,000.00 |
| Accessible Routes | | | | |
| Create a code required accessible route into the building | $ 1,000.00 | Lump | 1 | $ 1,000.00 |
| Create a code required accessible route to all levels of the building | $ 0.46 | SF | 400,000 | $ 184,000.00 |
| Restoom | | | | |
| Create a code required accessible restroom | $ 1.92 | SF | 400,000 | $ 768,000.00 |
| Potable Water | | | | |
| Connect potable water to the building to comply with code | $ 0.10 | SF | 400,000 | $ 40,000.00 |
| Drinking Fountain | | | | |
| Install code required drinking fountaind | $ 0.24 | SF | 400,000 | $ 96,000.00 |
| Showers | | | | |
| Install code compliant showers | $ 1.34 | SF | 400,000 | $ 536,000.00 |
| **Structural Elements** | | | | |
| Steel Lintels | | | | |
| Protect steel lintels from rusting per code | $ 5,000.00 | Lump | 1 | $ 5,000.00 |
| Steel Structural Columns | | | | |
| Protect steel structural columns from rusting per code | $ 0.25 | SF | 400,000 | $ 100,000.00 |
| **Exiting** | | | | |
| Emergency Lighting System | | | | |
| Install a code compliant emergency lighting sytem | $ 0.90 | SF | 400,000 | $ 360,000.00 |
| Emergency Notification System | | | | |
| Install a code compliant emergency notification system | $ 0.25 | SF | 400,000 | $ 100,000.00 |
| Emergency Exit Signs | | | | |
| Install code compliant emergency exit signs | $ 0.15 | SF | 400,000 | $ 60,000.00 |
| Stairs | | | | |
| Modify stairs to comply with code | $ 0.19 | SF | 400,000 | $ 76,000.00 |
| Door Hardware | | | | |
| Install code compliant door hardware | $ 250.00 | EA | 50 | $ 12,500.00 |
| Thresholds | | | | |
| Modify thresholds to comply with code for maximum height | $ 10,000.00 | Lump | 1 | $ 10,000.00 |

| Code Related Cost Items | Unit Cost | Units | Unit Quantity | Total |
|---|---|---|---|---|
| **Flooring** | | | | |
| Repair/replace damaged flooring to create a code required unimpeded means for emergency egress | $ 0.65 | SF | 400,000 | $ 260,000.00 |
| **Elevated Platforms** | | | | |
| Install code required safety railings on elevated platforms to comply with code | $ 2,500.00 | Lump | 1 | $ 2,500.00 |
| **Fire Protection** | | | | |
| Smoke Detectors | | | | |
| Install code required smoke detectors | $ 1.18 | SF | 400,000 | $ 472,000.00 |
| Fire Caulking | | | | |
| Install code required fire caulking at all through wall, floor, and ceiling penetrations | $ 0.10 | SF | 400,000 | $ 40,000.00 |
| Sprinkler System | | | | |
| Install code compliant building sprinkler system | $ 10.71 | SF | 400,000 | $ 4,284,000.00 |
| **Exterior Construction** | | | | |
| Windows | | | | |
| Replace failed windows to prevent water intrusion per code | $ 0.04 | SF | 400,000 | $ 16,000.00 |
| **Roof Construction** | | | | |
| Roofing Material | | | | |
| Replace failed roofing material to prevent water intrusion per code | $ 11.60 | SF | 50,000 | $ 580,000.00 |
| **Mechanical - Electrical** | | | | |
| Mechanical | | | | |
| Install code compliant HVAC system | $ 0.95 | SF | 400,000 | $ 380,000.00 |
| Install a code compliant plumbing system | $ 0.26 | SF | 400,000 | $ 104,000.00 |
| Electrical | | | | |
| Install a code compliant electrical wiring system | $ 4.05 | SF | 400,000 | $ 1,620,000.00 |
| Install a code compliant lighting system | $ 10.01 | SF | 400,000 | $ 4,004,000.00 |

**Total Code Improvements $ 14,112,000**

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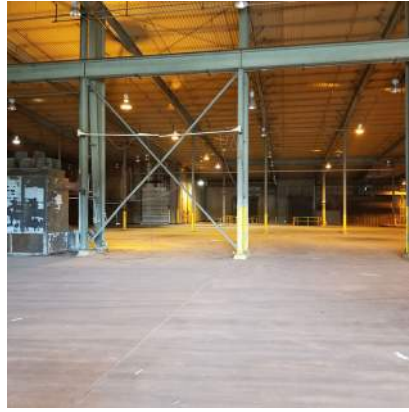


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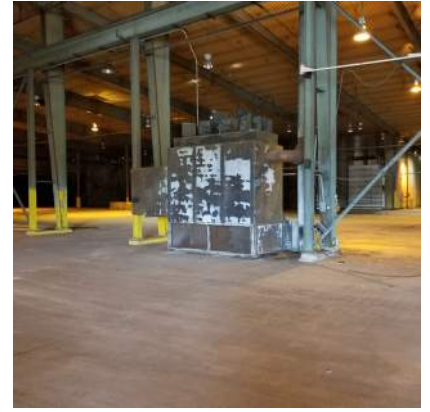


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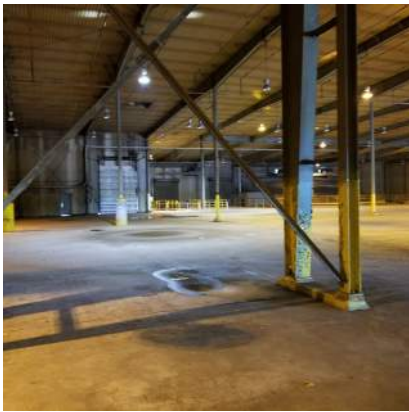


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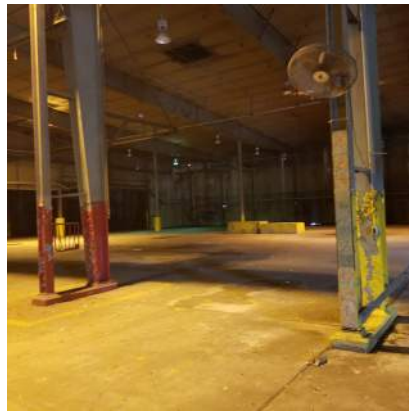


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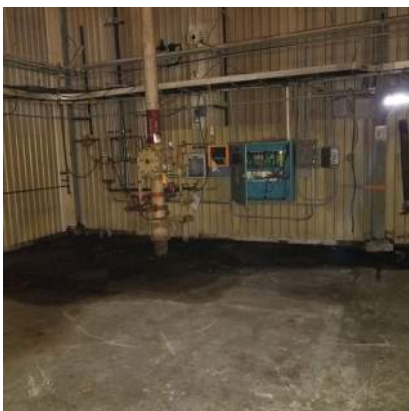


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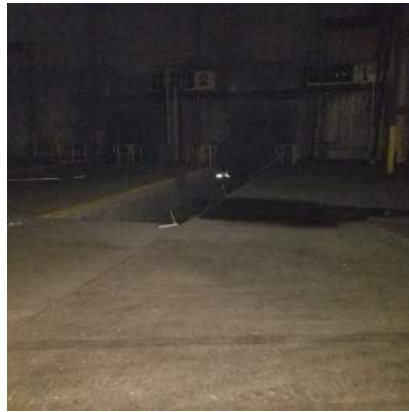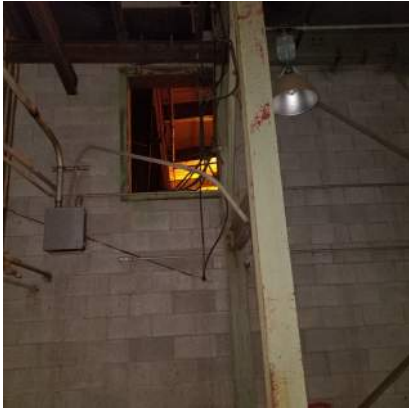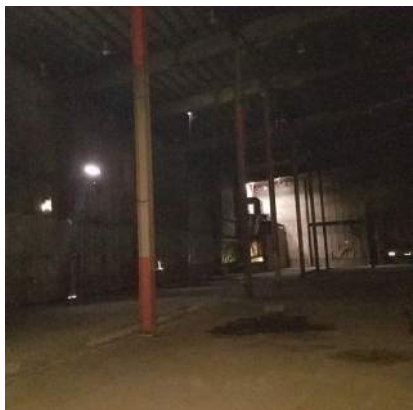


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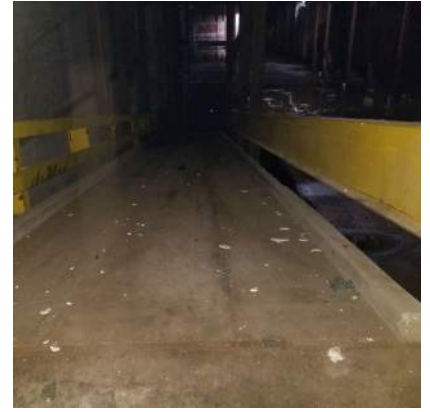


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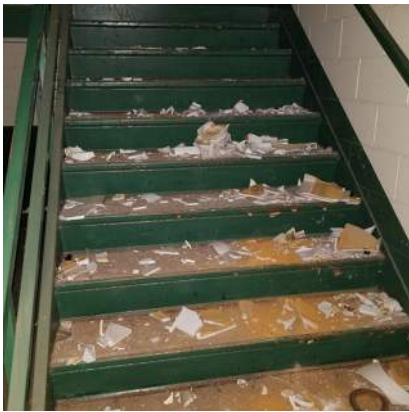


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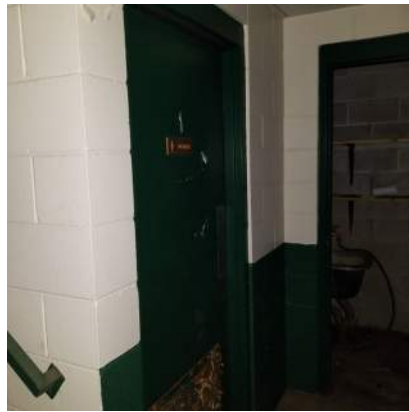


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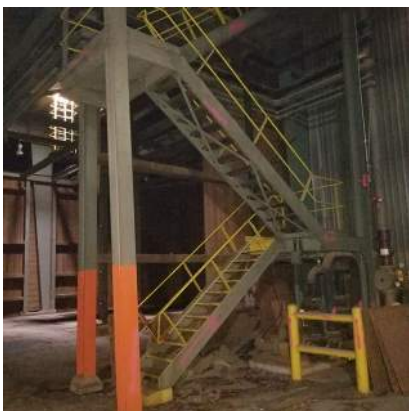


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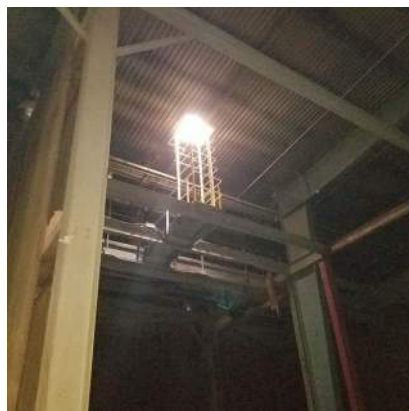


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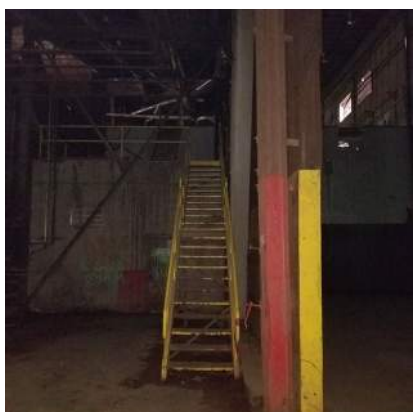


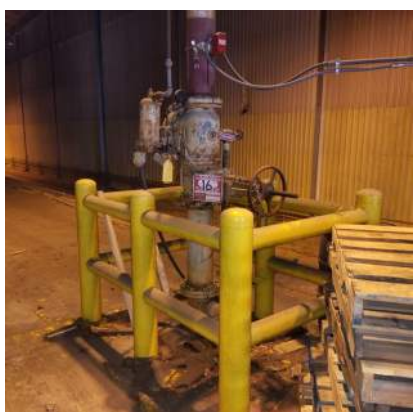20220919_142439.jpg
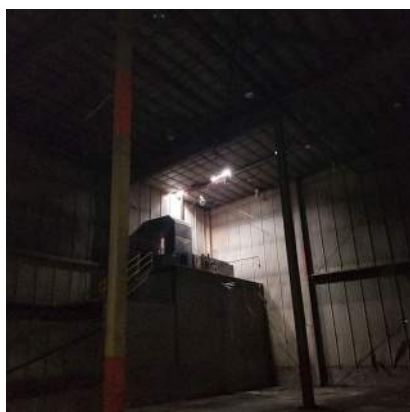


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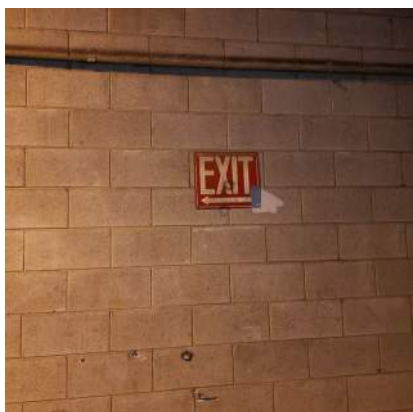


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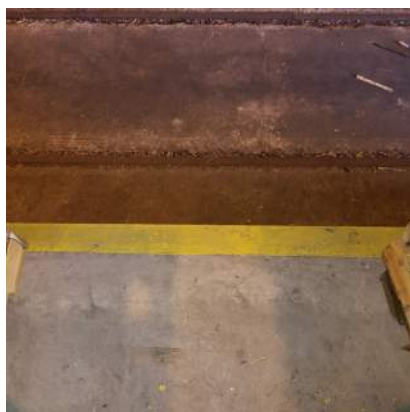


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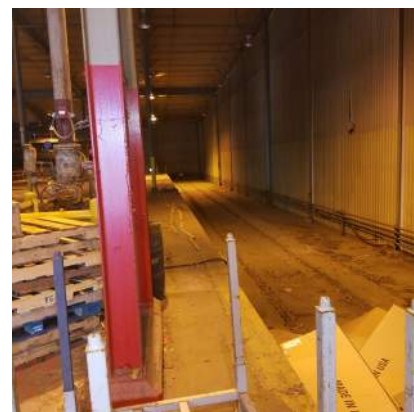


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# OSB Plant Redevlopment TIF District | Parcel E: 502 W County Road 63



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LHB Project No. 221087.00