

Landfill Host Community



Environmental Legacy Fund (ELF) Grant

Pilot Program

Organization:	
Contact:	
Contact Email:	
Contact Phone:	
Expenditure Category (page 3):	
Collaborators: Partner Organizations, research institutions, state/federal agencies, non-profits, local businesses, etc.	
Funding Background: Additional grants, private investment, or organizational match funds for the project.	

Statement of Need: *Describe what the program or project will attempt to address and the population that will be served.*

Program Description: *Describe the project or program including information on how it will be implemented. Include information on what the desired outcome is.*

Goals and Objectives: *Describe the project objectives in measurable terms.*

Budget: *Include in the budget all expenses for your project to including necessary training costs including any co-funding from other sources.*

Evaluation: *Provide information on the metrics that will be used to determine the effectiveness of the project or program.*

Appendix:

Include the staff qualifications, certifications, and skills. Describe the organization and include information indicating the organization's capacity to implement and sustain the program.

Attach any relevant items in the appendix including letters of support, research support, organizational collateral, annual reports, etc.

**Landfill Host Community
Environmental Legacy Fund Grant**

Appendix

The primary staff involved in the development, planning, and grant administration for the project and demolition work are:

Kim Lindquist, Community Development Director – Over 20 years experience in community development and planning.

Eric Van Oss, Economic Development Coordinator – 8 years of experience in planning and economic development.

Mike Waldo, CEO/Shareholder of Ron Clark – Over 30 years of development and construction experience. The City has worked with Mike Waldo currently of Ron Clark Development on several projects when he was with CPDC. He was instrumental in redevelopment of the old Brockway Glass factory, which became the mixed residential project, Harmony. Before that CPDC land planned the entire Evermoor project which converted a family sheep farm into approximately 2000 new dwelling units clustered within distinct neighborhoods. Mr. Waldo has been the primary contact for the Morrison project both in terms of site planning and entitlements along with all public financing such as the new redevelopment TIF district.

Rosemount City staff has experience applying and managing development grant awards from a number of entities, including the Minnesota Department of Employment and Economic and Dakota County.

Consultants:

Elhers and Associates Inc.

Organization Description:

Rosemount:

The City of Rosemount is 15 miles south of the Twin Cities metropolitan area. With land area of nearly 36 square miles, Rosemount residents enjoy the advantages of living in a community with both a small town and large metropolitan city atmospheres. Unusual for a city of its size, Rosemount combines industry, agriculture, and agricultural research with a rapidly growing residential community providing an excellent environment in which to live and work. The western part of Rosemount exhibits a dynamic, expanding residential community with an older, yet vital, commercial center at its heart. Housing options include single family homes, townhomes, condominiums, and affordable housing. Residential developments with hundreds of homes are currently under development, and this pattern of growth will continue for years to come.

Community leadership has preserved 302 beautiful acres of land for 23 parks. Bordered by the scenic Mississippi River, Rosemount also contains 270 acres of the Spring Lake Regional Park Preserve. Rosemount's [Community Center](#) provides a variety of indoor recreation opportunities and meeting space, including an [ice arena](#) and gymnasium. A strong, united business community has been achieved in Rosemount through the activity and cooperation of local business, the City, the chamber of

commerce, and other civic organizations. More than 500 acres of industrial- and commercial-zoned land have been reserved for development in Rosemount. Rail, air, barge, and freeway access provide Rosemount's economic community with an expedient transportation system. Four major highways link Rosemount to Minneapolis and St. Paul.

Rosemount is a pro-growth community with plenty of land available for new construction. In the last decade Rosemount's population grew by 50% and is projected to increase by another 90% to 42,000 by the year 2030. Rosemount has a high median income relative to the state average, a highly educated workforce with 39% of its residents holding college degrees, and the second highest median house value compared to all cities in Dakota County. The [City Council](#) has prioritized its work to include assisting redevelopment of the historic Downtown, business employment growth, and installation of infrastructure to attract new development. The City has an economic development partnership with the University of Minnesota, highlighting the UMore property and its future sustainable Business Park. UMore Park is 5,000 acres of landholdings of the University of Minnesota that currently is used for agricultural research but is scheduled to become a new town with up to 30,000 new residents and over 500 acres of business and commercial ventures.

Our historic downtown is the heart of the community and functions as a gathering place. Downtown contains civic buildings, Central Park, historic buildings, and popular longstanding local businesses. Downtown is the cultural and community gathering space where activities such as Leprechaun Days is sited. Leprechaun Days is an annual 10-day community festival that is the highlight of the summer. Our downtown serves everyone in Rosemount and having a vibrant historic downtown sets Rosemount apart from other similar suburbs in the Twin Cities. This project would fill a major gap in the built environment and enhance downtown as a whole for all residents in our fast growing community.

Ron Clark:

Ron Clark Construction & Design has built their reputation on 45 years of constructing award-winning custom residences throughout the Twin Cities area. From development and design, to the construction of rambler & two-story townhomes, condominiums and multi-million dollar single-family homes, Ron Clark ensures quality every step of the way in everything they build.

Ron Clark has been a strong partner with the City of Rosemount and is committed to our vision for Downtown. Rosemount staff has a strong working relationship with Ron Clark and have collaborated on past projects, the most recent being a 49-unit multifamily affordable housing project currently scheduled for completion later this year. Over the past 8 years, Ron Clark has had a strong track record developing similar blighted properties in Lakeville, Prior Lake, Carver, and Savage. They are currently working on a similar project on a blighted site in Minnetonka as well.

Supporting Documentation

Rosemount Downtown Redevelopment:

<https://cirosemountmn.maps.arcgis.com/apps/MapJournal/index.html?appid=39ccedd9ca94487cb8e3fe8cfd5c575c>

Revenue Source	Demo/Abatement	Sewer Line	Power Line	Water Service Abatement	Sidewalk and Trail
DEED	\$ 438,060.00	\$29,900.00	\$ 22,073.00	\$ 18,000.00	\$ 11,787.00
RIG	\$ 89,187.00	\$59,800.00	\$ 44,147.00	\$ 36,000.00	\$ -
ELF	\$ 600,000.00	\$ -	\$ -	\$ -	\$ -



21980 Kenrick Avenue
 Lakeville, MN 55044
 Phone: 952-469-2121
 Fax: 952-469-2463

COST ESTIMATE 2020

PROJECT NAME: MORRISON

ENGINEER: CIVIL SITE GROUP

PLAN DATE: 12/16/2019

TO: RON CLARK

DESCRIPTION OF WORK	QUANTITY	UNIT	ADJ. PRICE	EXTENSION
<u>DEMO EXISTING BUILDINGS</u>				
<u>BAR/RESTAURANT</u> BASE BID INCLUDES: DEMO AND HAUL OUTS, REMOVING FLOURESCENT LIGHTS, BALLASTS AND FREON.	1	LS	\$97,000.00	<u>\$97,000.00</u>
<u>SHOPPING MALL</u> BASE BID INCLUDES: DEMO AND HAUL OUTS, REMOVING FLOURESCENT LIGHTS, BALLASTS AND FREON.	1	LS	\$152,500.00	<u>\$152,500.00</u>
<u>AUTO SHOP</u> BASE BID INCLUDES: DEMO AND HAUL OUTS, REMOVING FLOURESCENT LIGHTS, BALLASTS AND FREON.	1	LS	\$107,500.00	<u>\$107,500.00</u>
<u>UTILITY DISCONNECTS (EXCLUDES WORK IN ROW OF HWY 3)</u>	3	EA	\$7,500.00	<u>\$22,500.00</u>
<u>SOIL CORRECTION (IF REQUIRED)</u> BASE BID INCLUDES: SOIL CORRECTION FOR PETROLEUM CONTAMINATED MATERIAL	1	CY	\$55.00	<u>\$55.00</u>
<u>TOTAL DEMO</u>				<u>\$379,500.00</u>
<u>SANITARY SEWER LINER AND REPLACEMENT</u>				
<u>REMOVE SANITARY SEWER</u> BASE BID INCLUDES: REMOVE 200 LF OF SANITARY SEWER	200	LF	\$40.00	<u>\$8,000.00</u>
<u>SANITARY SEWER MAIN LINER (OPTION A)</u> BASE BID INCLUDES: EXISTING SANITARY SEWER LINING	280	LF	\$80.00	<u>\$22,400.00</u>
<u>SANITARY SEWER REPLACEMENT (OPTION B)</u> BASE BID INCLUDES: REMOVALS, REPLACEMENT OF SANITARY SEWER LINE, RESTORATION	280	LF	\$185.00	<u>\$51,800.00</u>
<u>BITUMINOUS TRAIL AND CONCRETE WALK</u>				
<u>8' BITUMINOUS TRAIL AROUND BUILDING</u> BASE BID INCLUDES: GRADING, AGGREGATE BASE, TRAIL PAVING AND BACKFILL	500	LF	\$30.00	<u>\$15,000.00</u>
<u>5' CONCRETE WALK TO 145TH ST</u> BASE BID INCLUDES: GRADING, AGGREGATE BASE, TRAIL PAVING AND BACKFILL	105	LF	\$40.00	<u>\$4,200.00</u>
<u>ADDITIONAL TRAIL TO THE WEST</u> BASE BID INCLUDES: EXCAVATE AND BACKFILL FOOTINGS, COLUMN PADS/STOOPS, 6" SAND CUSION FOR FLOOR, BACKFILL CURBS AND WALK	125	LF	\$35.00	<u>\$4,375.00</u>

DESCRIPTION OF WORK	QUANTITY	UNIT	ADJ. PRICE	EXTENSION
<u>LIFT STATION MANHOLE (PUMP AND PLUMBING BY OTHERS)</u> BASE BID INCLUDES: LIFT STATION MANHOLE (SIMILAR TO WEXFORD)	1	EA	\$28,500.00	<u>\$28,500.00</u>
<u>LIFT STATION MANHOLE CASTING ASSEMBLY</u> BASE BID INCLUDES: DRIVE OVER CASTING	1	EA	\$7,500.00	<u>\$7,500.00</u>

*******Standard Qualifications*******

- This is for budget use only.*
- Performance Bond & Cost is not included*
- Sheeting/Shoring is not included*
- Crane Pads/Haul Roads are not included*
- Surveying is not included*
- Soil Testing is not included*
- Winter conditions are not included*
- Permits are not included*
- Dewatering is not included*

Respectfully submitted,
FRIEDGES INC.

CHRIS BIRK
ESTIMATOR/PROJECT MANAGER

12/31/2019
Date

MODIFICATION TO THE REDEVELOPMENT
PLAN

Rosemount Redevelopment Project No. 1

- AND -

TAX INCREMENT FINANCING PLAN

Establishment of the KenRose Tax Increment Financing District
(a redevelopment district)

Rosemount Port Authority
City of Rosemount, Dakota County, Minnesota

Public Hearing: January 21, 2020



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Modification to the Redevelopment Plan for Rosemount Redevelopment Project No. 1

Foreword

The following text represents a Modification to the Redevelopment Plan for Rosemount Redevelopment Project No. 1. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Rosemount Redevelopment Project No. 1. Generally, the substantive changes include the establishment of the KenRose Tax Increment Financing District.

For further information, a review of the Redevelopment Plan for Rosemount Redevelopment Project No. 1, is recommended. It is available from the Community Development Director at the City of Rosemount. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Rosemount Redevelopment Project No. 1.

Tax Increment Financing Plan for the KenRose Tax Increment Financing District

Foreword

The Rosemount Port Authority (the "Port Authority"), the City of Rosemount (the "City"), staff and consultants have prepared the following information to expedite the establishment of the KenRose Tax Increment Financing District (the "District"), a redevelopment tax increment financing district, located in Rosemount Redevelopment Project 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 Port Authority and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.048 - 469.068, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

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

Statement of Objectives

The District currently consists of 13 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of approximately 124 units of market rate, rental housing and approximately 4,000 square feet of retail in the City. The Port Authority has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan but anticipates entering into an agreement with RonClark Construction & Design. Development is likely to begin in 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for Redevelopment Project No. 1.

The activities contemplated in the Modification to the Redevelopment Plan 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 Rosemount Redevelopment Project No. 1 and the District.

Redevelopment Plan Overview

Pursuant to the Redevelopment Plan and authorizing state statutes, the Port Authority or 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 Port Authority or 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 Port Authority or 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 Port Authority or City may perform or provide for some or all necessary acquisition, construction, relocation, 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 rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
34.03700.34.010	NA	E&E Enterprises
34.03700.47.010	NA	E&E Enterprises
34.03700.48.010	14555 Robert Tr S	E&E Enterprises
34.03700.48.020	NA	E&E Enterprises
34.03700.49.010	NA	E&E Enterprises
34.03700.50.010	14555 Robert Tr S	E&E Enterprises
34.03700.51.010	NA	E&E Enterprises
34.03700.52.010	NA	E&E Enterprises
34.03700.53.010	NA	E&E Enterprises
34.03700.61.040	NA	E&E Enterprises
34.03700.54.010	14605 Robert Tr S	Shenanigans
34.03700.61.052	NA	Shenanigans
34.03700.55.011	NA	Shenanigans

Parcel number 34.03700.51.10 is being removed from the Downtown – Brockway Tax Increment Financing District.

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

Classification of the District

The Port Authority and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)*.

- The District is a redevelopment district consisting of 13 parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix 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., Sections 273.111, 273.112, or 273.114* or

Chapter 473H for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the Port Authority or City (a total of 26 years of tax increment). The Port Authority or City elects to receive the first tax increment in 2023, 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 2048, or when the TIF Plan is satisfied. The Port Authority or City reserves the right to decertify the District prior to the legally required date.

Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2019 for taxes payable 2020.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021) 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 Port Authority or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2020, assuming the request for certification is made before June 30, 2020. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Redevelopment Project No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The Port Authority and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures,

beginning in the tax year payable 2022. 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	\$589,216
Original estimated Net Tax Capacity	-\$18,565
<u>Fiscal Disparities</u>	<u>-\$12,492</u>
Estimated Captured Tax Capacity	\$558,159
Original Local Tax Rate	89.5810% Pay 2019
Estimated Annual Tax Increment	\$500,004
Percent Retained by the City	100%

Note: Tax capacity includes a 3.0% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$263,500.

Pursuant to *M.S., Section 469.177, Subd. 4*, the Port Authority 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 reviewed the area to be included in the District and determined no 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	9,046,575
<u>Interest</u>	<u>904,657</u>
TOTAL	9,951,232

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

The Port Authority or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$6,916,126. 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 124 units of market rate, rental housing and approximately 4,000 square feet of retail. The Port Authority and City have determined that it will be necessary to provide assistance to the project for certain District costs, as described.

The Port Authority 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	1,500,000
Utilities	1,000,000
Other Qualifying Improvements	1,011,469
<u>Administrative Costs (up to 10%)</u>	<u>904,657</u>
PROJECT COSTS TOTAL	6,916,126
<u>Interest</u>	<u>3,035,106</u>
PROJECT AND INTEREST COSTS TOTAL	9,951,232

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 this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Redevelopment Project No. 1, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Fiscal Disparities Election

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

The Port Authority 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 Port Authority or 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 was not met:

Impact on Tax Base			
Entity	2018/Pay 2019 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Dakota County	491,799,021	558,159	0.1135%
City of Rosemount	27,989,372	558,159	1.9942%
ISD # 196	181,878,931	558,159	0.3069%

Impact on Tax Rates				
Entity	Pay 2019 Extension Rate	Percent of Total	CTC	Potential Taxes
Dakota County	39.3550%	43.93%	558,159	219,663
City of Rosemount	25.3860%	28.34%	558,159	141,694
ISD # 196	20.6130%	23.01%	558,159	115,053
Other	4.2270%	4.72%	558,159	23,593
Total	89.5810%	100.00%		500,004

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2019 rate. The total net capacity for the entities listed above are based on Pay 2019 figures. The District will be certified under the Pay 2020 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 \$9,046,575;
- (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. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect the impact to be significant, and it does not anticipate 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, which will be eliminated by the new development, have public safety concerns that will be eliminated with the new development. These concerns include the current building not having a sprinkler system or alarm system; and the new buildings will have both. In addition, emergency response time will improve due to remote monitoring; and with the new development, ADA requirements will be met throughout the site. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities. Finally, the new development will allow for improved fire department access and egress routes.

The impact of the District on public infrastructure is expected to be minimal. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The current infrastructure for storm sewer and water will be able to handle the additional volume generated from the proposed development. Improvements will be needed to address sanitary sewer needs for the site. It is anticipated that the developer and tax increment will pay for the needed improvements. The development in the District is expected to contribute an estimated \$437,400 in sanitary sewer (SAC) and \$17,290 in water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$2,081,658;
- (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 \$3,974,369;
- (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* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section*

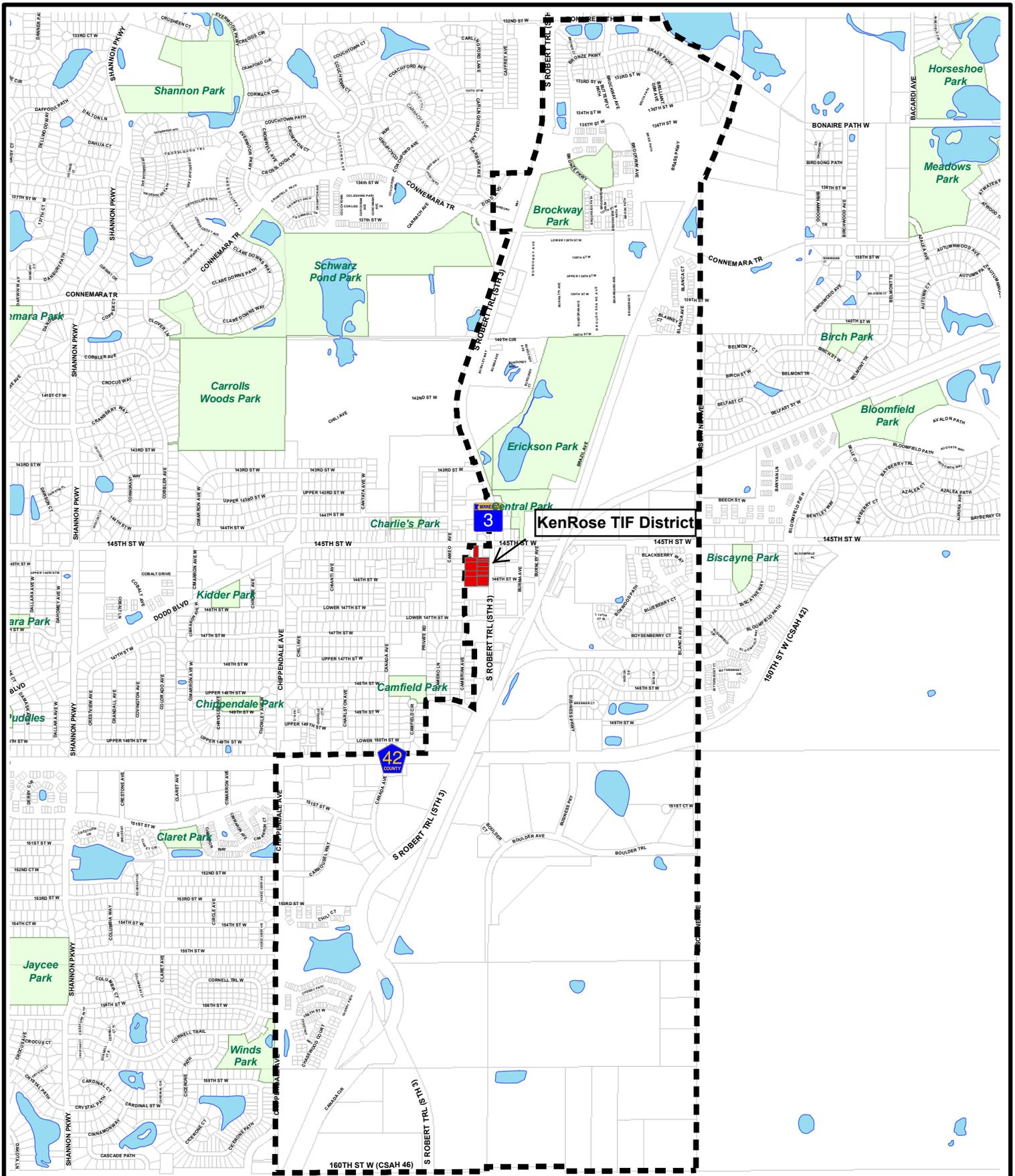
469.175, Subd. 3, clause (b)(2) and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects; and (2) 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 TIF District and Appendix C.
- (ii) A comparative analysis of estimated market value both with and without establishment of the TIF 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 TIF District and the use of tax increments.

Administration of the District

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

Appendix A: Map of Redevelopment Project No. 1 and the TIF District



Rosemount Redevelopment Project Area

■ KenRose TIF District
 Rosemount Redevelopment Project Area



Appendix B: Estimated Cash Flow for the District



KenRose TIF District - 3% Inflation

City of Rosemount, MN

124 units of market rental and 4,800 SF of retail

ASSUMPTIONS AND RATES

DistrictType:	Redevelopment
District Name/Number:	KenRose TIF
County District #:	TBD
First Year Construction or Inflation on Value	2021
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	3.00%
Interest Rate:	3.00%
Present Value Date:	1-Aug-21
First Period Ending	1-Feb-22
Tax Year District was Certified:	Pay 2020
Cashflow Assumes First Tax Increment For Developmen	2023
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2048
Fiscal Disparities Election (Outside (A), Inside (B), or N/	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	36.0740% Pay 2019
Fiscal Disparities Metro-Wide Tax Rate	143.9920% Pay 2019
Maximum/Frozen Local Tax Rate:	89.581% Pay 2019
Current Local Tax Rate: (Use lesser of Current or Max.)	89.581% Pay 2019
State-wide Tax Rate (Comm./Ind. only used for total tax)	42.4160% Pay 2019
Market Value Tax Rate (Used for total taxes)	0.26162% Pay 2019

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 \$150,000	0.75%
Over \$150,000	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
1	34.03700.34.010	E&E Enterprises	NA	45,400	10,600	56,000	100%	56,000	Pay 2020	C/I Pref.	840	Rental	700	1
2	34.03700.47.010	E&E Enterprises	NA	46,100	32,900	79,000	100%	79,000	Pay 2020	C/I	1,580	Rental	988	1
3	34.03700.48.010	E&E Enterprises	14555 Robert Tr S	92,300	8,400	100,700	100%	100,700	Pay 2020	C/I	2,014	Rental	1,259	1
4	34.03700.48.020	E&E Enterprises	NA	53,600	6,800	60,400	100%	60,400	Pay 2020	C/I	1,208	Rental	755	1
5	34.03700.49.010	E&E Enterprises	NA	26,900	85,300	112,200	100%	112,200	Pay 2020	C/I	2,244	C/I Pref.	1,683	1
6	34.03700.50.010	E&E Enterprises	14555 Robert Tr S	26,800	85,400	112,200	100%	112,200	Pay 2020	C/I	2,244	C/I	2,244	1
7	34.03700.51.010	E&E Enterprises	NA	45,400	10,600	56,000	100%	56,000	Pay 2020	C/I	1,120	Rental	700	1
8	34.03700.52.010	E&E Enterprises	NA	45,400	10,600	56,000	100%	56,000	Pay 2020	C/I	1,120	Rental	700	1
9	34.03700.53.010	E&E Enterprises	NA	12,400	2,900	15,300	100%	15,300	Pay 2020	C/I	306	Rental	191	1
10	34.03700.61.040	E&E Enterprises	NA	58,400	18,800	77,200	100%	77,200	Pay 2020	C/I	1,544	Rental	965	1
11	34.03700.54.010	Shenanigans	14605 Robert Tr S	118,000	418,600	536,600	100%	536,600	Pay 2020	C/I Pref.	9,982	Rental	6,708	1
12	34.03700.61.052	Shenanigans	NA	112,700	18,300	131,000	100%	131,000	Pay 2020	C/I	2,620	Rental	1,638	1
13	34.03700.55.011	Shenanigans	NA	2,800	0	2,800	100%	2,800	Pay 2020	C/I	56	Rental	35	
				686,200	709,200	1,395,400		1,395,400			26,878		18,565	

Note:

1. Base values are for pay 2020 based upon review of County website on April 23, 2019.
2. ISD# 196; Watershed: Vermillion River.



KenRose TIF District - 3% Inflation

City of Rosemount, MN

124 units of market rental and 4,800 SF of retail

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 2021	Percentage Completed 2022	Percentage Completed 2023	Percentage Completed 2024	First Year Full Taxes Payable
1	Apt	170,000	170,000	124	21,080,000	Rental	263,500	2,125	100%	100%	100%	100%	2023
2	Retail	240	200	4,000	960,000	C/I Pref.	18,450	5	0%	100%	100%	100%	2024
TOTAL					22,040,000		281,950						
Subtotal Residential				124	21,080,000		263,500						
Subtotal Commercial/Ind.				4,000	960,000		18,450						

Note:

1. Market values are based upon estimates from the Developer dated 11.8.2019.

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
Apt	263,500	0	263,500	236,046	0	0	55,149	291,195	2,348.35
Retail	18,450	6,656	11,794	10,565	9,584	7,190	2,512	29,850	7.46
TOTAL	281,950	6,656	275,294	246,611	9,584	7,190	57,661	321,046	

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	321,046
less State-wide Taxes	(7,190)
less Fiscal Disp. Adj.	(9,584)
less Market Value Taxes	(57,661)
less Base Value Taxes	(15,361)
Annual Gross TIF	231,250

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	1,395,400
New Market Value - Est.	22,040,000
Difference	20,644,600
Present Value of Tax Increment	5,694,736
Difference	14,949,864
Value likely to occur without Tax Increment is less than:	14,949,864



**KenRose TIF District - 3% Inflation
City of Rosemount, MN**

124 units of market rental and 4,800 SF of retail. Administration at 10%.

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
														02/01/22
														08/01/22
														02/01/23
100%	263,500	(18,565)	-	244,936	89.581%	219,416	109,708	(395)	(10,931)	98,382	92,694	0.5	2023	08/01/23
							109,708	(395)	(10,931)	98,382	184,017	1	2023	02/01/24
100%	289,855	(18,565)	(5,239)	266,051	89.581%	238,332	119,166	(429)	(11,874)	106,863	281,748	1.5	2024	08/01/24
							119,166	(429)	(11,874)	106,863	378,035	2	2024	02/01/25
100%	298,551	(18,565)	(5,439)	274,547	89.581%	245,942	122,971	(443)	(12,253)	110,276	475,928	2.5	2025	08/01/25
							122,971	(443)	(12,253)	110,276	572,374	3	2025	02/01/26
100%	307,507	(18,565)	(5,644)	283,298	89.581%	253,781	126,891	(457)	(12,643)	113,791	670,423	3.5	2026	08/01/26
							126,891	(457)	(12,643)	113,791	767,024	4	2026	02/01/27
100%	316,732	(18,565)	(6,060)	292,108	89.581%	261,673	130,837	(471)	(13,037)	117,329	865,156	4.5	2027	08/01/27
							130,837	(471)	(13,037)	117,329	961,839	5	2027	02/01/28
100%	326,234	(18,565)	(6,284)	301,385	89.581%	269,984	134,992	(486)	(13,451)	121,055	1,060,117	5.5	2028	08/01/28
							134,992	(486)	(13,451)	121,055	1,156,944	6	2028	02/01/29
100%	336,021	(18,565)	(6,515)	310,941	89.581%	278,544	139,272	(501)	(13,877)	124,894	1,255,364	6.5	2029	08/01/29
							139,272	(501)	(13,877)	124,894	1,352,330	7	2029	02/01/30
100%	346,102	(18,565)	(6,753)	320,784	89.581%	287,362	143,681	(517)	(14,316)	128,847	1,450,886	7.5	2030	08/01/30
							143,681	(517)	(14,316)	128,847	1,547,987	8	2030	02/01/31
100%	356,485	(18,565)	(6,998)	330,922	89.581%	296,443	148,222	(534)	(14,769)	132,919	1,646,675	8.5	2031	08/01/31
							148,222	(534)	(14,769)	132,919	1,743,905	9	2031	02/01/32
100%	367,180	(18,565)	(7,251)	341,364	89.581%	305,797	152,899	(550)	(15,235)	137,113	1,842,721	9.5	2032	08/01/32
							152,899	(550)	(15,235)	137,113	1,940,077	10	2032	02/01/33
100%	378,195	(18,565)	(7,511)	352,120	89.581%	315,432	157,716	(568)	(15,715)	141,434	2,039,016	10.5	2033	08/01/33
							157,716	(568)	(15,715)	141,434	2,136,493	11	2033	02/01/34
100%	389,541	(18,565)	(7,779)	363,198	89.581%	325,356	162,678	(586)	(16,209)	145,883	2,235,550	11.5	2034	08/01/34
							162,678	(586)	(16,209)	145,883	2,333,144	12	2034	02/01/35
100%	401,227	(18,565)	(8,055)	374,608	89.581%	335,578	167,789	(604)	(16,718)	150,466	2,432,316	12.5	2035	08/01/35
							167,789	(604)	(16,718)	150,466	2,530,023	13	2035	02/01/36
100%	413,264	(18,565)	(8,339)	386,361	89.581%	346,106	173,053	(623)	(17,243)	155,187	2,629,306	13.5	2036	08/01/36
							173,053	(623)	(17,243)	155,187	2,727,121	14	2036	02/01/37
100%	425,662	(18,565)	(8,631)	398,466	89.581%	356,950	178,475	(643)	(17,783)	160,049	2,826,511	14.5	2037	08/01/37
							178,475	(643)	(17,783)	160,049	2,924,431	15	2037	02/01/38
100%	438,432	(18,565)	(8,933)	410,934	89.581%	368,119	184,060	(663)	(18,340)	165,057	3,023,923	15.5	2038	08/01/38
							184,060	(663)	(18,340)	165,057	3,121,945	16	2038	02/01/39
100%	451,585	(18,565)	(9,243)	423,777	89.581%	379,623	189,812	(683)	(18,913)	170,216	3,221,537	16.5	2039	08/01/39
							189,812	(683)	(18,913)	170,216	3,319,656	17	2039	02/01/40
100%	465,132	(18,565)	(9,563)	437,004	89.581%	391,473	195,736	(705)	(19,503)	175,529	3,419,343	17.5	2040	08/01/40
							195,736	(705)	(19,503)	175,529	3,517,557	18	2040	02/01/41
100%	479,086	(18,565)	(9,893)	450,629	89.581%	403,678	201,839	(727)	(20,111)	181,001	3,617,336	18.5	2041	08/01/41
							201,839	(727)	(20,111)	181,001	3,715,641	19	2041	02/01/42
100%	493,459	(18,565)	(10,232)	464,662	89.581%	416,249	208,125	(749)	(20,738)	186,638	3,815,509	19.5	2042	08/01/42
							208,125	(749)	(20,738)	186,638	3,913,901	20	2042	02/01/43
100%	508,262	(18,565)	(10,581)	479,117	89.581%	429,198	214,599	(773)	(21,383)	192,444	4,013,854	20.5	2043	08/01/43
							214,599	(773)	(21,383)	192,444	4,112,330	21	2043	02/01/44
100%	523,510	(18,565)	(10,941)	494,005	89.581%	442,534	221,267	(797)	(22,047)	198,424	4,212,366	21.5	2044	08/01/44
							221,267	(797)	(22,047)	198,424	4,310,923	22	2044	02/01/45
100%	539,216	(18,565)	(11,312)	509,339	89.581%	456,271	228,136	(821)	(22,731)	204,583	4,411,038	22.5	2045	08/01/45
							228,136	(821)	(22,731)	204,583	4,509,674	23	2045	02/01/46
100%	555,392	(18,565)	(11,694)	525,134	89.581%	470,420	235,210	(847)	(23,436)	210,927	4,609,865	23.5	2046	08/01/46
							235,210	(847)	(23,436)	210,927	4,708,576	24	2046	02/01/47
100%	572,054	(18,565)	(12,087)	541,402	89.581%	484,994	242,497	(873)	(24,162)	217,461	4,808,840	24.5	2047	08/01/47
							242,497	(873)	(24,162)	217,461	4,907,623	25	2047	02/01/48
100%	589,216	(18,565)	(12,492)	558,159	89.581%	500,004	250,002	(900)	(24,910)	224,192	5,007,959	25.5	2048	08/01/48
							250,002	(900)	(24,910)	224,192	5,106,811	26	2048	02/01/49
Total							9,079,260	(32,685)	(904,657)	8,141,917				
			Present Value From 08/01/2021	Present Value Rate	3.00%		5,694,736	(20,501)	(567,423)	5,106,811				

Rosemount PUD 25

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 the KenRose Tax Increment Financing District (the "District"), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that the KenRose Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

The District consists of 13 parcels and vacant right-of-way, with plans to redevelop the area for approximately 124 market rate, rental units and approximately 4,000 square feet of commercial space. 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 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 the KenRose Tax Increment Financing District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by 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 \$22,040,000.
 - 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 \$5,694,736.
 - 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 \$14,949,864 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission will review the TIF Plan on January 28, 2020 and determine if the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for the KenRose Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Rosemount Redevelopment Project 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 and add a high-quality development to the City.

Appendix D: Redevelopment Qualifications for the District

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

Rosemount KenRose TIF District Rosemount, Minnesota



January 17, 2020

Prepared For the
City of Rosemount

Prepared by:



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

LHB Project No. 170849

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PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

LHB was hired by the City of Rosemount to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) proposed to be established by the City. The proposed TIF District is located at the southwest corner of 145th Street West and Robert Trail South (Diagram 1). The purpose of LHB’s work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether three (3) buildings on thirteen (13) 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 thirteen (13) parcels with three (3) buildings. One (1) building was inspected on December 20, 2017, and two (2) buildings were inspected on December 22, 2017. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are located in Appendix B.

CONCLUSION

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

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

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

PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

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

INTERIOR INSPECTION

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

EXTERIOR INSPECTION AND OTHER MEANS

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

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.”

DOCUMENTATION

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

QUALIFICATION REQUIREMENTS

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

A. COVERAGE TEST

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

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: “For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.”

B. CONDITION OF BUILDINGS TEST

Minnesota Statutes, Section 469.174, Subdivision 10(a) states, “...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;”

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: “For purposes of this subdivision, ‘structurally substandard’ shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”
 - a. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

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

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

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.

- Chapter 13 of the 2015 *Minnesota Building Code* states, “Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*.” Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, “References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*...”
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

C. DISTRIBUTION OF SUBSTANDARD BUILDINGS

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

- (1) “Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;
- (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;
- (3) tank facilities, or property whose immediately previous use was for tank facilities...”

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

PART 3 – PROCEDURES FOLLOWED

LHB inspected one (1) building during the day of December 20, 2017, and two (2) buildings during the day of December 22, 2017.

LHB verified that no building permits have been requested from the City since our original inspections. In addition, we revisited each of the buildings on January 16, 2020 to verify that no improvements have been made since our original inspections.

PART 4 – FINDINGS

A. COVERAGE TEST

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

FINDING:

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



Diagram 2 – Coverage Diagram

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

B. CONDITION OF BUILDING TEST

1. BUILDING INSPECTION

The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

2. REPLACEMENT COST

The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2017.

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

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

3. CODE DEFICIENCIES

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

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

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

After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2017; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING:

Two (2) out of three (3) buildings (66.7 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

4. SYSTEM CONDITION DEFICIENCIES

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

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

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

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

FINDING:

In our professional opinion, two (2) out of three (3) buildings (66.7 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

C. DISTRIBUTION OF SUBSTANDARD STRUCTURES

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

FINDING:

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

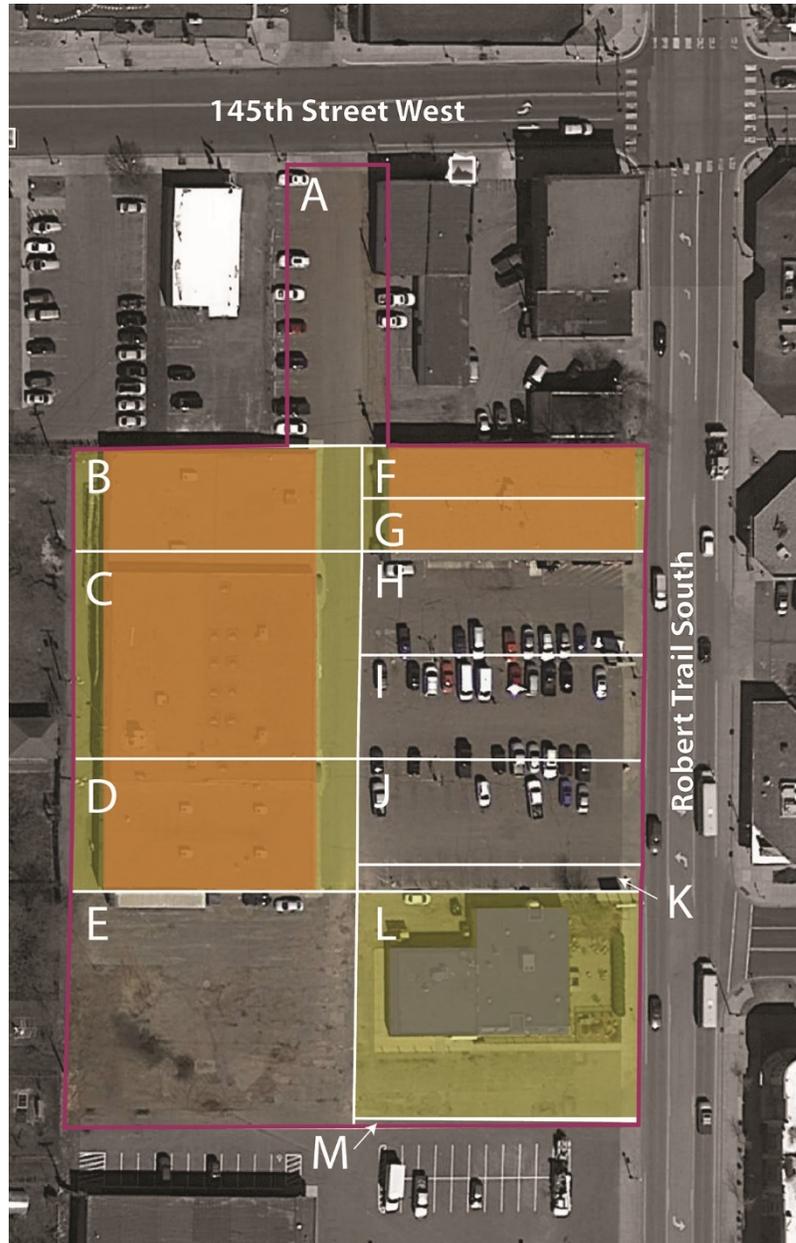


Diagram 3 – Substandard Buildings
Shaded green area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

PART 5 - TEAM CREDENTIALS

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

Michael has 32 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

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

Philip Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

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.

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APPENDICES

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

Property Condition Assessment Summary Sheet

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
A	340370034010	N/A	Improved	Exterior	8,249	8,249	100.0%	8,249	0					
B	340370047010	N/A	Improved	Interior/Exterior	8,386	8,386	100.0%	8,386	1	\$4,179,389	\$626,908	\$832,675	1	1
C	340370048010	14555 ROBERT TRL S	Improved		16,767	16,767	100.0%	16,767						
D	340370061040	N/A	Improved		10,600	10,600	100.0%	10,600						
E	340370061052	N/A	Improved	Exterior	18,788	18,209	96.9%	18,788	0					
F	340370049010	N/A	Improved	Interior/Exterior	4,124	4,124	100.0%	4,124	1	\$762,853	\$114,428	\$181,138	1	1
G	340370050010	14555 ROBERT TRL S	Improved		4,124	4,124	100.0%	4,124						
H	340370048020	N/A	Improved	Exterior	8,249	8,249	100.0%	8,249	0					
I	340370051010	N/A	Improved	Exterior	8,249	8,249	100.0%	8,249	0					
J	340370052010	N/A	Improved	Exterior	8,249	8,249	100.0%	8,249	0					
K	340370053010	N/A	Improved	Exterior	2,250	2,250	100.0%	2,250	0					
L	340370054010	14605 ROBERT TRL S	Improved	Interior/Exterior	18,147	18,147	100.0%	18,147	1	Note 1				0
M	340370055011	N/A	Improved	Exterior	377	377	100.0%	377	0					

TOTALS					116,559			116,559	3				2	2
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Total Coverage Percent: 100.0%

Percent of buildings exceeding 15 percent code deficiency threshold: 66.7%

Percent of buildings determined substandard: 66.7%

Note 1: This building did not appear to be substandard during our initial inspection, so we did not complete further analysis.

APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Rosemount KenRose TIF District

Building Code, Condition Deficiency and Context Analysis Report

Building Name: Rosemount Plaza
Address and Parcel ID: 14555 Robert Trail S, Rosemount, MN 55068
Parcel IDs: 340370047010, 340370048010, 340370061040
Inspection Date(s) & Time(s): December 22, 2017 1:00 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: \$4,179,389
Estimated Cost to Correct Building Code Deficiencies: \$832,675
Percentage of Replacement Cost for Building Code Deficiencies: 19.92%

Defects in Structural Elements

1. Exterior concrete block walls are damaged and should be repaired/replaced to prevent water intrusion per code.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. Thresholds do not comply with code for maximum height.
 - b. The exterior wooden ramp is damaged and should be repaired/replaced to create an accessible route into the building.
 - c. There is one set of ADA compliant restrooms but there is not an accessible route to them.
 - d. Door hardware is not ADA code compliant.
 - e. There is no code required means of access to all levels of the building.
2. Light and Ventilation
 - a. Exterior light fixtures are rusting.
 - b. One half of the HVAC roof top units should be replaced to comply with mechanical/building code.
 - c. Interior lighting is damaged and/or missing.
 - d. Electrical panel was removed exposing live wires which is contrary to code.
3. Fire Protection/Adequate Egress
 - a. Glass doors should have code required 10-inch kickplates installed.
 - b. Boiler room does not have a code required second means of egress.
 - c. Electrical junction boxes are not properly protected per code.

- d. A gas-powered snow blower is stored inside, contrary to code.
 - e. Emergency lighting is not code compliant.
 - f. There are not code required smoke detectors in the building.
 - g. There is no code required emergency notification system in the building.
 - h. The building does not have a code required building sprinkler system.
4. Layout and Condition of Interior Partitions/Materials
- a. Carpeting is stained and damaged.
 - b. Vinyl baseboard is missing.
 - c. Vinyl floor tile is damaged creating an impediment to emergency egress contrary to code.
 - d. All stairways do not have code compliant handrails.
 - e. Wooden stair treads are open and do not comply with code.
 - f. Sheet rock walls are damaged and should be repaired/repainted.
 - g. Basement foundation walls have effervescence indicative of water intrusion, contrary to code.
 - h. Electrical conduit is not secure as required by code.
 - i. Ceiling tile is damaged and should be replaced.
5. Exterior Construction
- a. Windows should be replaced to prevent water intrusion per code.
 - b. Caulking is damaged/missing and should be replaced to prevent water intrusion per code.
 - c. Steel lintels are rusting and should be protected per code.
 - d. Canvas awnings are stained.
 - e. Brick mortar should be repointed to prevent water intrusion, per code.
 - f. Exterior walls have graffiti sprayed on them.
 - g. Wooden stairs by loading areas are damaged and should be repaired.
 - h. Wooden door frame around loading area is damaged and should be replaced.
 - i. Exterior block walls should be repainted.
 - j. One half of the roofing is beyond its life expectancy and it is allowing for water intrusion contrary to code.

Description of Code Deficiencies

1. Thresholds should be modified to comply with code for maximum height.
2. An ADA code compliant route should be created to enter the building.
3. An ADA code compliant route should be created to access the restroom.
4. An ADA code compliant route should be created to reach all levels of the building.
5. All door hardware should comply with ADA code.
6. One half of the HVAC roof top units should be replaced to comply with mechanical/building code.
7. Glass doors should have code required 10-inch kick plates installed.
8. A code required second means of egress should be created in the boiler room.
9. All electrical junction boxes should be properly covered per code.
10. All gas-powered equipment should be stored properly per code.
11. Emergency lighting should be made code compliant.
12. Install code required smoke detectors.
13. A code required emergency notification system should be installed.
14. A code required building sprinkler system should be installed.
15. Damaged vinyl flooring should be replaced to create a code compliant unimpeded means of egress from the building.
16. Install code compliant handrails on all stairways.
17. Enclose wooden stairway to comply with code.

18. Windows should be replaced to prevent water intrusion per code.
19. Protect block foundation walls from water intrusion per code.
20. Repoint all mortar joints and replace damaged concrete block to prevent water intrusion per code.
21. Repaint exterior block walls to cover graffiti per city code.
22. Replace one half of roofing material to prevent water intrusion per code.

Overview of Deficiencies

This enclosed shopping mall is lacking many of the current building code requirements. Code required emergency systems are non-compliant or non-existent. Exterior surfaces should be repaired/replaced. The interior accessibility is limited to stairs only, contrary to code. Interior surfaces should be repaired/replaced do to age and appearance. The lower most level is currently uninhabitable because of demolition work being performed.

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Rosemount KenRose TIF District

Building Code, Condition Deficiency and Context Analysis Report

Building Name: Car Repair and Hair Salon
Address: 14555 Robert Trail S, Rosemount, MN 55068
Parcel IDs: 340370049010, 340370050010
Inspection Date(s) & Time(s): December 20, 2017 1:45 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: \$762,853
Estimated Cost to Correct Building Code Deficiencies: \$181,138
Percentage of Replacement Cost for Building Code Deficiencies: 23.74%

Defects in Structural Elements

1. None.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. Thresholds do not comply with code for maximum height.
 - b. The weekend entrance into the salon is not ADA code compliant.
 - c. Restroom is not ADA code compliant.
2. Light and Ventilation
 - a. HVAC system does not comply with mechanical/building code.
3. Fire Protection/Adequate Egress
 - a. Glass doors do not have code required 10-inch kick plate.
 - b. Electrical circuit panels do not have code required 36-inch clear space in front of them.
 - c. There is no code required emergency notification system.
 - d. There is no code required building sprinkler system.
 - e. The door between the two businesses does not comply with code for proper fire rating.
 - f. An emergency exit door is not code compliant because it has barrel bolt locking hardware.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior ceiling tile is water stained.
 - b. Interior walls in garage should be repainted.

- c. Install code required drinking fountain.
5. Exterior Construction
- a. Concrete aprons are cracked and damaged.
 - b. Block walls should be repainted.
 - c. Block walls are cracked/damaged allowing for water intrusion, contrary to code.
 - d. Steel lintels are rusting and should be protected per code.
 - e. Windows are allowing for water intrusion contrary to code.

Description of Code Deficiencies

1. Thresholds are not ADA compliant.
2. An ADA code compliant weekend entrance into the salon should be installed.
3. Restroom is not ADA compliant.
4. Glass doors need 10-inch kickplate to comply with code.
5. HVAC system is not mechanical/building code compliant.
6. Electrical circuit panels do not have code required 36 inches of clear space in front of them.
7. A code required emergency notification system should be installed.
8. A code required building sprinkler system should be installed.
9. A code compliant rated fire door should be installed between the two businesses.
10. Code compliant hardware should be installed on the emergency exit door.
11. Exterior concrete block walls should be repaired/replaced to prevent water intrusion per code.
12. A code required drinking fountain should be installed.
13. Steel lintels should be protected from rust per code.
14. Windows should be replaced to prevent water intrusion per code.

Overview of Deficiencies

This block building houses two different businesses. The automotive repair occupies two thirds of the building and a hair salon is in the balance of the building. Exterior surfaces of the building are failing and should be repaired and repainted. Accessibility to the salon is through the repair shop side. This would not comply with ADA code or for emergency egress. The building does not have a code required sprinkler system and the door between the two businesses does not have a code compliant fire rating. The owner indicates that the HVAC system is older than 20 years.

APPENDIX C

Building Replacement Cost Reports
Code Deficiency Cost Reports
Photographs

Rosemount KenRose TIF District

Replacement Cost Report

Square Foot Cost Estimate Report

Date: **12/26/2017**

Estimate Name:	Rosemount Plaza City of Rosemount 14555 Robert Trail South , Rosemount , Minnesota , 55068	 <p style="font-size: small; color: #008000;">Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Building Type:	Store, Department, 3 Story with Face Brick & Concrete Block / Rigid Steel	
Location:	ROSEMOUNT, MN	
Story Count:	2	
Story Height (L.F.):	16	
Floor Area (S.F.):	25000	
Labor Type:	OPN	
Basement Included:	Yes	
Data Release:	Year 2018	
Cost Per Square Foot:	\$167.18	
Building Cost:	\$4,179,389.78	

		% of Total	Cost Per S.F.	Cost
A Substructure		12.11%	18.41	460,068.50
A1010	Standard Foundations Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide Spread footings, 3000 PSI concrete, load 200K, soil bearing capacity 6 KSF, 6' - 0" square x 20" deep		6.52	162,900.34
			1.15	28,843.46
			5.36	134,056.88
A1030	Slab on Grade Slab on grade, 4" thick, non industrial, reinforced		2.79	69,645.50
			2.79	69,645.50
A2010	Basement Excavation Excavate and fill, 10,000 SF, 8' deep, sand, gravel, or common earth, on site storage		1.90	47,432.75
			1.90	47,432.75
A2020	Basement Walls Foundation wall, CIP, 12' wall height, pumped, .444 CY/LF, 21.59 PLF, 12" thick		7.20	180,089.91
			7.20	180,089.91
B Shell		39.17%	59.52	1,488,129.05
B1010	Floor Construction Cast-in-place concrete column, 12" square, tied, 200K load, 12' story height, 142 lbs/LF, 4000PSI Steel column, TS14, 500 KIPS, 16' unsupported height, 109 PLF Flat slab, concrete, with drop panels, 6" slab/2.5" panel, 12" column, 15'x15' bay, 75 PSF superimposed load, 153 PSF total load Floor, composite metal deck, shear connectors, 5.5" slab, 35'x35' bay, 32.5" total depth, 125 PSF superimposed load, 170 PSF total load Fireproofing, sprayed fiber, 1.5" thick, 14" steel column, 2 hour rating, 10.8 PLF		29.24	731,037.74
			6.05	151,246.08
			2.25	56,345.27
			7.06	176,502.50
			13.58	339,481.25
			0.30	7,462.64
B1020	Roof Construction Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 35'x35' bay, 28" deep, 40 PSF superimposed load, 62 PSF total load		5.55	138,766.38
			5.55	138,766.38
B2010	Exterior Walls		14.06	351,500.00

	Brick wall, composite double wythe, standard face/CMU back-up, 8" thick, styrofoam core fill	14.06	351,500.00
B2020	Exterior Windows	4.70	117,531.01
	Aluminum flush tube frame, for 1/4"glass,1-3/4"x4", 5'x6' opening, no intermediate horizontals	2.52	62,929.72
	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear	2.18	54,601.29
B2030	Exterior Doors	1.92	48,088.52
	Doors, stainless steel & glass, balanced, standard, premium, 3'-0" x 7'-0" opening	1.73	43,200.21
	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	0.12	2,974.86
	Door, steel 24 gauge, overhead, sectional, electric operator, 10'-0" x 10'-0" opening	0.08	1,913.45
B3010	Roof Coverings	3.96	98,938.27
	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	1.57	39,262.63
	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	1.09	27,183.63
	Roof edges, aluminum, duranodic, .050" thick, 6" face	0.80	20,006.74
	Flashing, aluminum, no backing sides, .019"	0.16	3,885.75
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	0.34	8,599.52
B3020	Roof Openings	0.09	2,267.13
	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	0.09	2,267.13
C Interiors		21.94%	33.33
C1010	Partitions	1.10	27,510.17
	Metal partition, 5/8"fire rated gypsum board face, 1/4" sound deadening gypsum board, 2-1/2" @ 24", same opposite face, no insulation	1.10	27,510.17
C1020	Interior Doors	2.03	50,698.67
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	2.03	50,698.67
C2010	Stair Construction	8.81	220,282.00
	Stairs, steel, pan tread for conc in-fill, picket rail,24 risers w/ landing	8.81	220,282.00
C3010	Wall Finishes	3.40	85,082.35
	2 coats paint on masonry with block filler	2.80	69,968.32
	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	0.21	5,130.07
	Vinyl wall covering, fabric back, medium weight	0.14	3,417.73
	Ceramic tile, thin set, 4-1/4" x 4-1/4"	0.26	6,566.23
C3020	Floor Finishes	10.54	263,595.10
	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 35 oz	2.60	64,983.00
	Terrazzo, maximum	3.04	75,968.50
	Tile, porcelain type, minimum	4.91	122,643.60
C3030	Ceiling Finishes	7.45	186,353.00
	Acoustic ceilings, 3/4"mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	7.45	186,353.00
D Services		26.79%	40.72
D1010	Elevators and Lifts	3.23	80,651.00
	Hydraulic freight elevator, 4000lb. 3 floor, 16 FT story height, 50FPM	1.91	47,844.05
	Hydraulic passenger elevator, 3500 lb., 3 floor, 16' story height, 125 FPM	1.31	32,806.95
D1020	Escalators and Moving Walks	6.65	166,182.63

	Moving stairs, escalator type, 15FT ht, 32" width, glass balustrade	6.65	166,182.63
D2010	Plumbing Fixtures	1.93	48,238.97
	Water closet, vitreous china, bowl only with flush valve, wall hung	1.28	32,048.85
	Urinal, vitreous china, wall hung	0.07	1,802.17
	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	0.20	5,099.27
	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	0.20	4,943.68
	Water cooler, electric, wall hung, dual height, 14.3 GPH	0.17	4,345.00
D2020	Domestic Water Distribution	0.49	12,172.63
	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	0.49	12,172.63
D2040	Rain Water Drainage	0.67	16,682.70
	Roof drain, CI, soil, single hub, 5" diam, 10' high	0.29	7,364.45
	Roof drain, CI, soil, single hub, 5" diam, for each additional foot add	0.37	9,318.25
D3050	Terminal & Package Units	8.27	206,759.25
	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17 ton	8.27	206,759.25
D4010	Sprinklers	2.21	55,204.85
	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 50,000 SF	0.79	19,743.30
	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 50,000 SF	1.36	34,053.25
	Standard High Rise Accessory Package 3 story	0.06	1,408.30
D4020	Standpipes	1.78	44,572.64
	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	0.16	3,922.14
	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	1.63	40,650.50
D5010	Electrical Service/Distribution	4.32	108,017.10
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 1200 A	0.87	21,764.38
	Feeder installation 600 V, including RGS conduit and XHHW wire, 1200 A	2.31	57,744.80
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 1200 A	1.14	28,507.92
D5020	Lighting and Branch Wiring	8.79	219,689.62
	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 W per SF, with transformer	1.26	31,410.27
	Miscellaneous power, 1 watt	0.27	6,738.00
	Central air conditioning power, 4 watts	0.57	14,227.00
	Motor installation, three phase, 460 V, 10 HP motor size	0.08	2,068.91
	Motor installation, three phase, 460 V, 15 HP motor size	0.19	4,832.68
	Motor feeder systems, three phase, feed to 200 V 5 HP, 230 V 7.5 HP, 460 V 15 HP, 575 V 20 HP	0.12	3,069.01
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	6.29	157,343.75
D5030	Communications and Security	2.38	59,555.02
	Communication and alarm systems, fire detection, addressable, 100 detectors, includes outlets, boxes, conduit and wire	1.84	46,072.17
	Fire alarm command center, addressable with voice, excl. wire & conduit	0.13	3,235.90
	Internet wiring, 2 data/voice outlets per 1000 S.F.	0.41	10,246.95
E Equipment & Furnishings		0%	0
E1090	Other Equipment	0	0

F Special Construction	0%	0	0
G Building Sitework	0%	0	0
SubTotal	100%	\$151.98	\$3,799,445.25
Contractor Fees (General Conditions,Overhead,Profit)	10.00%	\$15.20	\$379,944.53
Architectural Fees	0.00%	\$0.00	\$0.00
User Fees	0.00%	\$0.00	\$0.00
Total Building Cost		\$167.18	\$4,179,389.78

Rosemount KenRose TIF District

Code Deficiency Cost Report

14555 Robert Trail S, Rosemount, MN 55068 - Parcel 340370047010, 340370048010, 340370061040

Rosemount Plaza

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

Thresholds

Modify thresholds to comply with ADA code for maximum height \$ 250.00 EA 30 \$ 7,500.00

Building Entrance

Create a code compliant accessible route into the building \$ 5,500.00 Lump 1 \$ 5,500.00

Restroom

Create a code compliant accessible route to the restroom \$ 2,500.00 Lump 1 \$ 2,500.00

Accessible Route

Install an elevator to create an accessible route to all levels within the building. \$ 9.88 SF 25000 \$ 247,000.00

Door Hardware

Install code compliant door hardware \$ 250.00 EA 20 \$ 5,000.00

Stairways

Install code compliant handrails on all stairways \$ 2,000.00 Lump 1 \$ 2,000.00

Structural Elements

Walls

Protect concrete block foundation wall from water intrusion per code \$ 0.25 SF 25000 \$ 6,250.00

Tuck point all mortar joints to prevent water intrusion per code \$ 2.75 SF 25000 \$ 68,750.00

Replace damaged brick and block to prevent water intrusion per code \$ 0.12 SF 25000 \$ 3,000.00

Exiting

Boiler Room

Create secondary emergency egress from boiler room \$ 10,000.00 Lump 1 \$ 10,000.00

Vinyl Floor Tile

Replace damaged floor tile to create a code required unimpeded means of egress \$ 2.60 SF 5000 \$ 13,000.00

Glass Doors

Glass doors should have code required 10-inch kickplates installed \$ 100.00 EA 30 \$ 3,000.00

Fire Protection

Gas-Powered Equipment

Properly store all gas powered equipment per code \$ 500.00 EA 1 \$ 500.00

Emergency Lighting

Install code compliant emergency lighting \$ 0.98 SF 25000 \$ 24,500.00

Smoke Detectors

Install code required smoke detectors \$ 1.84 SF 25000 \$ 46,000.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Emergency Notification System				
	Install code required emergency notification system	\$ 0.13	SF	25000	\$ 3,250.00
	Sprinkler System				
	Install code required building sprinkler system	\$ 3.99	SF	25000	\$ 99,750.00
	Wooden Stairway				
	Enclose wooden stairway to comply with code	\$ 500.00	Lump	1	\$ 500.00
Exterior Construction					
	Graffiti				
	Repaint exterior block walls to remove graffiti per city code	\$ 300.00	Lump	1	\$ 300.00
	Windows				
	Windows should be replaced to prevent water intrusion per code	\$ 4.70	SF	25000	\$ 117,500.00
Roof Construction					
	Roofing Material				
	Remove damaged roofing material	\$ 0.99	SF	12500	\$ 12,375.00
	Replace damaged roofing material to prevent water intrusion per code	\$ 4.05	SF	12500	\$ 50,625.00
Mechanical- Electrical					
	Mechanical				
	Replace one half of HVAC roof top units to comply with mechanical/building code	\$ 8.27	SF	12500	\$ 103,375.00
	Electrical				
	Properly cover all junction boxes per code	\$ 500.00	Lump	1	\$ 500.00
Total Code Improvements					\$ 832,675

Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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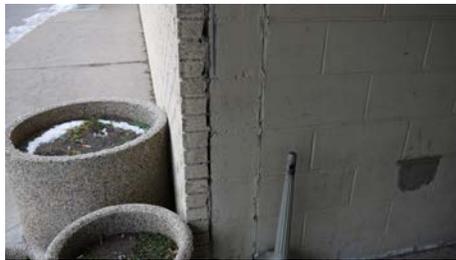
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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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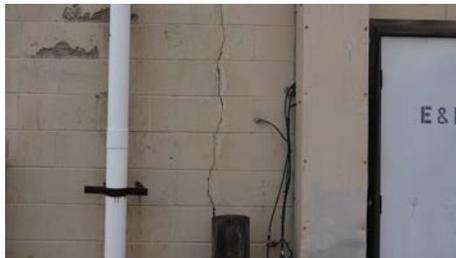
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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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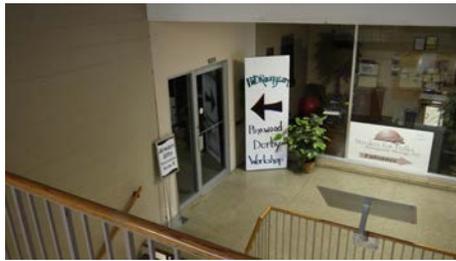
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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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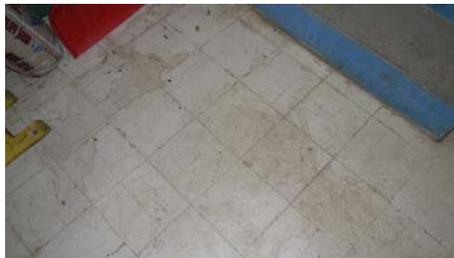
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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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Rosemount KenRose TIF District

Rosemount Plaza - 14555 Robert Trail South - PID: 340370047010, 340370048010, 340370061040



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Rosemount KenRose TIF District

Replacement Cost Report

Square Foot Cost Estimate Report

Date: **12/26/2017**

Estimate Name:	Car Repair and Salon City of Rosemount 14555 Robert Trail South , Rosemount , Minnesota , 55068	
Building Type:	Garage, Repair with Concrete Block / Steel Joists	
Location:	ROSEMOUNT, MN	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Story Count:	1	
Story Height (L.F.):	14	
Floor Area (S.F.):	7600	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2018	
Cost Per Square Foot:	\$100.35	
Building Cost:	\$762,853.87	

		% of Total	Cost Per S.F.	Cost
A Substructure		18.03%	16.46	125,067.69
A1010	Standard Foundations Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		8.26	62,758.78
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		5.34	40,571.50
A1030	Slab on Grade Slab on grade, 6" thick, light industrial, reinforced		7.88	59,912.78
A2010	Basement Excavation Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.32	2,396.13
			0.32	2,396.13
B Shell		32.11%	29.30	222,684.27
B1020	Roof Construction Roof, steel joists, 1.5" 22 ga metal deck, on bearing walls, 40' bay, 25.5" deep, 40 PSF superimposed load, 61 PSF total load		6.15	46,759.38
			6.15	46,759.38
B2010	Exterior Walls Concrete block (CMU) wall, regular weight, 75% solid, 8 x 8 x 16, 4500 PSI, reinforced, vertical #5@32", grouted		10.32	78,440.32
			10.32	78,440.32
B2020	Exterior Windows Windows, aluminum, sliding, standard glass, 5' x 3'		1.61	12,239.59
			1.61	12,239.59
B2030	Exterior Doors Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		3.24	24,589.95
			0.85	6,443.54
			2.39	18,146.41
B3010	Roof Coverings Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite		7.95	60,403.70
			3.14	23,871.68
			2.17	16,527.64

	Roof edges, aluminum, duranodic, .050" thick, 6" face	1.84	13,990.73
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	0.79	6,013.65
B3020	Roof Openings	0.03	251.33
	Skylight, plastic domes, insulated curbs, 10 SF to 20 SF, single glazing	0.03	251.33
C Interiors		12.02%	10.97
C1010	Partitions	4.82	36,623.52
	Lightweight block 4" thick	1.71	13,001.27
	Concrete block (CMU) partition, light weight, hollow, 8" thick, no finish	3.11	23,622.25
C1020	Interior Doors	0.41	3,082.48
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	0.41	3,082.48
C1030	Fittings	0.20	1,552.53
	Toilet partitions, cubicles, ceiling hung, stainless steel	0.20	1,552.53
C3010	Wall Finishes	3.86	29,357.34
	2 coats paint on masonry with block filler	2.50	19,027.90
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	0.77	5,822.21
	Painting, masonry or concrete, latex, brushwork, addition for block filler	0.59	4,507.23
C3020	Floor Finishes	1.25	9,487.57
	Concrete topping, hardeners, metallic additive, minimum	1.01	7,651.77
	Vinyl, composition tile, minimum	0.24	1,835.80
C3030	Ceiling Finishes	0.43	3,266.12
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support	0.43	3,266.12
D Services		37.83%	34.50
D2010	Plumbing Fixtures	3.26	24,797.24
	Water closet, vitreous china, bowl only with flush valve, wall hung	1.11	8,414.28
	Urinal, vitreous china, wall hung	0.23	1,734.89
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"	0.58	4,383.98
	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	0.63	4,759.11
	Shower, stall, baked enamel, molded stone receptor, 30" square	0.40	3,059.51
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	0.32	2,445.47
D2020	Domestic Water Distribution	0.67	5,101.01
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH	0.67	5,101.01
D2040	Rain Water Drainage	2.44	18,579.64
	Roof drain, steel galv sch 40 threaded, 4" diam piping, 10' high	1.67	12,672.87
	Roof drain, steel galv sch 40 threaded, 4" diam piping, for each additional foot add	0.78	5,906.77
D3050	Terminal & Package Units	9.44	71,757.22
	Rooftop, single zone, air conditioner, factories, 10,000 SF, 33.33 ton	9.44	71,757.22
D3090	Other HVAC Systems/Equip	1.24	9,428.49
	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay	0.82	6,202.80
	Garage, single exhaust, 3" outlet, additional bays up to seven bays	0.42	3,225.69
D4010	Sprinklers	4.52	34,346.38
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	4.52	34,346.38
D4020	Standpipes	0.97	7,408.64
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	0.89	6,791.11
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	0.08	617.53

D5010	Electrical Service/Distribution		0.57	4,360.20
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		0.36	2,729.00
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		0.18	1,340.82
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A		0.04	290.38
D5020	Lighting and Branch Wiring		7.85	59,694.35
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF		2.00	15,211.25
	Miscellaneous power, 1 watt		0.27	2,048.35
	Central air conditioning power, 3 watts		0.55	4,168.75
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		5.04	38,266.00
D5030	Communications and Security		3.45	26,205.89
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		1.99	15,135.40
	Fire alarm command center, addressable with voice, excl. wire & conduit		1.23	9,345.26
	Internet wiring, 4 data/voice outlets per 1000 S.F.		0.23	1,725.23
D5090	Other Electrical Systems		0.09	702.94
	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 15 kW		0.09	702.94
E Equipment & Furnishings		0%	0	0
E1090	Other Equipment		0	0
F Special Construction		0%	0	0
G Building Sitework		0%	0	0
SubTotal		100%	\$91.23	\$693,503.52
Contractor Fees (General Conditions,Overhead,Profit)		10.00%	\$9.12	\$69,350.35
Architectural Fees		0.00%	\$0.00	\$0.00
User Fees		0.00%	\$0.00	\$0.00
Total Building Cost			\$100.35	\$762,853.87

Rosemount KenRose TIF District

Code Deficiency Cost Report

14555 Robert Trail South, Rosemount, MN 55068

Parcels 340370049010, 340370050010

Car Repair and Hair Salon

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

Thresholds

Modify thresholds to comply with code for maximum height \$ 250.00 EA 2 \$ 500.00

Entrance

Install code compliant accessible entrance into salon \$ 3,500.00 Lump 1 \$ 3,500.00

Restroom

Modify restroom to comply with ADA code \$ 1.91 SF 7600 \$ 14,516.00

Drinking Fountain

Install code required drinking fountain \$ 0.32 SF 7600 \$ 2,432.00

Structural Elements

\$ -

Exiting

Glass Door

Install code required 10-inch kick plate on glass door \$ 100.00 EA 2 \$ 200.00

Emergency Exit Door

Install code compliant door hardware on emergency exit door \$ 450.00 EA 1 \$ 450.00

Fire Protection

Emergency Lighting

Install code compliant emergency lighting \$ 250.00 EA 4 \$ 1,000.00

Smoke Detectors

Install code required smoke detectors \$ 1.99 SF 7600 \$ 15,124.00

Emergency Notification System

Install code required emergency notification system \$ 1.23 SF 7600 \$ 9,348.00

Building Sprinkler System

Install code required building sprinkler system \$ 5.49 SF 7600 \$ 41,724.00

Fire Rate Door

Install code compliant fire rated door between businesses \$ 1,000.00 EA 1 \$ 1,000.00

Exterior Construction

Concrete Block Walls

Repair/replace damaged concrete blocks and mortar to prevent water intrusion per code \$ 0.89 SF 7600 \$ 6,764.00

Steel Lintels

Protect steel lintels from rusting per code \$ 250.00 EA 2 \$ 500.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Windows				
	Replace windows to prevent water intrusion per code	\$ 1.61	SF	7600	\$ 12,236.00
Roof Construction					
					\$ -
Mechanical- Electrical					
Mechanical					
	Replace HVAC system to comply with mechanical/building code	\$ 9.44	SF	7600	\$ 71,744.00
Electrical					
	Provide code required 36 inches of clearance in front of electrical circuit panels	\$ 100.00	Lump	1	\$ 100.00
Total Code Improvements					\$ 181,138

Rosemount KenRose TIF District

Car Repair and Hair Salon - 14555 Robert Trail South - PID: 340370049010, 340370050010



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Rosemount KenRose TIF District

Car Repair and Hair Salon - 14555 Robert Trail South - PID: 340370049010, 340370050010



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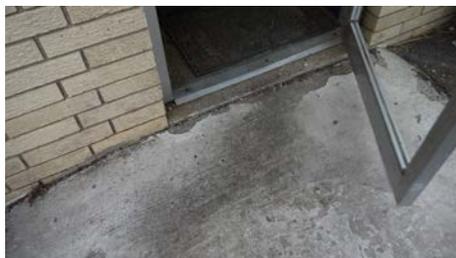
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Rosemount KenRose TIF District

Car Repair and Hair Salon - 14555 Robert Trail South - PID: 340370049010, 340370050010



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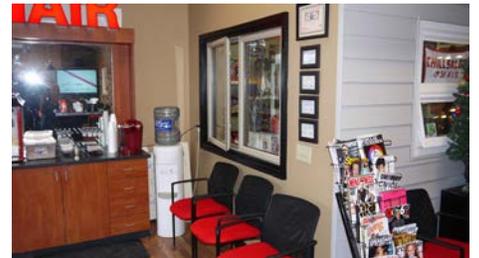
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Rosemount KenRose TIF District

Car Repair and Hair Salon - 14555 Robert Trail South - PID: 340370049010, 340370050010



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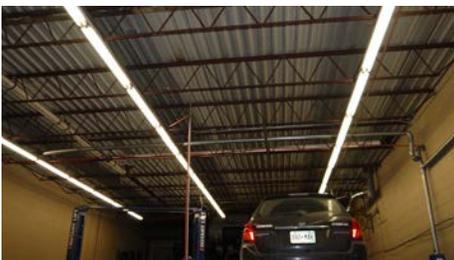
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