

CITY COUNCIL AND HRA

Workshop Agenda

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Tuesday, May 30, 2023 @ 6:00 pm

The public is invited to attend these meetings in person
Meeting is also streamed live on YouTube: www.youtube.com/CityOfBrainerdMN

1. Call to Order

2. Roll Call

3. Overview of Tax Increment Financing

4. Discussion on a Potential Redevelopment TIF District

5. Overview of the Brainerd HRA

6. Adjourn

Council

___ G. Johnson
___ J. Czezok
___ M. O'Day
___ K. Stunek
___ K. Terry
___ T. Stenglein
___ K. Bevans
___ D. Badeaux

HRA

___ J. Decker
___ M. Duval
___ W. Erickson
___ R. Kent
___ A. Verchota
___ K. Yeager

Any individual needing special accommodations, please call 828-2307



324 East River Road
Brainerd, MN 56401

Phone: 218/828-3705
Fax: 218/828-8817

To: Brainerd City Council & Brainerd HRA Board Members
From: Eric Charpentier, Executive Director
James Kramvik, Community Development Director
Date: May 30th, 2023
Re: Discussion Regarding a Potential Redevelopment TIF District

Downtown Redevelopment Project and a Redevelopment TIF District

The Brainerd HRA has been working with City staff as well as the development company, DW Jones, on a redevelopment project at the corner of 8th Street and Laurel Street in downtown Brainerd. Much of this property has been vacant for years and is primed for redevelopment. This proposed project would include the demolition of the existing buildings within the project footprint with the plan to rebuild a mixed-use building of commercial space along with 78 units of multi-family housing. The plans also include 65 units of underground parking along with additional surface parking at the back of the building (see attached).

Due to the prohibitive costs associated with a redevelopment of this size, the developer is researching and applying for multiple funding sources to go along with their traditional financing and owner equity. The developer has completed the Brainerd HRA's Public Financing applications. One of the additional funding sources that is being requested is the creation of a Redevelopment TIF district. An engineering report that was completed in January by engineering firm LHB concluded that the buildings within the project footprint would meet the definition of blight and that these parcels would meet the standard for the creation of a redevelopment TIF district (see attached).

We have also been working with our financial advisors at Baker Tilly, who would be our advising firm should the Council allow the Brainerd HRA to move forward with this TIF district.

Representatives from DW Jones will provide more insight into their proposed project as well as our advisor from Baker Tilly to provide insight into the financial analysis that they are working on for this proposed project.

Town Center (Frontage Overlay) District

The property is located in the Town Center District and the façade facing Eighth Street South is in the Town Center (Frontage Overlay) District. Residential uses are allowed on the first floor in the TC District. However, the overlay district prohibits residential uses on the main floor adjacent to the public right-of-



way and requires either a shop front or common entry façade. DW Jones proposes three commercial units on the first floor along South Eighth Street which adhere to the requirements of the overlay district. In addition, there are also two proposed commercial units on the first floor along Laurel Street, which will visually strengthen the corner of Eighth and Laurel. Commercial units four and five are not a requirement of the overlay district. The proposed floor plan also provides for the separation of residential and commercial uses and allows for off-street loading in the rear of the building.

Planning and Zoning Application Requirements

Mixed-Use buildings and multi-family attached dwellings of five plus units are a conditional use in the TC District. Along with the conditional use permit for the proposed use, DW Jones will be required to replat the block, apply for a conditional use to exceed the height requirements in the TC District, and apply for a variance from the landscape standards.

Comprehensive Plan

The Proposed Development supports the following Goals and Policies of the Comprehensive Plan:

Land Use

- 1) *GOAL 1: Support mixed-use development that is focused on integration instead of the separation of land uses.*
 - a. *Allow a mix of land uses in appropriate locations, leading to lively neighborhoods.*
- 2) *GOAL 2: Through thoughtful planning, maintain the unique identity of the city and all the appropriate land uses that support it.*
 - a. *Promote reinvestment in the city's main highway corridors and downtown.*
 - b. *Help existing places thrive.*
 - c. *Encourage mixed-use neighborhoods that are walkable and bikeable, ones that provide the daily services that residents need within walking distance of their homes.*
- 3) *GOAL 3: Support and invest in the incremental enhancements of quality of life.*
 - a. *Endorse a vibrant downtown and support investment within our corridors.*
 - b. *Ensure a wide range of housing types for all income levels.*

Housing

- 1) *GOAL 1: Provide a diverse mix of housing choices for all stages of life, income ranges, and ownership/rental preferences.*
 - a. *Expand home ownership and rental opportunities through rehabilitation and new construction.*
 - b. *Ensure an adequate supply of quality and affordable housing units for current and future residents.*

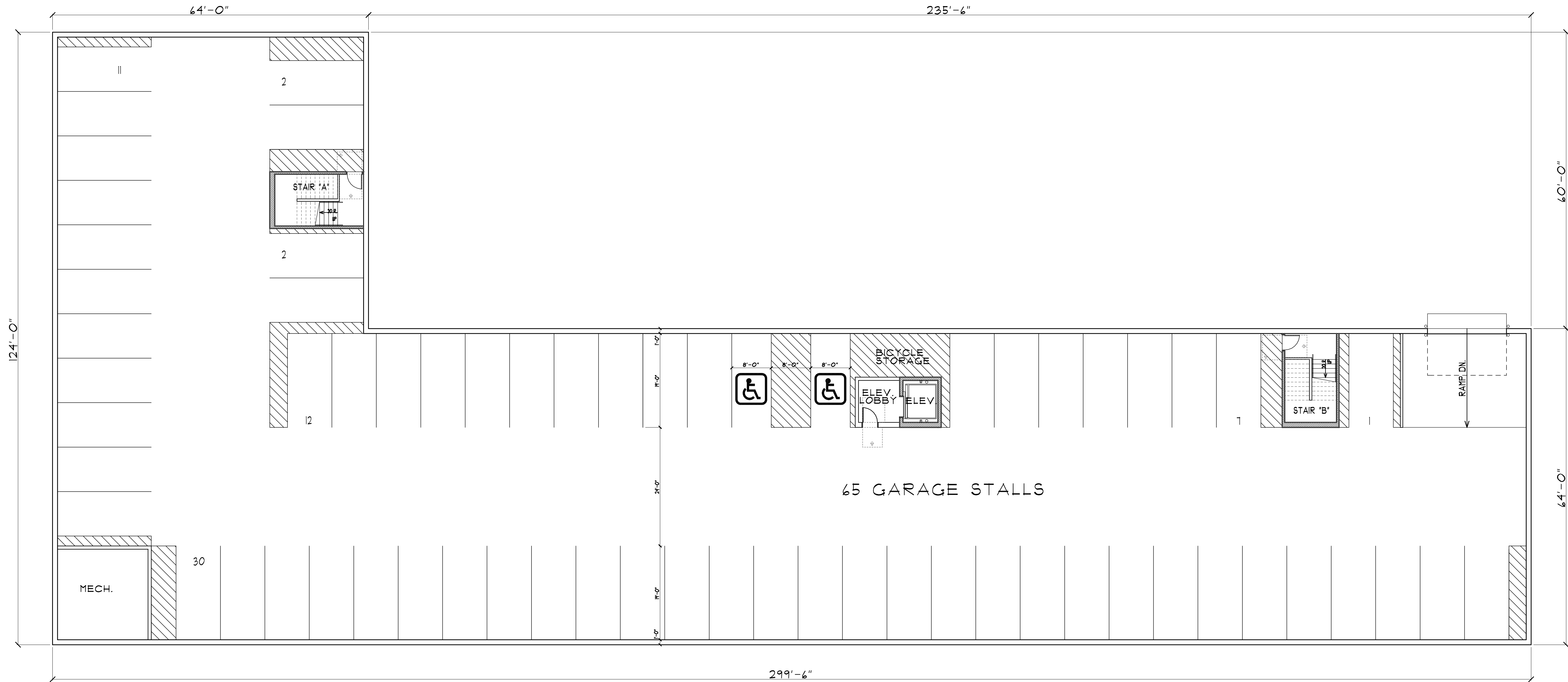
Economic Development

- 1) *GOAL 1: Support infill and redevelopment throughout Brainerd as a strategic component of growth.*
 - a. *Drive infill development and redevelopment towards areas where current infrastructure is present, or places where high levels of blight or disinvestment exists.*
 - b. *Invest in community improvements that will spur and support revitalization or redevelopment.*

- c. *Reclaim underutilized infrastructure within the city (industrial sites, rail lines, parking lots, blighted structures, vacant blocks).*

Discussion regarding the following items:

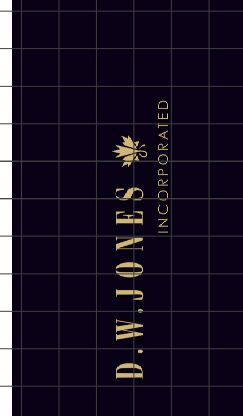
- 1) Are the Council and HRA interested in creating a Redevelopment TIF District for the proposed project?
- 2) Should this be an HRA TIF district? Staff believes that since this is a housing and redevelopment project, the HRA would be best suited to create this TIF district.



 **BASEMENT PLAN**
SCALE: 3/32" = 1'-0"

COLE GROUP
ARCHITECTS LLC.
214 Park Avenue South
Suite 102
Burlington, NH 05401
(303) 484-4510
www.colegrouparchitects.com

These documents are not valid for building permit unless signed in ink and over sealed. Copies are not valid.
I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of
Name **NORMAN E. COLE**

DEVELOPER:

D.W. JOHNS & ASSOCIATES

PROPOSED MIXED USE:
**EIGHT 05
LAUREL**
BRainerd, MN

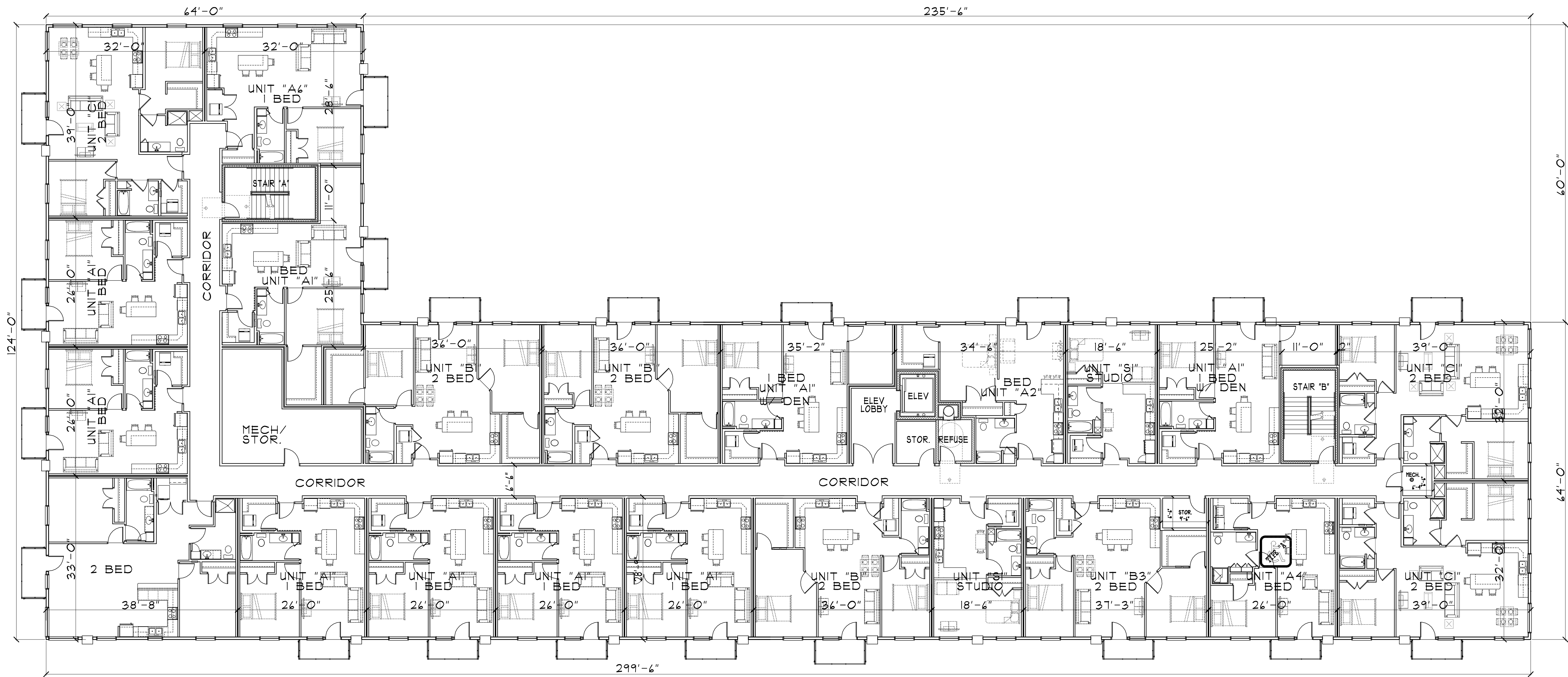
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Project No.
21028
Issue Date:
PRELIMINARY

Document Set:
PRELIMINARY

A100

PLOTTED: 05-23-23 FILE: 21028P COM: 5



BUILDING AREAS		UNIT MIX:		
SQUARE FOOTAGE		BEDROOMS	TOTAL	MIX %
PARKING GARAGE = 23,008 S.F.		STUDIO	12	15.5%
1ST FLOOR APARTMENT = 13,905 S.F.		1 BED 1 BATH	29	37%
COMMERCIAL SPACE = 9,103 S.F.		1 BED 1 BATH +DEN	9	11.5%
1ST FLOOR TOTAL = 23,008 S.F.		2 BED 1 BATH	14	18%
2ND FLOOR APARTMENT = 23,008 S.F.		2 BED 2 BATH	14	18%
3RD FLOOR APARTMENT = 23,008 S.F.				
4TH FLOOR APARTMENT = 23,008 S.F.				
BUILDING TOTAL = 115,040 S.F.			78	100%

2ND, 3RD, 4TH FLOOR PLAN
SCALE: 3/32" = 1'-0"

COLE GROUP
ARCHITECTS LLC.
216 Park Avenue South
PO Box 5430
Saint Cloud, MN 56301
1920 / 651-4570
www.colegrouparchitects.com

These documents are not valid for building permit unless signed in ink and over sealed. Copies are not valid.
I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of
Name: **NORMAN E. COLE**

DEVELOPER:
D.W. JONES
INCORPORATED

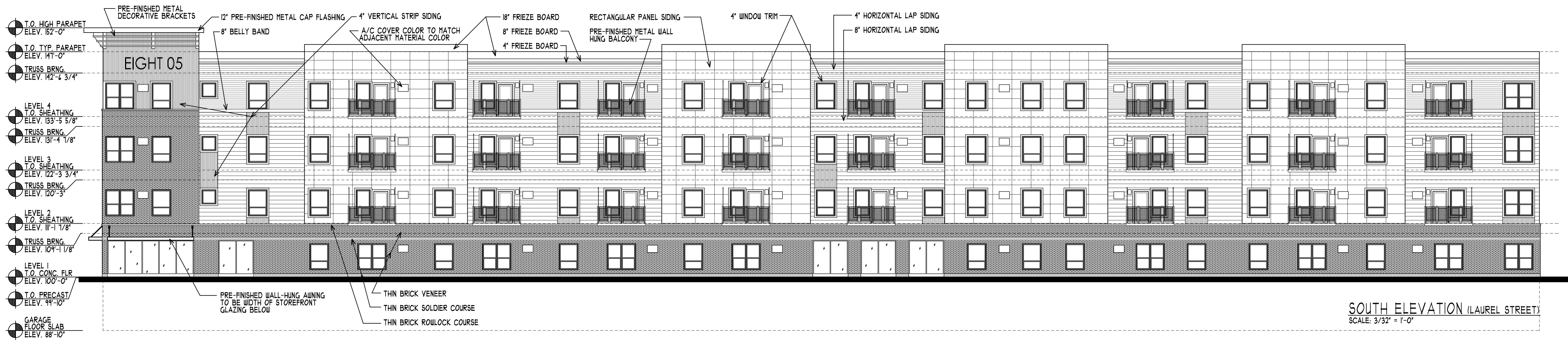
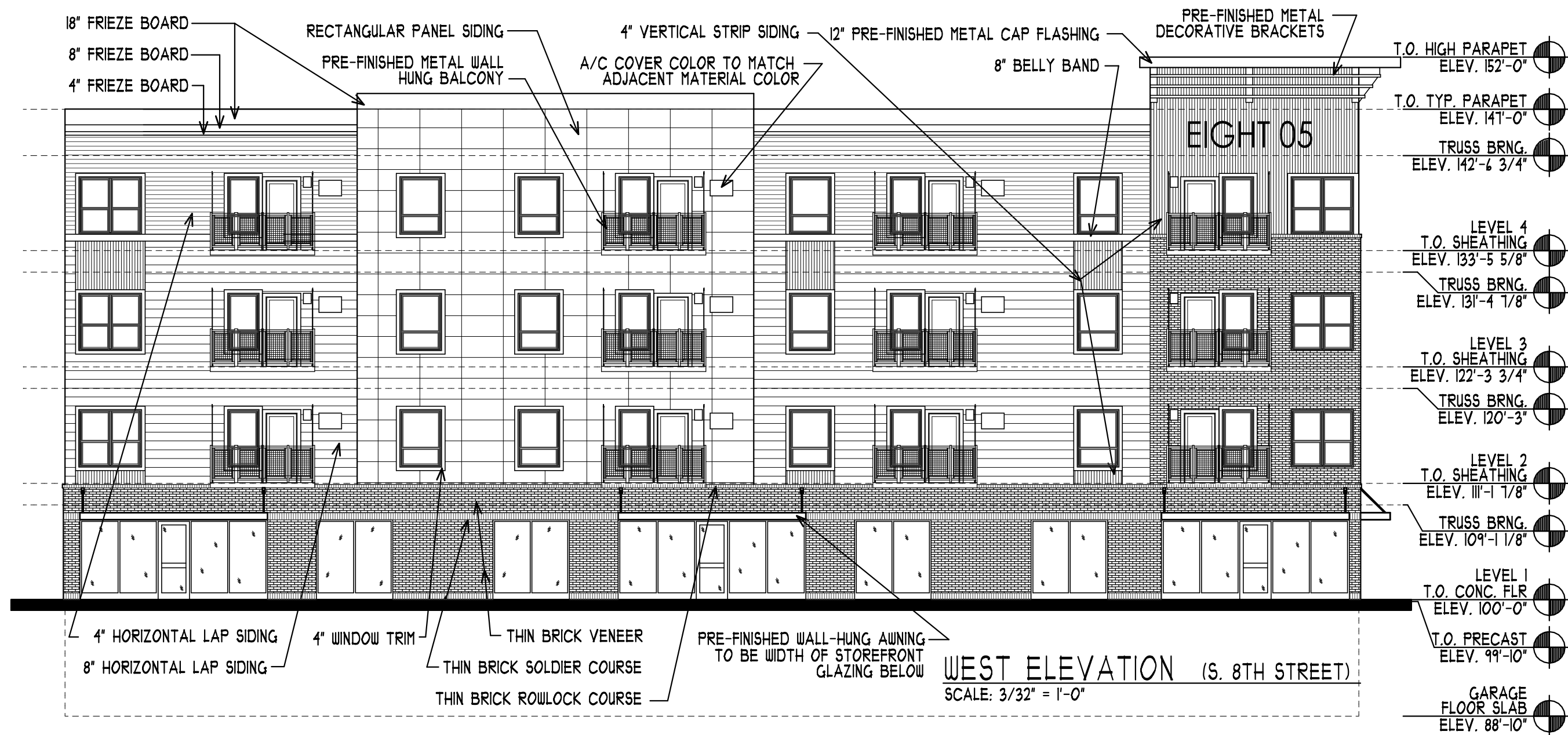
PROPOSED MIXED USE:
**EIGHT 05
LAUREL**
BRANDER, MN

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21028
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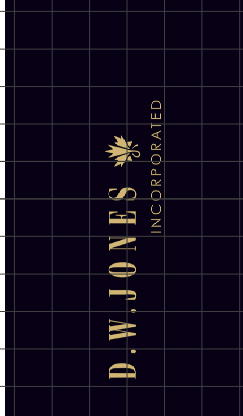
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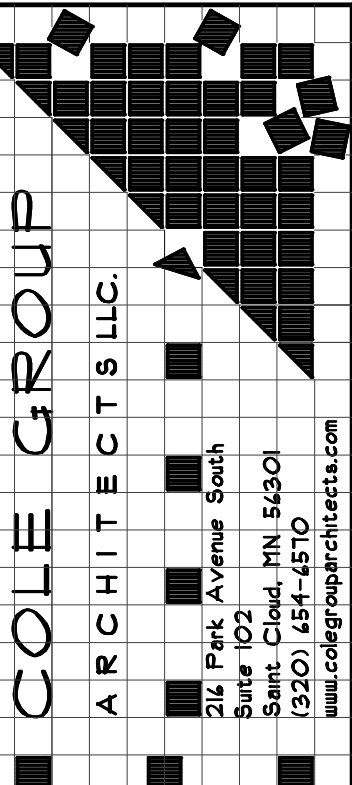
REVISIONS COMMENTS

DEVELOPER:

PROPOSED MIXED USE:
EIGHT 05
LAUREL
BRAND, MN



These documents are not valid for building permit unless signed in ink and over sealed. Copies are not valid.
I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of MINNESOTA
Name NORMAN E. COLE



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

THRIFTY WHITE
REDEVELOPMENT TIF DISTRICT

Prepared for

BRAINERD HRA
January 13, 2022



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Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the Brainerd HRA 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 along Laurel Street between South 8th Street and South 9th Street in Brainerd, MN (Diagram 1). The purpose of LHB’s work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether three (3) buildings on six (6) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.

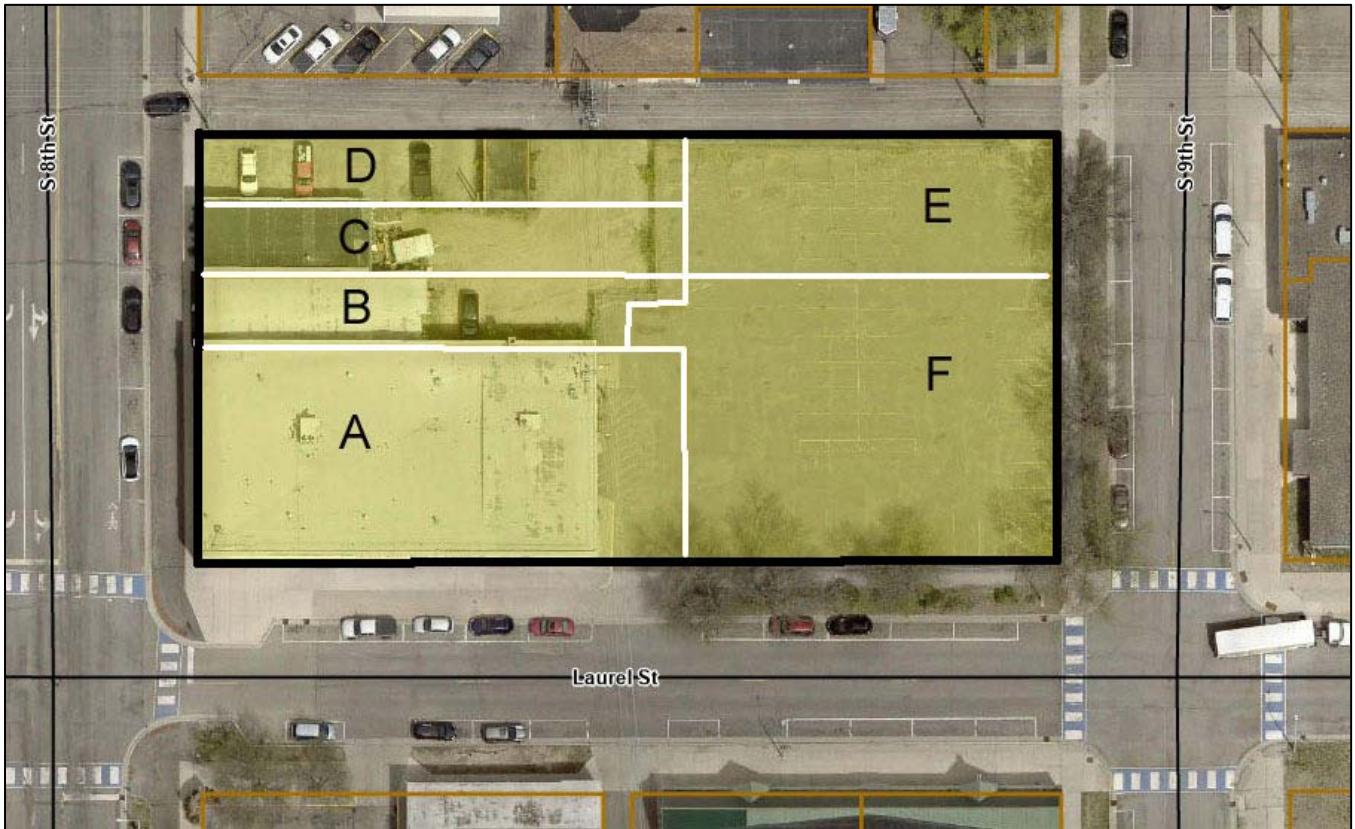


Diagram 1: Proposed TIF District

Scope of Work

The proposed TIF District consists of six (6) parcels with three (3) structures. Two (2) buildings were inspected on November 18, 2022. One building was not inspected. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are in Appendix B.

Conclusion

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

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 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:

1. COVERAGE TEST

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

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

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

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

2. CONDITION OF BUILDINGS TEST

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

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

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

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

- i. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
- c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

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

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

- i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c)) for the following reasons:
 - 1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
 - 2) Chapter 13 of the 2015 *Minnesota Building Code* states, “Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*.” Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, “References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*...”
 - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
 - 4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
 - 5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
 - 6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions “reasonably distributed throughout the district.”:
 - “(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;
 - (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;
 - (3) tank facilities, or property whose immediately previous use was for tank facilities...”
- b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the

required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Part 3: Procedures Followed

LHB inspected two buildings on the interior and exterior November 18, 2022.

Part 4: Findings

1. Coverage Test

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

FINDING

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

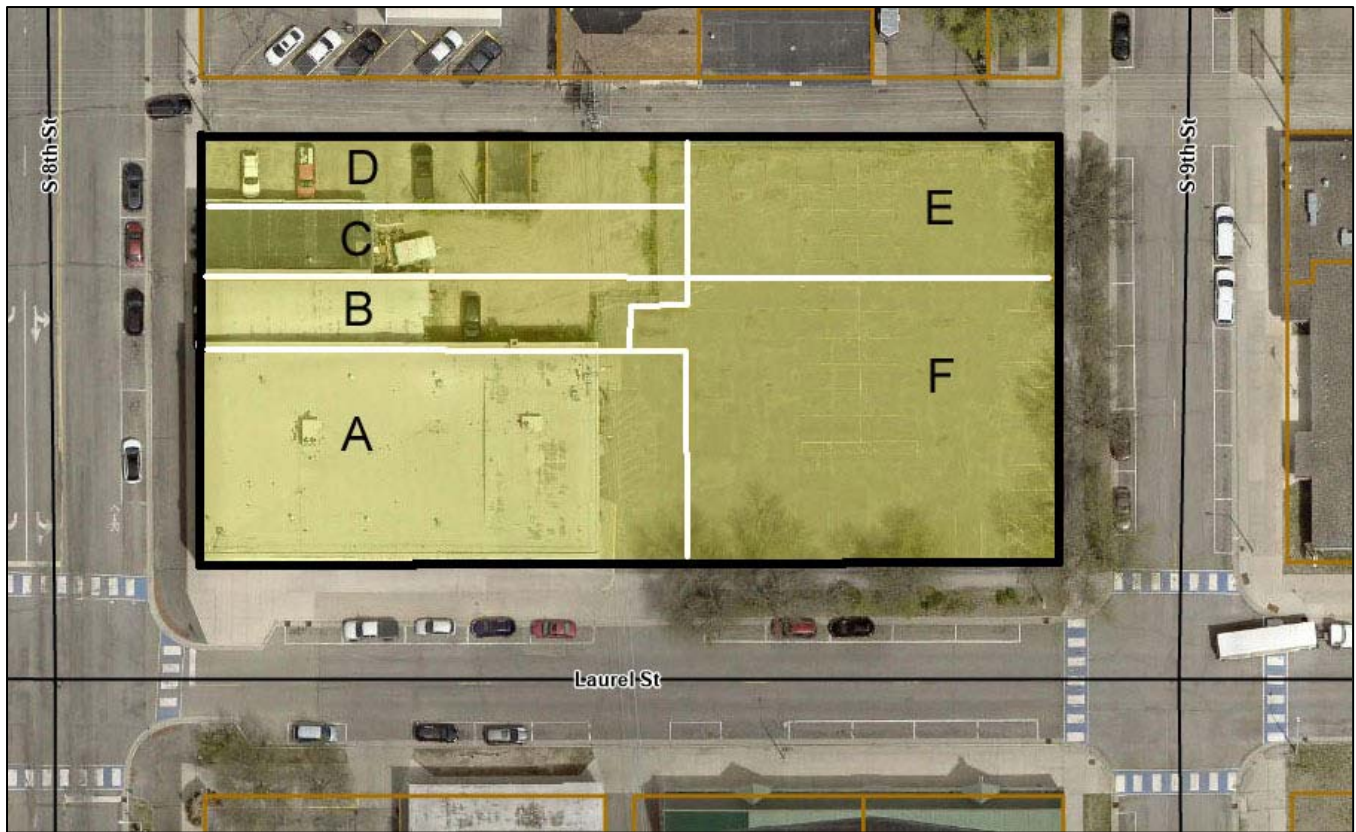


Diagram 2 – Coverage Diagram

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

2. Condition of Building Test

a. BUILDING INSPECTION

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

b. REPLACEMENT COST

- i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2022.
- ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Brainerd, Minnesota.
- iii. Replacement cost includes labor, materials, and the contractor’s overhead and profit. Replacement costs do not include architectural fees, legal fees or other “soft” costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

c. CODE DEFICIENCIES

- i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2022; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING

Two (2) out of 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.

d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then for such building to be “structurally substandard” under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building’s defects, or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.
- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.
- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

FINDING

In our professional opinion, two (2) out of 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).

3. Distribution of Substandard Structures

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

FINDING

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

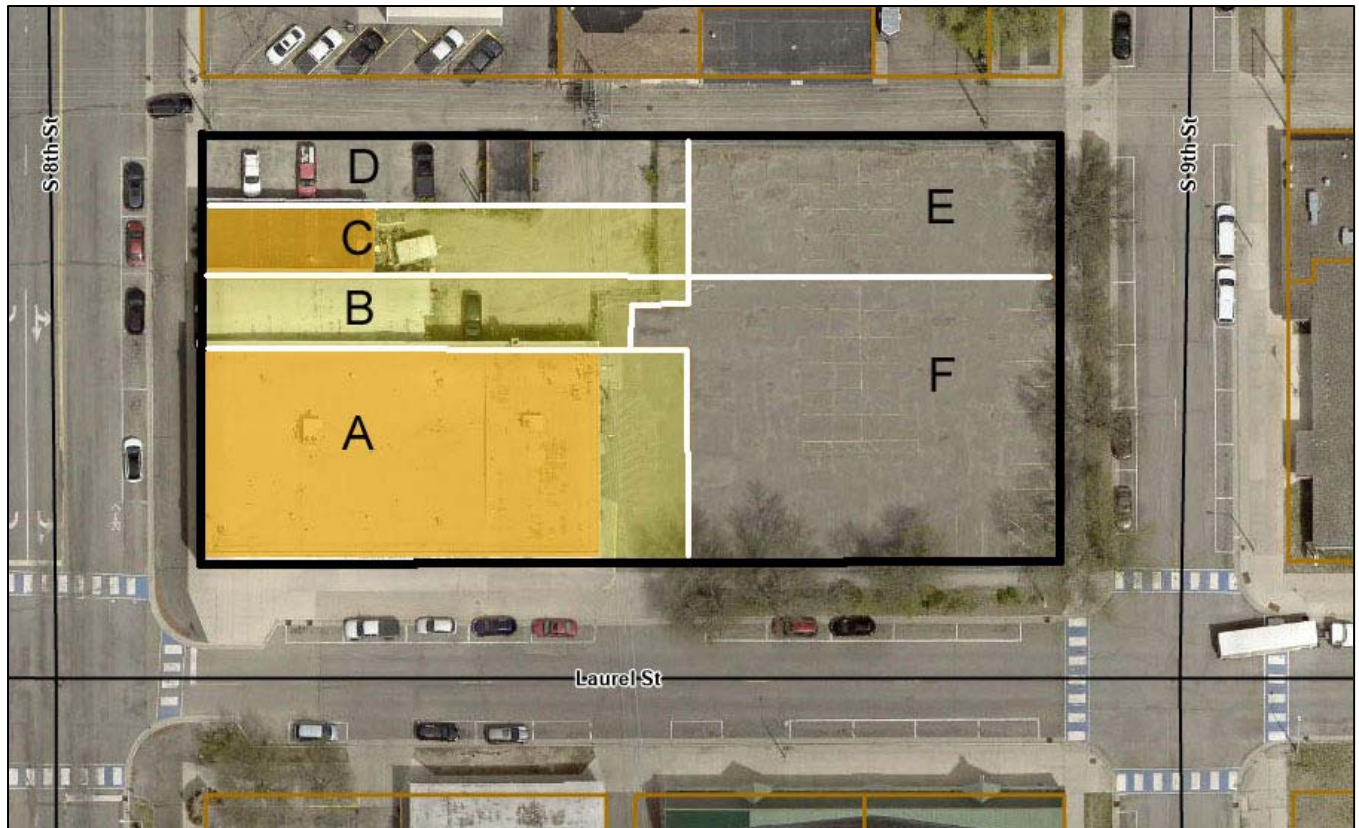


Diagram 3 – Substandard Buildings

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

Part 5: Team Credentials

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

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

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

Phil Fisher – Inspector

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

Appendices

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

APPENDIX A

Property Condition Assessment Summary Sheet

Thrifty White Redevelopment TIF District

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
A	41241495	805 Laurel Street	Improved	Interior/Exterior	12,750	12,750	100.0%	12,750	1	\$4,226,678	\$634,002	\$1,543,562	1	1
B	41241496	217 8th Street South	Improved	Exterior	3,963	3,963	100.0%	3,963	1	Note 1				
C	41241497	215 8th Street South	Improved	Interior/Exterior	4,286	4,286	100.0%	4,286	1	\$234,997	\$35,250	\$69,844	1	1
D	41241498	N/A	Vacant	Exterior	4,286	4,286	100.0%	4,286	0					
E	41241505	N/A	Vacant	Exterior	6,510	6,510	100.0%	6,510	0					
F	41241506	N/A	Vacant	Exterior	13,421	13,421	100.0%	13,421	0					
TOTALS					45,216	Total Coverage Percent:		45,216	3	Percent of buildings exceeding 15 percent code deficiency threshold:			2	2
Note 1: This building was not inspected.								100.0%	Percent of buildings determined substandard:				66.7%	66.7%

APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Thrifty White Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A

Retail Building

Address: 805 Laurel Street, Brainerd, Minnesota 56401
Parcel ID: 41241495
Inspection Date(s) & Time(s): November 18, 2022, 11:20 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

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

Estimated Replacement Cost:	\$4,226,678
Estimated Cost to Correct Building Code Deficiencies:	\$1,543,562
Percentage of Replacement Cost for Building Code Deficiencies:	36.5%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Parapet walls are damaged and should be repaired/replaced per code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. The transaction counter does not comply with accessibility code.
 - b. Second floor restrooms do not comply with code.
 - c. There is no code compliant access to all levels of the building.
2. Light and Ventilation
 - a. Electrical wiring does not comply with code.
 - b. The lighting system does not comply with code.
 - c. The HVAC system is not code compliant.
3. Fire Protection/Adequate Egress
 - a. Thresholds do not comply with code for maximum height.
 - b. Glass doors should have code required 10-inch kick plates.
 - c. Door hardware does not comply with code.
 - d. Stairs do not comply with code.
 - e. Flooring is damaged creating an impediment to emergency egress which is contrary to code.
 - f. Code required fire caulking should be placed in all through wall, floor, and ceiling penetrations.

- g. Smoke detectors do not comply with code.
 - h. The emergency lighting system does not comply with code.
 - i. The emergency notification system does not comply with code.
 - j. Code compliant emergency exit signage should be installed.
 - k. The building sprinkler system does not comply with code.
4. Layout and Condition of Interior Partitions/Materials
- a. Interior walls should be repaired/repainted.
 - b. Interior acoustical ceilings should be repaired/replaced.
 - c. Carpeting is stained and should be cleaned.
5. Exterior Construction
- a. Exterior hollow metal doors are rusting and should be repaired/replaced.
 - b. Windows are failing allowing for water intrusion which is contrary to code.
 - c. Expansion joint caulking is failing allowing for water intrusion which is contrary to code.
 - d. Exterior brick/block and mortar is damaged/cracked allowing for water intrusion which is contrary to code.
 - e. Exterior stucco is damaged allowing for water intrusion which is contrary to code.
 - f. Exterior walls should be repainted.
 - g. Roofing material has failed allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Steel lintels should be protected from rusting per code.
- 2. The parapet wall should be repaired per code.
- 3. Transaction counter should be modified to comply with accessibility code.
- 4. Restrooms should be modified to comply with code.
- 5. Code compliant access to all levels should be created.
- 6. Electrical wiring does not comply with code.
- 7. The lighting system does not comply with code.
- 8. A code compliant HVAC system should be installed.
- 9. Thresholds should be modified to comply with code for maximum height.
- 10. Glass doors should have code required 10-inch kick plates installed.
- 11. Damaged flooring should be repaired/replaced to create a code required unimpeded means for emergency egress.
- 12. Code compliant smoke detectors should be installed.
- 13. Install code required fire caulking.
- 14. Code compliant emergency lighting should be installed.
- 15. Install code compliant emergency exit signage.
- 16. A code compliant emergency notification system should be installed.
- 17. A code compliant building sprinkler system should be installed.
- 18. Failed windows should be replaced to prevent water intrusion per code.
- 19. Failed caulking should be replaced to prevent water intrusion per code.

20. Exterior brick and mortar that is damaged/missing should be replaced to prevent water intrusion per code.
21. Damaged stucco should be repaired to prevent water intrusion per code.
22. Failed roofing material should be removed/replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This building was formerly occupied as a drug store and has been vacant for several years. Exterior brick, mortar, stucco, and caulking is failing allowing for water intrusion which is contrary to code. Roofing material and windows are failing allowing for water intrusion which is contrary to code. Electrical wiring and lighting do not comply with code. The HVAC system does not comply with code. There is no code compliant access to all levels. Restrooms do not comply with code. The transaction counter does not comply with code. Life safety system do not comply with code. Damaged flooring should be repaired/replaced to create a code required unimpeded means for emergency egress. All life safety systems do not comply with code. Roofing material has failed allowing for water intrusion which is contrary to code.

ENERGY CODE DEFICIENCIES

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

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Thrifty White Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel C

Retail Business

Address: 215 South 8th Street, Brainerd, Minnesota 56401
Parcel ID: 41241497
Inspection Date(s) & Time(s): November 18, 2022, 11:00 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

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

Estimated Replacement Cost:	\$234,997
Estimated Cost to Correct Building Code Deficiencies:	\$69,844
Percentage of Replacement Cost for Building Code Deficiencies:	29.7%

DEFECTS IN STRUCTURAL ELEMENTS

1. No Deficiencies Observed.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible parking.
 - b. There is no code required accessible restroom.
2. Light and Ventilation
 - a. The electrical system does not comply with code.
 - b. The lighting system does not comply with code.
 - c. The HVAC system does not comply with code.
 - d. The plumbing system does not comply with code.
 - e. The gas meter is not properly protected per code.
3. Fire Protection/Adequate Egress
 - a. Door hardware does not comply with code.
 - b. Flooring is damaged creating an impediment to emergency egress which is contrary to code.
 - c. Thresholds do not comply with code for maximum height.
 - d. Smoke detectors do not comply with code.
 - e. Emergency lighting does not comply with code.
 - f. There is no code required emergency notification system.

- g. There is no code required building sprinkler system.
- 4. Layout and Condition of Interior Partitions/Materials
 - a. Walls should be repaired/repainted.
 - b. Ceilings should be repaired/replaced.
- 5. Exterior Construction
 - a. Brick and mortar are failing allowing for water intrusion which is contrary to code.
 - b. Stucco is damaged allowing for water intrusion which is contrary to code.
 - c. Caulking is failing allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Code required accessible parking should be created.
- 2. The restroom should be modified to comply with accessibility code.
- 3. A code compliant electrical wiring system should be installed.
- 4. A code compliant lighting system should be installed.
- 5. A code compliant HVAC system should be installed.
- 6. A code compliant plumbing system should be installed.
- 7. The natural gas meter should be properly protected per code.
- 8. Code compliant door hardware should be installed.
- 9. Damaged/missing flooring should be repaired/replaced to create a code compliant unimpeded means for emergency egress.
- 10. Thresholds should be modified to comply with code for maximum height.
- 11. Code compliant smoke detectors should be installed.
- 12. Code compliant emergency lighting should be installed.
- 13. A code required emergency notification system should be installed.
- 14. A code required building sprinkler system should be installed.
- 15. Failing brick and mortar should be repaired/replaced to prevent water intrusion per code.
- 16. Damaged stucco should be repaired to prevent water intrusion per code.
- 17. Failing caulking should be replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This retail building is currently vacant. There is no code required accessible parking or restrooms. The electrical wiring and lighting systems do not comply with code. The HVAC and plumbing systems do not comply with code. Door hardware is not code compliant. The flooring is damaged/missing creating an impediment to emergency egress which is contrary to code. The natural gas meter is not properly protected per code. Smoke detectors are not code compliant. The emergency lighting system is not code compliant. A code required emergency notification system should be installed. A code required building sprinkler system should be installed. Exterior surfaces should be repaired/replaced to prevent water intrusion per code.

ENERGY CODE DEFICIENCIES

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

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APPENDIX C

Building Replacement Cost Reports

Code Deficiency Cost Reports

Photographs

Thrifty White Redevelopment TIF District

Replacement Cost Report

RSMeans data
from SARGIAN

Square Foot Cost Estimate Report

Date:

11/30/2022

Estimate Name:	805 Laurel Street	
Building Type:	Commercial, 2 Story with Brick Veneer / Reinforced Concrete	
Location:	BRAINERD, MN	
Story Count:	2	
Story Height (L.F.):	16	
Floor Area (S.F.):	20800	
Labor Type:	OPN	
Basement Included:	Yes	
Data Release:	Year 2022 Quarter 4	
Cost Per Square Foot:	\$203.21	
Building Cost:	\$4,226,678.51	

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

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		8.35%	\$14.75	\$306,815.75
A1010	Standard Foundations			\$4.03	\$83,840.29
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	430		\$0.97	\$20,093.04
A10102107700	Spread footings, 3000 PSI concrete, load 200K, soil bearing capacity 6 KSF, 6' - 0" square x 20" deep	64.52		\$3.06	\$63,747.25
A1030	Slab on Grade			\$3.08	\$64,159.37
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	10400		\$3.08	\$64,159.37
A2010	Basement Excavation			\$2.00	\$41,618.30
A20101104620	Excavate and fill, 10,000 SF, 8' deep, sand, gravel, or common earth, on site storage	10400		\$2.00	\$41,618.30
A2020	Basement Walls			\$5.63	\$117,197.79
A20201107260	Foundation wall, CIP, 12' wall height, pumped, .444 CY/LF, 21.59 PLF, 12" thick	430		\$5.63	\$117,197.79
B	Shell		41.18%	\$72.76	\$1,513,452.61
B1010	Floor Construction			\$36.99	\$769,349.71
B10102030860	Cast-in-place concrete column, 12" square, tied, 200K load, 12' story height, 142 lbs/LF, 4000PSI	774.18		\$2.96	\$61,566.56
B10102049913	Cast-in-place concrete column, 12", square, tied, minimum reinforcing, 150K load, 10'-14' story height, 135 lbs/LF, 4000PSI	129		\$0.41	\$8,512.79
B10102049918	Cast-in-place concrete column, 16", square, tied, minimum reinforcing, 300K load, 10'-14' story height, 240 lbs/LF, 4000PSI	98.9		\$0.44	\$9,086.54
B10102154450	Concrete I beam, precast, 18" x 36", 790 PLF, 25' span, 6.44 KLF superimposed load	610.6		\$10.01	\$208,181.26
B10102221720	Flat slab, concrete, with drop panels, 6" slab/2.5" panel, 12" column, 15'x15' bay, 75 PSF superimposed load, 153 PSF total load	10400		\$7.59	\$157,913.60
B10102357550	Precast concrete double T beam, 2" topping, 24" deep x 8' wide, 50' span, 30 PSF superimposed load, 120 PSF total load	10400		\$7.63	\$158,634.11
B10102357800	Precast concrete double T beam, 2" topping, 24" deep x 8' wide, 50' span, 75 PSF superimposed load, 165 PSF total load	10400		\$7.95	\$165,454.85
B2010	Exterior Walls			\$23.48	\$488,384.23
B20101321201	Brick wall, composite double wythe, standard face/CMU back-up, 8" thick, perlite core fill, 3" XPS	11008		\$23.48	\$488,384.23
B2020	Exterior Windows			\$4.85	\$100,951.74
B20201066550	Windows, aluminum, awning, insulated glass, 4'-5" x 5'-3"	119.65		\$4.85	\$100,951.74
B2030	Exterior Doors			\$1.71	\$35,627.59
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	2.08		\$0.88	\$18,205.51
B20301107300	Door, aluminum & glass, with transom, bronze finish, hardware, 3'-0" x 10'-0" opening	2.08		\$0.45	\$9,264.57
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	2.08		\$0.39	\$8,157.51

B3010	Roof Coverings			\$4.96	\$103,188.89
B30101203400	Roofing, single ply membrane, EPDM, 60 mils, loosely laid, stone ballast	10400		\$1.10	\$22,889.57
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	10400		\$2.66	\$55,338.19
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	430		\$0.75	\$15,692.10
B30104300040	Flashing, aluminum, no backing sides, .019"	430		\$0.23	\$4,783.90
B30106305200	Gravel stop, aluminum, extruded, 4", duranodic, .050" thick	430		\$0.22	\$4,485.13
B3020	Roof Openings			\$0.77	\$15,950.45
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	4.16		\$0.35	\$7,197.03
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	4.16		\$0.42	\$8,753.42
C	Interiors		14.58%	\$25.76	\$535,910.05
C1010	Partitions			\$2.47	\$51,476.56
C10101265400	Metal partition, 5/8" fire rated gypsum board face, no base, 3'-5/8" @ 24" OC framing, same opposite face, no insulation	5824		\$1.10	\$22,947.08
C10101265425	Metal partition, 5/8" fire rated gypsum board face, no base, 3'-5/8" @ 24" OC framing, same opposite face, sound attenuation insulation	2496		\$0.62	\$12,978.15
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	11008		\$0.45	\$9,272.04
C10101280960	Add for the following: taping and finishing	11008		\$0.30	\$6,279.29
C1020	Interior Doors			\$6.31	\$131,206.28
C10201022500	Door, single leaf, wood frame, 3'-0" x 7'-0" x 1-3/8", birch, solid core	46.67		\$2.28	\$47,498.55
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	66.67		\$4.02	\$83,707.73
C1030	Fittings			\$0.22	\$4,601.91
C10301100420	Toilet partitions, cubicles, ceiling hung, plastic laminate	5.2		\$0.22	\$4,601.91
C2010	Stair Construction			\$3.61	\$75,152.90
C20101100720	Stairs, steel, pan tread for conc in-fill, picket rail, 12 risers w/ landing	7.28		\$3.61	\$75,152.90
C3010	Wall Finishes			\$0.93	\$19,331.75
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	16640		\$0.56	\$11,634.85
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	11008		\$0.37	\$7,696.90
C3020	Floor Finishes			\$4.19	\$87,143.90
C30204100080	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 35 oz	12480		\$2.88	\$59,951.42
C30204101600	Vinyl, composition tile, maximum	6240		\$0.61	\$12,596.25
C30204101720	Tile, ceramic natural clay	2080		\$0.70	\$14,596.23
C3030	Ceiling Finishes			\$8.03	\$166,996.75
C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support	20800		\$8.03	\$166,996.75
D	Services		35.89%	\$63.42	\$1,319,194.21
D1010	Elevators and Lifts			\$13.24	\$275,486.64
D10101108900	Hydraulic passenger elevator, 3000 lb, 3 floors, 12' story height, 2 car group, 125 FPM	2.08		\$13.24	\$275,486.64
D2010	Plumbing Fixtures			\$2.74	\$56,891.02
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	5.2		\$0.99	\$20,614.91
D20102102000	Urinal, vitreous china, wall hung	2.08		\$0.13	\$2,780.91
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	4.16		\$0.35	\$7,236.11
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	3.12		\$0.89	\$18,556.90
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	3.12		\$0.37	\$7,702.19
D2020	Domestic Water Distribution			\$0.67	\$13,978.74
D20202501860	Gas fired water heater, commercial, 100 < F rise, 100 MBH input, 91 GPH	1.04		\$0.67	\$13,978.74
D2040	Rain Water Drainage			\$0.82	\$17,066.21
D20402104200	Roof drain, CI, soil, single hub, 4" diam, 10' high	4.16		\$0.50	\$10,309.19
D20402104240	Roof drain, CI, soil, single hub, 4" diam, for each additional foot add	129		\$0.32	\$6,757.02

D3050	Terminal & Package Units			\$16.47	\$342,562.48
D30501553960	Rooftop, multizone, air conditioner, offices, 25,000 SF, 79.16 ton	20800		\$16.47	\$342,562.48
D4010	Sprinklers			\$3.76	\$78,287.44
D40104100600	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 5000 SF	7072		\$1.64	\$34,194.53
D40104100720	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 5000 SF	13728		\$1.83	\$37,965.20
D40104108930	Standard High Rise Accessory Package 3 story	1.04		\$0.29	\$6,127.71
D4020	Standpipes			\$1.26	\$26,156.13
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	1.25		\$0.67	\$13,959.79
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	4.68		\$0.59	\$12,196.34
D5010	Electrical Service/Distribution			\$4.63	\$96,299.92
D50101200440	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 1000 A	1.25		\$1.40	\$29,097.81
D50102300440	Feeder installation 600 V, including RGS conduit and XHHW wire, 1000 A	100		\$1.50	\$31,281.70
D50102400320	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 1200 A	1.2		\$1.73	\$35,920.41
D5020	Lighting and Branch Wiring			\$14.92	\$310,235.89
D50201100640	Receptacles incl plate, box, conduit, wire, 16.5 per 1000 SF, 2.0 W per SF, with transformer	20800		\$5.36	\$111,475.73
D50201350320	Miscellaneous power, 1.2 watts	20800		\$0.38	\$8,004.88
D50201400280	Central air conditioning power, 4 watts	20800		\$0.74	\$15,313.79
D50201452080	Motor installation, three phase, 460 V, 15 HP motor size	2		\$0.26	\$5,373.88
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	23920		\$8.18	\$170,067.61
D5030	Communications and Security			\$4.91	\$102,229.74
D50303101020	Telephone wiring for offices & laboratories, 8 jacks/MSF	15600		\$1.72	\$35,749.74
D50309100454	Communication and alarm systems, fire detection, addressable, 50 detectors, includes outlets, boxes, conduit and wire	1.04		\$2.35	\$48,917.13
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	1.04		\$0.84	\$17,562.87
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$176.70	\$3,675,372.62
Contractor Fees (General Conditions,Overhead,Profit)			15.0%	\$26.51	\$551,305.89
Architectural Fees			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$203.21	\$4,226,678.51

Thrifty White Redevelopment TIF District

Code Deficiency Cost Report

Parcel A - 805 Laurel Street, Brainerd, Minnesota 56401
Parcel ID 41241495

Building Name or Type
Retail Building

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

Restrooms

Modify restrooms to comply with accessibility code	\$ 1.69	SF	20,800	\$ 35,152.00
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Transaction Counter

Modify transaction counter to comply with accessibility code	\$ 1,500.00	Lump	1	\$ 1,500.00
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Accessible Routes

Create a code required accessible route to all levels of the building	\$ 13.24	SF	20,800	\$ 275,392.00
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Structural Elements

Steel Lintels

Protect steel lintels from rusting per code	\$ 500.00	Lump	1	\$ 500.00
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Parapet Wall

Repair/replace damaged parapet wall to prevent from falling per code	\$ 5,000.00	Lump	1	\$ 5,000.00
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Exiting

Thresholds

Modify thresholds to comply with code for maximum height	\$ 250.00	EA	3	\$ 750.00
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Glass Doors

Install code required 10-inch kick plates on glass doors	\$ 100.00	EA	6	\$ 600.00
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Flooring

Repair/replaced damaged flooring to create an unimpeded means for emergency egress per code	\$ 1.00	SF	20,800	\$ 20,800.00
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Emergency Lighting System

Install a code compliant emergency lighting system	\$ 2.15	SF	20,800	\$ 44,720.00
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Emergency Exit Signage

Install code compliant emergency exit signage	\$ 0.65	SF	20,800	\$ 13,520.00
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Emergency Notification System

Install a code compliant emergency notification system	\$ 0.84	SF	20,800	\$ 17,472.00
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Fire Protection

Smoke Detectors

Install code compliant smoke detectors	\$ 2.35	SF	20,800	\$ 48,880.00
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Fire Caulking

Install code required fire caulking	\$ 0.10	SF	20,800	\$ 2,080.00
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Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Building Sprinkler System				
	Install a code compliant building sprinkler system	\$ 5.02	SF	20,800	\$ 104,416.00
	Exterior Construction				
	Windows				
	Replace failed windows to prevent water intrusion per code.	\$ 4.85	SF	20,800	\$ 100,880.00
	Brick and Mortar				
	Repair/replace failed brick and mortar to prevent water intrusion per code	\$ 2,500.00	Lump	1	\$ 2,500.00
	Stucco				
	Repair damaged stucco to prevent water intrusion per code	\$ 1,000.00	Lump	1	\$ 1,000.00
	Roof Construction				
	Roofing Material				
	Replace failed roofing material to prevent water intrusion per code	\$ 5.73	SF	20,800	\$ 119,184.00
	Mechanical - Electrical				
	Mechanical				
	Install a code compliant HVAC system	\$ 16.47	SF	20,800	\$ 342,576.00
	Electrical				
	Install code compliant electrical wiring	\$ 11.37	SF	20,800	\$ 236,496.00
	Install code compliant lighting	\$ 8.18	SF	20,800	\$ 170,144.00
Total Code Improvements					\$ 1,543,562

Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



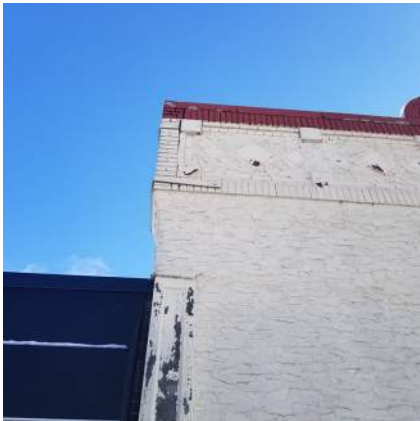
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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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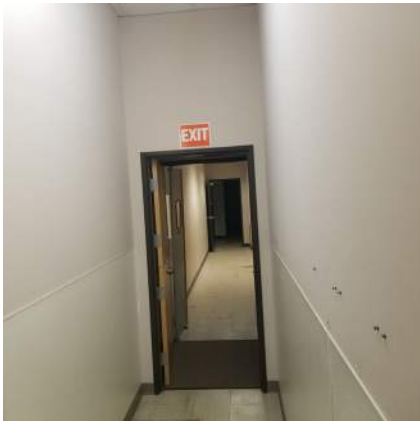
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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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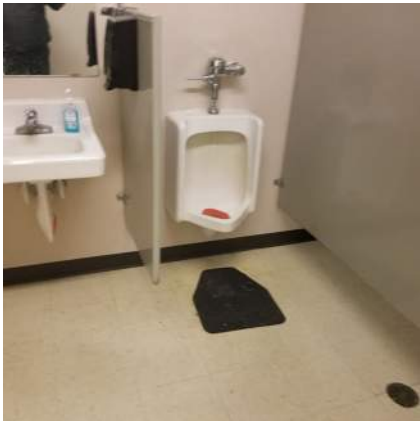
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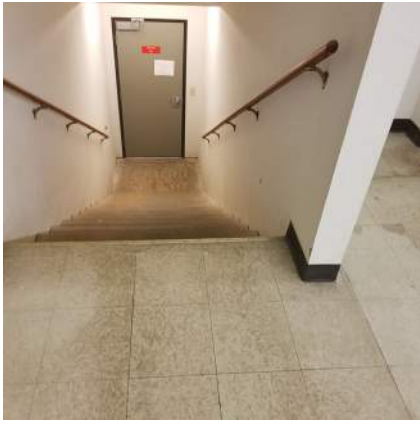


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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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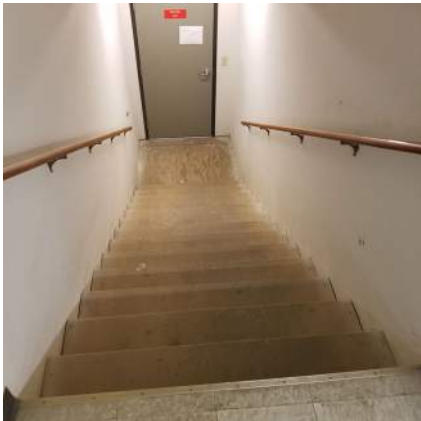
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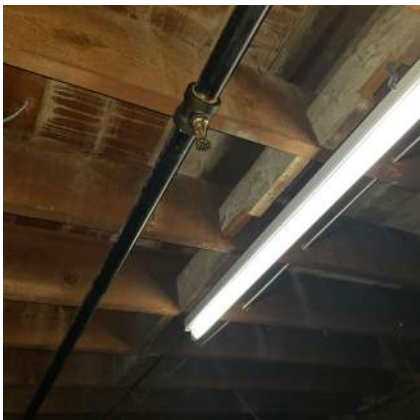
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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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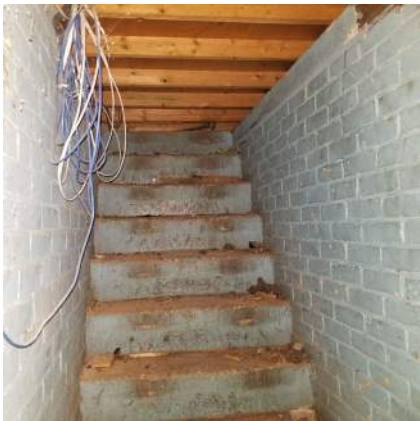
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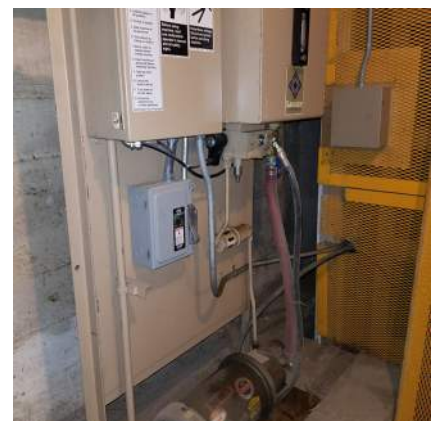
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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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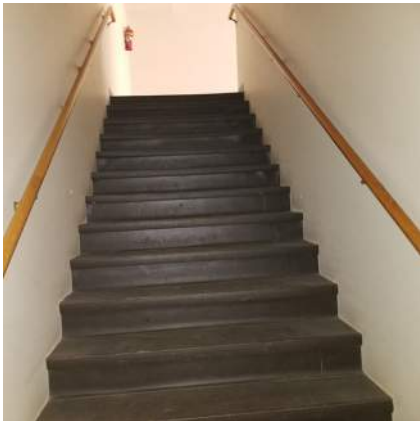
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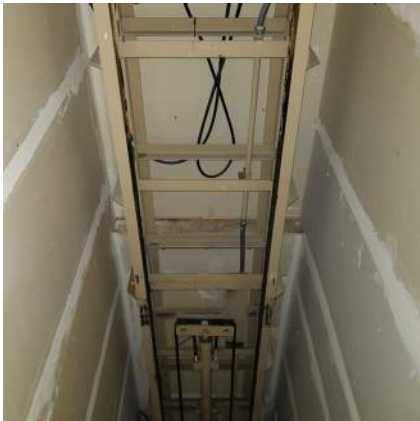
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Thirty White Redevelopment TIF District | Parcel A: 805 Laurel Street



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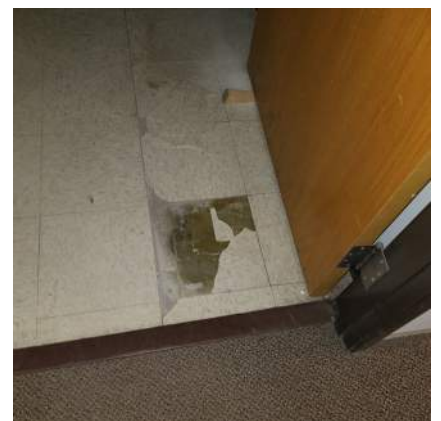
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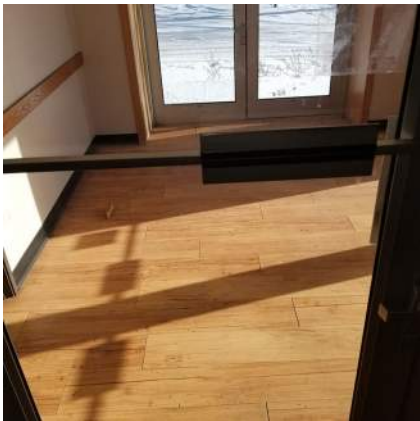
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Thirty White Redevelopment TIF District

Replacement Cost Report



Square Foot Cost Estimate Report

Date:

11/30/2022

Estimate Name:	215 8th Street	
Building Type:	Store, with Face Brick / Wood Frame	
Location:	BRAINERD, MN	
Story Count:	1	
Story Height (L.F.):	12.00	
Floor Area (S.F.):	1400	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2022 Quarter 4	
Cost Per Square Foot:	\$167.86	Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.
Building Cost:	\$234,997.73	

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		13.17%	\$19.22	\$26,909.77
A1010	Standard Foundations			\$12.50	\$17,496.77
A10101051520	Foundation wall, CIP, 4' wall height, direct chute, .099 CY/LF, 4.8 PLF, 8" thick	170		\$9.18	\$12,856.59
A10101102100	Strip footing, concrete, unreinforced, load 2.6 KLF, soil bearing capacity 3 KSF, 8" deep x 16" wide	170		\$2.49	\$3,490.80
A10102107100	Spread footings, 3000 PSI concrete, load 25K, soil bearing capacity 3 KSF, 3' - 0" square x 12" deep	5.6		\$0.82	\$1,149.38
A1030	Slab on Grade			\$6.17	\$8,636.84
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	1400		\$6.17	\$8,636.84
A2010	Basement Excavation			\$0.55	\$776.16
A20101103380	Excavate and fill, 4000 SF, 4' deep, sand, gravel, or common earth, on site storage	1400		\$0.55	\$776.16
B	Shell		43.09%	\$62.90	\$88,053.93
B1010	Floor Construction			\$0.42	\$586.73
B10102102700	Wood column, 6" x 6", 20' x 20' bay, 12' unsupported height, 90 BF/MSF, 50 PSF total allowable load	1400		\$0.42	\$586.73
B1020	Roof Construction			\$4.41	\$6,173.85
B10201023750	Wood roof, flat rafter, 2" x 10", 16" O.C.	1400		\$4.41	\$6,173.85
B2010	Exterior Walls			\$35.41	\$49,578.85
B20101291400	Brick veneer wall, standard face, 2x6 studs @ 16" back-up, running bond	1632		\$35.41	\$49,578.85
B2020	Exterior Windows			\$16.45	\$23,023.68
B20202102000	Aluminum flush tube frame, thermo-break frame, 2.25" x 4.5", 5'x6' opening, no intermediate horizontals	408		\$9.83	\$13,760.98
B20202202000	Glazing panel, plate glass, 1/4" thick, clear	408		\$6.62	\$9,262.70
B2030	Exterior Doors			\$3.94	\$5,512.82
B20301106450	Door, aluminum & glass, without transom, wide stile, double door, hardware, 6'-0" x 7'-0" opening	0.35		\$2.34	\$3,273.87
B20302102500	Door, birch, solid core, single door, hinged, 3'-0" x 7'-0" opening	0.7		\$1.60	\$2,238.95
B3010	Roof Coverings			\$2.27	\$3,178.00
B30101202000	Roofing, single ply membrane, EPDM, 45mils, fully adhered	1400		\$2.27	\$3,178.00
C	Interiors		9.97%	\$14.55	\$20,370.51
C1010	Partitions			\$3.13	\$4,388.63
C10101241200	Wood partition, 5/8" fire rated gypsum board face, none base, 2 x 4, @ 16" OC framing, same opposite face, 0 insul	233.33		\$0.75	\$1,056.44
C10101244500	5/8" gypsum board, taped & finished, painted on 2 x 4 studs 16" O.C.	1632		\$2.38	\$3,332.19
C1020	Interior Doors			\$1.41	\$1,975.59
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	0.75		\$0.68	\$946.54
C10201023300	Door, double leaf, kd steel frame, hollow metal, commercial quality, B label, 2 - 3'-0" x 7'-0" x 1-3/8"	0.32		\$0.74	\$1,029.05
C3010	Wall Finishes			\$0.34	\$472.20

C30102300080	Painting, interior on plaster and drywall, brushwork, primer & 2 coats	466.67		\$0.34	\$472.20
C3020	Floor Finishes			\$2.02	\$2,826.08
C30204101600	Vinyl, composition tile, maximum	1400		\$2.02	\$2,826.08
C3030	Ceiling Finishes			\$7.65	\$10,708.01
C30302105800	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support	1400		\$7.65	\$10,708.01
D	Services		33.77%	\$49.29	\$69,011.64
D2010	Plumbing Fixtures			\$5.19	\$7,268.62
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	1.19		\$1.14	\$1,596.71
D20103101640	Lavatory w/trim, vanity top, PE on CI, 18" round	1.19		\$1.77	\$2,479.90
D20104404300	Service sink w/trim, PE on CI, wall hung w/rim guard, 22" x 18"	0.6		\$2.28	\$3,192.01
D2020	Domestic Water Distribution			\$1.99	\$2,781.52
D20202202260	Gas fired water heater, residential, 100 < F rise, 30 gal tank, 32 GPH	0.6		\$1.99	\$2,781.52
D3050	Terminal & Package Units			\$7.23	\$10,117.79
D30501503360	Rooftop, single zone, air conditioner, food supermarkets, 5,000 SF, 14.17 ton	1400		\$7.23	\$10,117.79
D4010	Sprinklers			\$4.84	\$6,769.28
D40104100600	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 5000 SF	1400		\$4.84	\$6,769.28
D4020	Standpipes			\$7.99	\$11,185.73
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	1		\$7.99	\$11,185.73
D5010	Electrical Service/Distribution			\$3.80	\$5,318.09
D50101200280	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A	0.35		\$0.85	\$1,191.60
D50102300280	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	17.5		\$0.67	\$940.18
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	0.21		\$2.28	\$3,186.31
D5020	Lighting and Branch Wiring			\$13.86	\$19,409.92
D50201100200	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 watts per SF	1400		\$2.07	\$2,891.69
D50201350280	Miscellaneous power, 1 watt	1400		\$0.33	\$459.79
D50201400280	Central air conditioning power, 4 watts	1400		\$0.74	\$1,030.74
D50202100540	Fluorescent fixtures recess mounted in ceiling, 2.4 watt per SF, 60 FC, 15 fixtures @ 32 watt per 1000 SF	1400		\$10.73	\$15,027.70
D5030	Communications and Security			\$4.40	\$6,160.69
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.09		\$1.51	\$2,116.71
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	1		\$2.89	\$4,043.98
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$145.96	\$204,345.85
Contractor Fees (General Conditions, Overhead, Profit)			15.0%	\$21.89	\$30,651.88
Architectural Fees			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$167.86	\$234,997.73

Thrifty White Redevelopment TIF District

Code Deficiency Cost Report

Parcel C -215 South 8th Street, Brainerd, Minnesota 56401
Parcel ID 41241497

Building Name or Type
Retail Building

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

Parking

Create code required accessible parking	\$ 100.00	EA	1	\$	100.00
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Restroom

Modify restroom to comply with accessibility code	\$ 2.91	SF	1,400	\$	4,074.00
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Structural Elements

No Deficiencies Observed				\$	-
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Exiting

Door Hardware

Install code compliant door hardware	\$ 250.00	EA	2	\$	500.00
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Flooring

Repair/replace damaged flooring to create an unimpeded means for emergency egress per code	\$ 2.02	SF	100	\$	202.00
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Thresholds

Modify thresholds to comply with code for maximum height	\$ 250.00	Ea	2	\$	500.00
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Emergency Lighting

Install a code compliant emergency lighting system	\$ 0.75	SF	1,400	\$	1,050.00
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Emergency Notification System

Install a code required emergency notification system	\$ 2.89	SF	1,400	\$	4,046.00
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Fire Protection

Natural Gas Meter

Install code required protection around natural gas meter	\$ 750.00	EA	1	\$	750.00
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Smoke Detectors

Install code compliant smoke detectors	\$ 1.51	SF	1,400	\$	2,114.00
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Building Sprinkler System

Install a code required building sprinkler system	\$ 12.83	SF	1,400	\$	17,962.00
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Exterior Construction

Exterior Brick and Mortar

Repair/replace damaged/missing brick and mortar to prevent water intrusion per code	\$ 500.00	Lump	1	\$	500.00
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Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Stucco				
	Repair damaged/cracked stucco to prevent water intrusion per code	\$ 250.00	Lump	1	\$ 250.00
	Caulking				
	Repair/replace damaged/missing caulking to prevent water intrusion per code	\$ 150.00	Lump	1	\$ 150.00
Roof Construction					
	No Deficiencies Observed				\$ -
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 7.23	SF	1,400	\$ 10,122.00
	Install a code compliant plumbing system	\$ 1.99	SF	1,400	\$ 2,786.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 6.94	SF	1,400	\$ 9,716.00
	Install code compliant lighting	\$ 10.73	SF	1,400	\$ 15,022.00
Total Code Improvements					\$ 69,844

Thirty White Redevelopment TIF District | Parcel C: 215 South 8th Street



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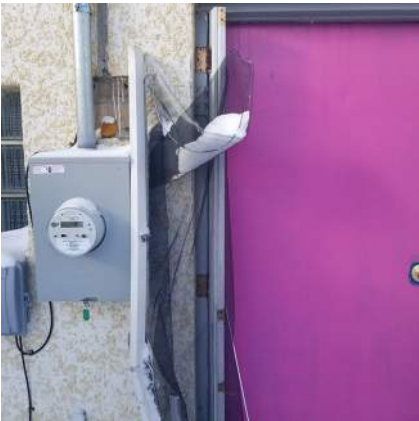
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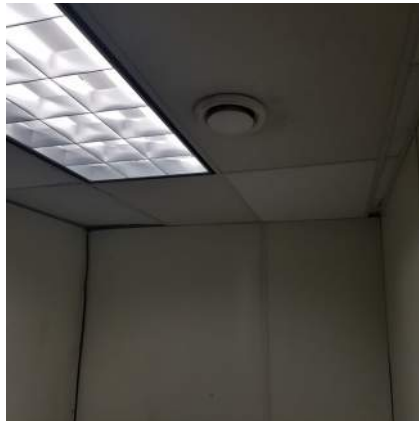
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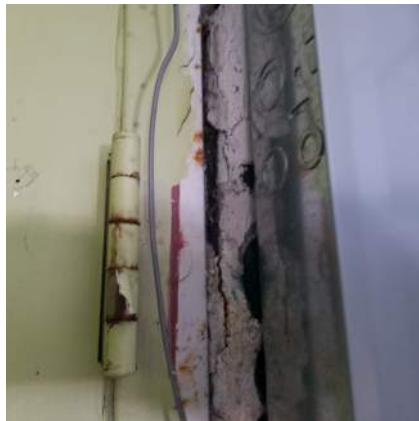
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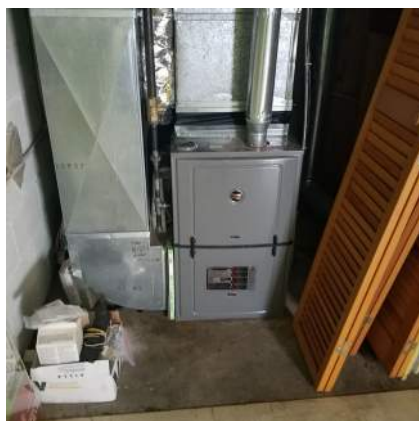
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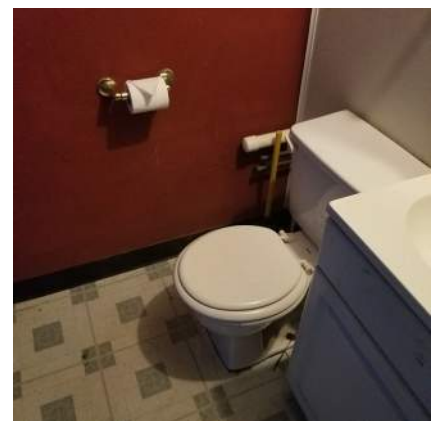
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Thirty White Redevelopment TIF District | Parcel C: 215 South 8th Street



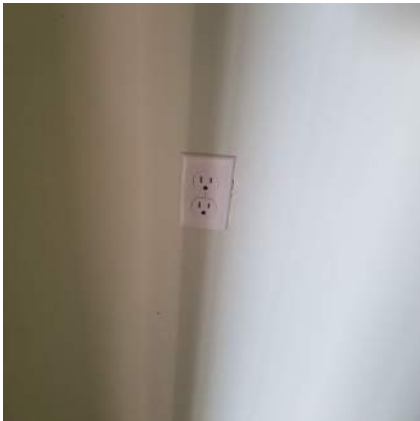
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Thirty White Redevelopment TIF District | Parcel C: 215 South 8th Street



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Prepared by:



701 Washington Avenue North, Suite 200, Minneapolis, MN 55401

LHBcorp.com

LHB Project No. 221335.00



324 East River Road
Brainerd, MN 56401

Phone: 218/828-3705
Fax: 218/828-8817

To: Brainerd City Council & Brainerd HRA Board Members
From: Eric Charpentier, Executive Director
Date: May 30th, 2023
Re: Overview of the Brainerd HRA

Overview of the Brainerd Housing and Redevelopment Authority

I wanted to take the opportunity during our joint session with the City Council to give a broad view of our agency and some of the work that we do in and for the City of Brainerd.

No Action Requested; Informational purposes only



Brainerd HRA Overview



Eric Charpentier
Executive Director
218-824-3425
eric@brainerdhra.org

324 East River Road, Brainerd, MN 56401 • ph: (218) 828-3705 • fax: (218) 828-8817

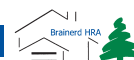


Introduction

• What is an HRA?

- » **Housing & Redevelopment Authorities** are local units of government
- » Governed by State Statute
- » Created by cities or counties
- » Intent is to be the housing and redevelopment arm of the city or county
- » 98 HRAs across the State

324 East River Road, Brainerd, MN 56401 • ph: (218) 828-3705 • fax: (218) 828-8817



Introduction

• What is the purpose of an HRA?

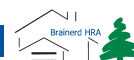
- » Provide a sufficient supply of adequate, safe, and sanitary dwellings;
- » Clear and redevelop blighted areas;
- » Perform duties according to comprehensive plans;
- » Remedy the shortage of housing for low and moderate income residents, and,
- » Redevelop blighted areas, in situations in which private enterprise would not act without government participation or subsidies



Introduction

• What do HRAs do?

- » Acquire and sell property
- » Redevelopment
- » Issue bonds
- » Perform Needs Assessments
- » Operate and/or acquire affordable housing including federally-assisted public housing
- » Administer Section 8 Program



Introduction

• What do HRAs do?

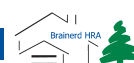
- » Develop and administer housing rehab loan or grant programs
- » Create interest reduction programs
- » Operate parking facilities
- » Develop and administer down payment programs
- » Housing development projects



Introduction

• Brainerd HRA

- » Governed by State Statute
- » Created by the City of Brainerd in 1969
- » Governed by 7-member board appointed by Mayor, confirmed by City Council
- » City Council authorizes the HRA's levy annually



Brainerd HRA Mission

*“To provide **affordable housing**
and **redevelopment**
opportunities to
strengthen our
neighborhoods and community.”*

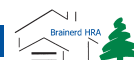
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Brainerd HRA Goals

1. **Redevelopment**—Continue the redevelopment of commercial, rental and owner-occupied properties in the City of Brainerd.
2. **Housing**—Continue providing high quality, safe and affordable housing for existing and potential residents and participants.
3. **Engagement with Developers**—Enhanced collaboration and communication with developers, strategic partners and the public to support neighborhood growth and development.
4. **Land Acquisition**—Acquire land for future development with developers through an RFP process
5. **Workforce Retention and Growth**—Continue to maintain our staffing levels with an eye towards growth along with succession planning.

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Programs Offered

- Own and/or Operate Rental Housing (325 units)

- » ROSS

- Rental Assistance

- » HCV/Section 8 (326 vouchers)

- » Bridges (12 vouchers)

- » FSS - Family Self Sufficiency 48)

- » Homeownership (7)

- Tax Forfeited Property Hold Policy

- Redevelopment Projects

- Housing & Commercial Rehab



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Tax Forfeited Property Hold Policy

- Established to ensure tax-forfeited property is returned to productive use.

- Primary Goals

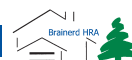
- » Build density and tax base by ensuring tax forfeited properties are developed

- » Eliminate blight and reinvest in our neighborhoods

- » Create a clear, straightforward, and efficient procedure for the HRA and developers to act on the acquisition of tax-forfeited property

- » Encourage developer investment to stabilize neighborhoods and construct affordable housing while providing infill opportunities

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Redevelopment Projects

• Brainerd Oaks, Serene Pines & Dal-Mar Estates

» Complex Process

- Negotiate sales price with developer - \$912,300
- Negotiate the waiving of special assessments with the City of Brainerd - \$2.4 million
- State deeded land to CWC, then HRA
- Elimination of CIC
- Negotiate a Development Agreement with the developer (10 lots/yr. in 3–9 yrs.)
- Ongoing construction administration



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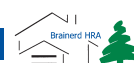


Redevelopment Projects

• Brainerd Oaks, Serene Pines & Dal-Mar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	66	62	1	3
Serene Pines	24	21	18	2	3
Dal-Mar Estates	7	4	3	0	0

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Redevelopment Projects

• Brainerd Oaks



» Sales prices have ranged from \$164,633-\$325,000

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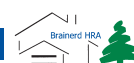
Redevelopment Projects

• Serene Pines and Dal Mar Estates



» Sales prices have ranged from \$229,000-\$425,000

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Redevelopment Projects

• Brainerd Oaks, Serene Pines & Dal Mar Estates -

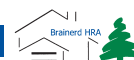
- » 2016 Estimated Market Value of all lots (112) was \$1,065,200
- » In 2022 the EMV of the lots that have been built on was valued at \$18,665,200



Previous Housing & Commercial Rehab

• Small Cities Development Program - Downtown Brainerd

Address	Business	Comm. Units	Rental Units	SCDP \$	Owner \$	TOTAL \$
214 & 216 S. 8th St.	Last Turn	1	11	\$127,396	\$68,246	\$195,642
216 S. 7th St.	Bridge of Harmony	1		\$40,000	\$17,055	\$57,055
217 S. 7th St.	Downtown Mall	1	14	\$167,650	\$67,579	\$235,229
602 Laurel St.	Olde Open Window	1	6	\$74,332	\$28,943	\$103,275
605 Laurel St.	Northwind Grill	1	11	\$53,682	\$21,754	\$75,436
606 Laurel St.	Sage on Laurel	1	2	\$77,717	\$26,730	\$104,447
711-717 Laurel St.	LAMF, Crossing Arts, Vaenn Har	1		\$40,000	\$19,997	\$59,997
719 Laurel St.	Purple Fern	1		\$40,000	\$24,583	\$64,583
704 Front St.	Iron Hill's Gun, Pawn & Antiques	1	1	\$60,000	≤\$14,000	≤\$74,000
724 Laurel St.	Bob & Fran's Factory Direct	1		\$35,000	≤\$7,000	≤\$42,000
Total		10	45	\$715,777	≤\$295,887	≤\$1,011,664



Housing & Commercial Rehab

• Small Cities Development Program - Downtown Brainerd



215-217 South 7th Street



606 Laurel Street



216 South 8th Street

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Housing & Commercial Rehab

• Small Cities Development Program - Downtown Brainerd



216 South 7th Street

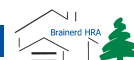


719 Laurel Street



711-717 Laurel Street

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Previous Housing & Commercial Rehab

- Small Cities Development Program - NE Brainerd
 - » Grant funds utilized: \$280,268
 - » 1 commercial property
 - » Up to 6 owner-occupied homes
 - » Up to 2 mixed-use rental units
 - » Target area: between H Street and Washington Street, and Gillis Street and Mill Avenue.



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Downtown Brainerd

- Upcoming Small Cities Development Program
 - » **Applied for 2023 grant for SE Brainerd (8 units of owner occupied rehab, 12 units of single-family rental rehab was submitted on May 1st**
 - » **We anticipate applying for an additional SCDP grant for the upcoming Washington Street reconstruction slated for 2026.**



Conclusion

As a component unit of the City of Brainerd, the HRA supports the City Council and the EDA in any redevelopment and housing issues throughout the City

Thank you!

