

DRAFT

February 6, 2002

Mr. Jim Vincent
221 S. Midvale Blvd.
Madison, WI 53705

Ref: 127 W. Gilman St

Gentlemen:

At your request, I have visited the referenced building to evaluate its condition. This structure is a three-story wood framed rooming house containing a total of thirteen dwelling units. At the time of my site visit, not all rooms were accessible for inspection.

Based on the observable areas, I noted the following:

Exterior: While the roof was not totally accessible, I noted that it has suffered extensive fire damage at an unknown date. It is in need of extensive structural repairs or total replacement.

The eave soffits, siding and wood trims all have numerous signs of deterioration, peeling paint and dry rot. Many areas of siding are different, indicating that small repairs were done in the past without regard to matching materials. Some of these repairs are just pieces of sheet metal or plywood. All of this damage typically indicates that water has been getting behind the siding for some time. I would expect that there is also damage to the wall sheathing, insulation, and studs.

While not all windows were checked, it was noted that many at the first floor level have dry-rotting sashes, and are in need of replacement.

The foundation is rubble stone and brick masonry. The original sandstone foundation walls have been deteriorating, losing mortar and the stones are crumbling. Many stones can be easily picked apart by hand. Some areas of this wall have been re-built with brick. Other areas have sloped concrete poured over the walls on the inside to keep the walls from pushing inward. The rear porch is separating from the main house, indicating a settlement problem at the outer piers.

Basement: This area has been sealed up for some time, with the basement windows closed up and tightly caulked. The

boiler room is also closed up with the fireproofing added at the ceiling and walls. Great care has been used to keep this area sealed, as the foundation separation caused by the porch settlement has been sealed up. This lack of ventilation or air movement usually leads to a high moisture level in these basements, which causes most of the noted problems.

The floor joists visible in one area of the basement have been doubled up at some time in the past (prior to the mid sixties, based on the joist sizes.) The original joists are completely dry-rotted, and the replacement joists are now also showing signs of dry rot. Main visible beams, ring plates, and posts also exhibit areas of dry rot and mold.

The first floor structure at the boiler room is not exposed, but I noted several added posts and propping beams in this area used to shore up the first floor. The drywall fireproofing shows signs of mold at the floor joists, which would indicate that dry rot is probably occurring here also.

Other items noted:

- 1 One section of cast iron drain piping was noted as rusting away in the boiler room.
- 2 The old boiler appears to have been converted from coal and has visible flame at the old coal door. It may also be covered with asbestos.

Interior: The first thing noted upon entry to the upper floors was that the floor slopes severely in many locations, indicating framing or foundation settlement problems. These floor slopes do not appear to be consistent between floor levels, indicating framing problems related to the upper floors independent from the basement problems.

Most room doors and frames are out of square, some by over 1½". The hallway at the front stair is framed into the stair. At the lower level, there is an 2x4 at the middle of the stair run added to support the upper stair run. This single 2x4 has very little load

capacity, and does not lead to the floor for support, but just ties the two stair stringers together. .

Other items noted:

- 1 Many areas of water damage to interior finishes. There are few, if any, interior wood door or arch trims capable of being salvaged.
- 2 Several radiators are suspended above the floors by the piping, or propped up on one end (one has a 1½" prop under one end of a 2 foot radiator.)
- 3 The rear stair is cut off at the second floor level. (No second exit from the upper floors)

It is my opinion that this house is showing the signs of long-term roof and radiator water leak damage. Visible surface damage is extensive, and I would expect that there is also much unseen internal damage to the building structural members and supports.

At this time, to bring this building back to its proper maintenance level, the building appears to need the following:

- | | |
|-------------|--|
| NEW ROOFING | Completely replaced, including the structural framing. |
| NEW SIDING | Completely replaced (expect to replace some areas of the sheathing, flashings, windows and wall studs also) |
| FOUNDATION | Tuck-pointing the stonework and re-parging the interior would be a partial fix. To make any real use of the basement areas, total replacement is required, including the interior column footings. |
| INTERIORS | Most finishes, doors, etc. are in poor shape, and should be removed for verification of the floor and wall structures. Total replacement is required.. |
| FLOORS | With the first floor framing problems that are visible, and the unevenness exhibited throughout the building, expect that most of |

the floors will require re-framing. This is particularly evident at the front stair.

HEATING

While it is not in my expertise to evaluate the existing heating system, it appears that this boiler - radiator system has been the cause of many areas of internal damage, and therefore warrants replacement with a system that will not re-damage any areas that are repaired.

MOLD

While it is also not in my expertise to evaluate mold related problems, the conditions that lead to the extensive dry rot could have contributed to the mold visible on the drywall surfaces in the boiler room. This condition should be evaluated by a specialist to determine whether potential health issues exist.

CODE RELATED ISSUES:

The building is currently a mixed-use residential building with a 4-bedroom apartment on the first floor and a 12-bedroom rooming house on the second and third floors. Repairs of the magnitude previously described would require that the entire building be brought up to current standards.

A listing of the most serious issues is as follows:

Multiple dwelling unit buildings are required to have two means of egress from each of the units with two directions of travel to the exits from each unit. This can be accomplished on the upper floors by means of a corridor connected to two stairwells that lead directly to the outside for each floor. However, these items would need to be separated from each other and all the units with an enclosure that is rated for flame transfer. Currently there is no separate enclosure for the units, the stairwells or the corridors. The third floor has two sets of stairs but they are open to the corridor on third floor and lead to an open corridor at the second floor that then only has one stair to the first floor.

Residential units above the second floor under current

code would have to be served by an elevator in addition to the two stairwells.

Ground floor units and common areas need to be accessible by a wheel chair ramp that will have to be created probably at the front porch area.

All common areas then served by the elevator; bathrooms, kitchens and all the units in the building will have to become accessible including entrances, location of fixtures, size of bathrooms and all other requirements to bring the building into compliance with all current codes.

Remedies:

Because the property is located in a historic district the code may allow some of the code deficiencies to be offset by substitute methods of compliance. These methods, however, would have to provide equivalent levels of safety and do not provide relief for the accessibility issues which would have to be addressed by petitions for modification or variances with no guarantee for success.

Based on all of the above noted items, and my expectation that there are large areas of hidden structural damage, I would recommend that the building be vacated at the expiration of the current leases and that the building be held vacant until a reasonable disposition of the property can be determined. I question the economic viability of repairing this building. It appears that the cost of repairs will approach or exceed the cost of total building replacement. You may wish to review this with a building contractor.

If you have any questions regarding this report, please feel free to call me.

Very truly yours,

RICHARD H. SEVERN, P.E.

BUSS

CONSTRUCTION, INC.

8111 Stagecoach Rd., Cross Plains, WI 53528

Steve Brown Apartments

120 W. Gorham St.

Madison, WI 53703



127 W. Gilman St.
Madison, WI 53703

Conceptual Budget/Recommendations Report

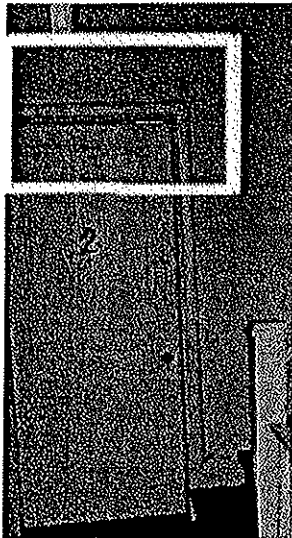
Prepared by:
Travis J. Hendricks
Project Manager
Buss Construction, Inc.

April 19, 2000

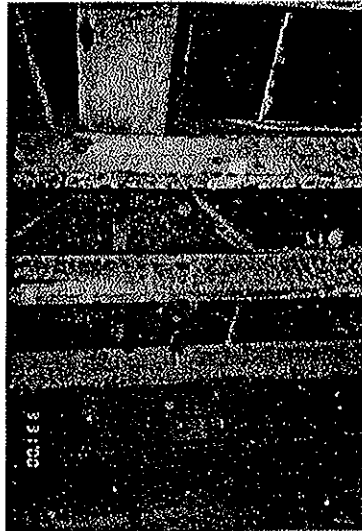
Steve Brown Apartments
120 W. Gorham St.
Madison, WI 53703

Dear Steve Brown:

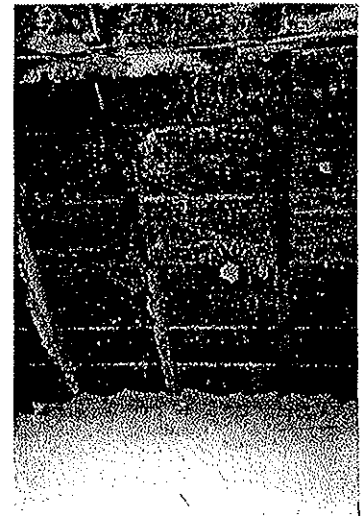
Per your request, I have thoroughly inspected your building at 127 W. Gilman St. with the hopes of renovating it. The purpose of my inspection was to create an estimate for the amount of work required to make the units habitable. However, once I began going through the building, I realized that it would be extremely costly to renovate this building. Typically, if a building has good mechanicals and a sound structure, we can gut the finishes and start over. However, this building has inadequate mechanicals as well as many structural problems in various areas. Several areas within the building have settled so much, that there are 1" or more gaps between the door slabs and the door frames (See figure 1 below.) Also, a fire that swept through the attic of the house has severely compromised the integrity of the existing roof structure (See figures 2 & 3 below.)



(Figure 1)



(Figure 2)



(Figure 3)

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It is my belief that to renovate this building we would need to totally gut the entire building down to the structure, at which point we could reinforce the building with a combination of structural steel, concrete footings, CMU block walls, and wood. Once the walls were properly shored, we would need to open up the roof and replace all charred structural members (See figures 2 & 3 above.) In the past, cosmetic renovations have been done to upkeep this building, but the structure is too far depleted to continue with cosmetic renovations alone. As you have seen, the aesthetic solutions that were chosen in the past continue to deteriorate rapidly due to the settling of the building and the failure of its structure over time. In my opinion, to continue to address these aesthetic problems would be like throwing your money away. Below is a conceptual budget I prepared per my above suggestions. These numbers represent a range of prices and may be higher depending on any unforeseen issues encountered during construction.

CONCEPTUAL BUDGET

General conditions

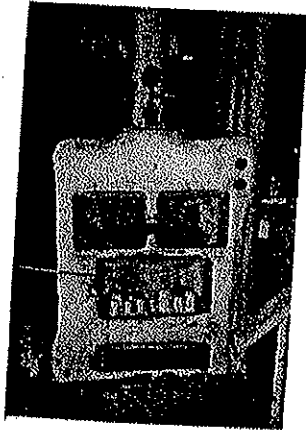
- ✓ Construction Management
- ✓ Temporary facilities
- ✓ Permits, dumpsters, toilets, etc.

\$21,850-\$28,300

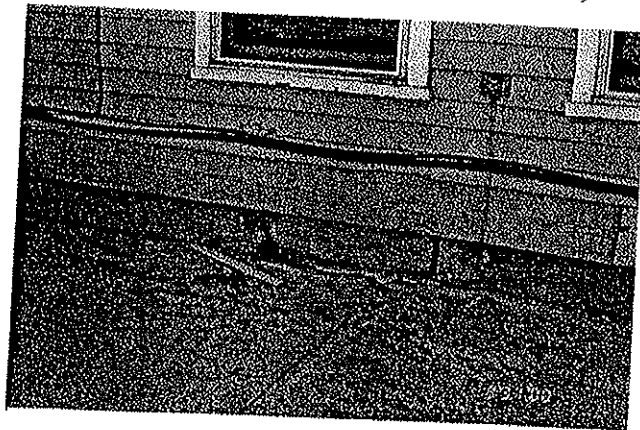
Demolition

- ✓ Demo and remove plaster at damaged areas and at access locations
- ✓ Demo and remove all existing electrical wires and boxes
- ✓ Remove old heating system (Boiler, pipes, radiators) throughout (See figure 4 below)

\$22,500- \$27,500



(Figure 4)



(Figure 5)

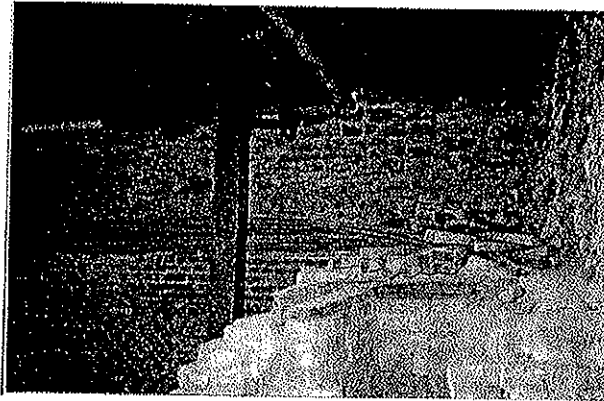
- ✓ Demo and remove damaged plumbing fixtures and corroded pipes as required
- ✓ Demo and remove damaged concrete at driveway (See figure 5 above), basement, and sidewalk areas

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- Concrete flatwork \$7,500-\$10,000
- ✓ Replace damaged concrete driveway
 - ✓ Replace dangerous concrete sidewalk
 - ✓ Install new basement footings and frost walls as required to reinforce structure
 - ✓ Install new basement slab
- Structural steel reinforcements \$12,000-\$14,750
- ✓ Install new steel columns as required to shore and stabilize building structure
 - ✓ Install new steel beams as required to assist in stabilizing building structure
- Masonry \$7,500-\$10,000
- ✓ Rebuild badly deteriorating chimneys
 - ✓ Tuckpoint existing chimneys as possible
 - ✓ Build structural CMU block walls to raise and stabilize building structure (See figure 5 below)



(Figure 5)

- Interior partitions \$9,500 - \$13,750
- ✓ Build new interior steel stud and wood partitions to replace damaged and rotten walls
- Roof demo and rebuilding \$8,500-\$11,750
- ✓ Demo and remove all charred structural members damaged in fire (See figures 2 & 3 above)
 - ✓ Rebuild roof structure with trusses and stick framing
 - ✓ Install new plywood roof sheathing to replace fire damaged and water damaged roof
- Roof shingles \$9,500 - \$12,500
- ✓ Install new roof felt 15 lb
 - ✓ Install ice and water shield in valleys and all roof edges to prevent future leaks
 - ✓ Install 40 year architectural shingles
 - ✓ Vent roof as required per codes

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Exterior window and door replacements \$20,000-\$24,750

- ✓ Replace all damaged inefficient windows with new low E windows
 - More energy efficient
- ✓ Replace damaged exterior wood doors with steel insulated doors
 - More energy efficient
 - Better security

Exterior finish repairs \$8,750 - \$12,750

- ✓ Demo and replace siding
- ✓ Demo and replace soffits and fascia (See figure 6 below)
- ✓ Stabilize front porch and back balcony (See figure 7 below) and replace rotten post, beams, & flooring



(Figure 6)



(Figure 7)

Plumbing \$17,000-\$21,500

- ✓ Furnish and install new pipes to replace corroded pipes
- ✓ Furnish and install new fixtures

HVAC \$12,500-\$15,750

- ✓ Furnish and install forced air high efficiency furnaces throughout apartment
- ✓ Furnish and install central air-conditioning throughout apartment

Electrical \$18,500-\$24,800

- ✓ Furnish and install new electrical service panels (sufficiently sized for future needs)
- ✓ Furnish and install new Romex wiring throughout to bring building up to code
- ✓ Furnish and install outlets and switches per code
- ✓ Install new CAT5 telephone/Data wiring throughout
- ✓ Install RG-6 coaxl cable throughout

Insulation \$5,500 - \$7,750

- ✓ Insulate all exterior walls and attic space
 - More energy efficient

Drywall \$18,000-\$21,000

- ✓ Furnish and install new drywall
- ✓ Patch as required

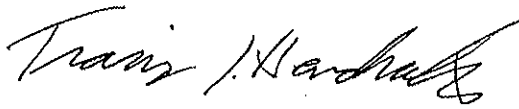
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✓ Fire proof and firetape as required between units	
Painting	
✓ Paint all exterior trim as required	\$7,900 - \$9,850
✓ Paint all interior doors and trim	
Interior doors, trim, and hardware	
✓ Install new interior doors and trim as required	\$16,000-\$21,000
✓ Reuse existing door slabs if possible	
✓ Rebuild and rework stairways to comply with current codes	
Flooring	
✓ Replace all old worn carpet with new carpeting	\$14,000-\$18,000
✓ Replace all old damaged vinyl with new vinyl or tile	
Landscape	
✓ Plant new shrubs and bushes to replace damaged ones during gut job	\$3,500 - \$5,750
✓ Grade soil away from building to prevent basement leaks	
✓ Re-seed all disturbed areas	
Overhead and profit (15%)	\$36,000-\$46,700
BUDGET RANGE:	\$276,500.00-\$358,150.00

In conclusion, I would like to do this project for you in whatever capacity you decide to move ahead with. However, I feel that it is my responsibility to inform you that proceeding with only cosmetic renovations would be a waste of resources. The improvements will quickly deteriorate due to the building's failing structure. You would be better served to demolish the entire building and rebuild the structure from ground up. I think that after reviewing this report, you will concur with my recommendations. If you have any questions regarding this letter, please contact me at (608) 798-1000. Thank you.

Sincerely,



Travis J. Hendricks

Project Manager, Buss Construction, Inc.