# SECTION 1 – INTRODUCTION

PCA
*Property Condition Assessments, LLC*

**CHICAGO TRIBUNE PRINTING & DISTRIBUTION FACILITY**

Prepared for:

***Tribune Real Estate Holdings LLC***

**Project Manager:**
John Luna
626-685-9560

**Site Visit Date:**
November 14-16, 2018

**Report Date:**
November 26, 2018

## 1.0 INTRODUCTION

Property Condition Assessments, LLC ("PCA") conducted a condition assessment of the printing and distribution facilities located at 777 West Chicago Avenue in Chicago, Illinois 60654 (the "Subject Property").

The original warehouse and printing facility were constructed in 1981, with an addition for distribution constructed in two phases in 2001 and 2002, respectively. The facility is currently improved and occupied as a publishing business, with associated office and printing uses. Total reported gross building area is approximately 826,000 square feet, while the land parcel reportedly comprises 24.94 acres, or approximately 1,086,366 square feet.


**Subject Property**

PCA performed a visual assessment of the Subject Property between November 14-16, 2018. At the time of the site visit, the weather consisted of mostly cloudy conditions, with temperatures generally near 35° F.

The following professionals performed this assessment:

- Peter Alex Dreier, R.A.: Architectural Assessor
- Timothy Elliott: Mechanical, Electrical, Plumbing, Fire and Life-Safety Assessor

During the site visit, a detailed interview was conducted with Thomas Beilke, a retired facility manager with *The Chicago Tribune*. Mr. Beilke has been associated with the Subject Property since it was constructed in 1981. Without making any representations, Mr. Beilke stated that, to the best of his knowledge, he was unaware of any substantial material deficiencies or issues with the improvements or systems at the Subject Property, other than those described in this report. Mr. Beilke accompanied PCA during the site visit.

This report summarizes PCA's findings and opinions of recommended corrections to the Subject Property. No invasive tests were undertaken; conditions and opinions described in this report are based on visual observations only.

## 1.1 OVERALL PROJECT AT A GLANCE

| | | |
|---|---|---|
| **Location** | Address: | 777 W. Chicago Ave., Chicago, IL 60654 |
| **Site Data** | Land Area: | 24.94 acres, or approximately 1,086,366 square feet |
| | Zoning: | PMD-5: Planned Manufacturing District |
| **Improvement Data** | Number of Buildings: / Units: | One building / One tenant |
| | Building Type: | Print warehouse, production & distribution facility with office space |
| | Year Built: | 1981 (Original building), 2001 (ROP Center addition phase 1) and 2002 (Addition phase 2) |
| | Number of Stories: | Five stories plus mezzanine |
| | Type of Construction: | I-C - fire-resistive, fully sprinklered; steel and concrete block |
| | Reported Gross Building Area: | Approximately 826,000 square feet |
| | Type of Parking: | Surface |
| | Existing Parking Spaces: | 247 total passenger vehicle spaces, including 5 accessible parking spaces, none of which meet dimensional requirements. |
| | Required Parking Spaces: | Unknown; review of public records is beyond the Scope of Services for this report. |
| **Occupancy and Building Code** | Occupancy Class: | E: Business; G-2: Moderate hazard industrial; I: Hazardous Use |
| | Current Code: | 2018 *Chicago Building Code (CBC*) |
| | Applicable Code: | 1981 *Chicago Building Code* (C*BC*) |
| **Flood Zone** | ☐ **Yes /** ☒ **No** | FEMA Zone X Minimum Flood Hazard |
| **Seismic Zone** | ☐ **Yes /** ☒ **No** | Zone 0, per U.S. Seismic Zone Map in the *Uniform Building Code* |

## 1.2 COST TABLE SUMMARY

| | Rating 1<br>Code & Life-Safety | Rating 2<br>Repair & Maintenance | Rating 3<br>Capital Improvements | Rating 4<br>Modernization/ Upgrades | Project Total |
|---|---|---|---|---|---|
| **Cost Totals** | **$477,261** | **$611,687** | **$2,413,520** | **$0** | **$3,502,468** |

## 1.3 STATEMENT OF CONDITION

Overall condition of the Subject Property is good, depending on building system and area, in comparison to PCA's experience with other properties of similar age and type. Building improvements generally appear to comply with applicable building codes enforced at the time of original construction.

This report details the findings and opinions regarding recommended corrections to the Subject Property within the scope of PCA's engagement. With the completion of the repairs identified in the "Opinions of Probable Costs" spreadsheet (OPCs), in conjunction with a well-planned and executed program of ongoing maintenance, the Subject Property should continue to perform well throughout its remaining economic life.

## 1.4 PURPOSE

The purpose of this assessment is to evaluate the condition of the existing Subject Property relative to a potential acquisition transaction. This report is based upon the conditions observed at the time of the site visit, and does not represent a guarantee of the overall condition or the functional suitability of the Subject Property.

## 1.5 SCOPE OF SERVICES

The scope of this assessment has been completed in accordance with the "Scope of Services" contained in the contract of engagement between *Tribune Real Estate Holdings LLC* and PCA, dated November 12, 2018.

This Scope of Services complies with Standard E. 2018-15 of the *American Society for Testing and Materials* (*ASTM*), "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process," as modified by the contract of engagement to accommodate Client's specific requirements.

## 1.6 DOCUMENTS REVIEWED

| Type | Title | Sheets | Prepared By | Date |
|---|---|---|---|---|
| **DRAWINGS** | | | | |
| Civil | *Chicago Tribune Printing Plant and Warehouse* | C-3 – C-29 | *Skidmore, Owings & Merrill* Chicago, Illinois | 4/17/ 1981 |
| Architectural | *Chicago Tribune Printing Plant and Warehouse* | A-1 – A-57 | *Skidmore, Owings & Merrill* Chicago, Illinois | 4/17/ 1981 |
| Architectural (Addition) | Chicago Tribune Freedom Center | A2.10 – A2.50 | *Turner Construction Co.* Chicago, Illinois | No Date |
| Structural | *Chicago Tribune Printing Plant and Warehouse* | S-1 – S-53 | *Skidmore, Owings & Merrill* Chicago, Illinois | 4/17/ 1981 |
| Curtain Wall/ Cladding | Curtain wall/cladding drawings were not provided for review. | | | |
| Electrical | *Chicago Tribune Printing Plant and Warehouse* | E-3 – E-59 | *Skidmore, Owings & Merrill* Chicago, Illinois | 4/17/ 1981 |
| Mechanical | *Chicago Tribune Printing Plant and Warehouse* | M-1 – M-47 | *Skidmore, Owings & Merrill* Chicago, Illinois | 4/17/ 1981 |
| Plumbing | *Chicago Tribune Printing Plant and Warehouse* | P-1 – P-27 | *Skidmore, Owings & Merrill* Chicago, Illinois | 4/17/ 1981 |
| Fire-Protection | Fire-protection drawings were not provided. | | | |
| **LAND SURVEYS** | | | | |
| ALTA Survey | ALTA/ NSPS Land Title Survey | 1-9 | *Gremley & Biedermann* Chicago, Illinois | 7/21/ 16 |
| **GEOTECHNICAL** | | | | |
| Soils Report | A soils report was not provided for review. | | | |
| **WARRANTIES** | | | | |
| | No warranties were provided for review. | | | |

| Type | Title | Sheets | Prepared By | Date |
|---|---|---|---|---|
| **OTHER DOCUMENTS** | | | | |
| | No other documents were provided for review. | | | |

## 1.7 COST-CALCULATION METHODOLOGY

Opinions of Probable Costs (OPCs) are based on construction costs developed by construction resources such as *Marshall & Swift, RS Means*, PCA's commercial assessors' experience with past costs for similar projects, city-cost indexes, and assumptions regarding future economic conditions. In some cases, costs may have been provided by Client/Owner, based upon actual contractor bids or Client's/Owner's historical experience with similar projects. Costs are solely based on material replacement, and do not account for soft costs. The majority of the renovation costs are based on *RS Means' Commercial Renovation Cost Data*.

OPCs are based on current costs, and do not reflect increases due to inflation over time, unless otherwise stated in the report. PCA's project professionals have exercised reasonable diligence and judgment in using reliable sources for the cost information presented herein. However, actual costs may differ from PCA's projected costs, dependent upon many factors including variations in design criteria, construction methods, timing, contractor management, geographic parameters, weather conditions, availability of labor and materials, use of unionized labor, and other conditions beyond PCA's control. Accordingly, PCA cannot guarantee the accuracy or sufficiency of the OPCs when compared to actual bids obtained from qualified contractors that have been compiled based on well-developed design drawings/specifications at the time the work is to be performed.

## 1.8 QUALITY DEFINITIONS

The following definitions are used in this report regarding the physical condition(s) of the building components/systems.

| Designation | Description |
|---|---|
| Excellent | New or like-new condition. |
| Good | Well maintained; systems may exceed expected useful life. |
| Fair | Satisfactory; some signs of wear and possible minor immediate repairs needed. Component(s) condition consistent with expected useful life – may be near the end of statistical useful life. |
| Poor | Immediate repairs, major replacements, and/or significant attention needed. |
| Expected Useful Life (EUL) | The average amount of time in years that an item, component, or system is estimated to function when installed new and assuming routine maintenance is practiced. |
| Remaining Useful Life (RUL) | A subjective estimate based upon observations, or average estimates of similar items, components, or systems, or a combination thereof, of the remaining years that an item, component, or system is estimated to be able to function in accordance with its intended purpose before warranting replacement. |
| Effective Age (EA) | A subjective estimate of the age of the components or systems based on evaluation of the level of past maintenance and repairs. |

## 1.9 REPORT RELIANCE

This condition assessment report was prepared by PCA in accordance with the terms and conditions of the contract of engagement between *Tribune Real Estate Holdings LLC* ("Client") and PCA, dated November 12, 2018, for the exclusive use of Client and its investors, assignees, designees, and successors ("Authorized Parties"). These Authorized Parties intend to rely upon this report as an assessment of the existing physical condition of the Subject Property for the purpose of deciding whether and under what conditions to proceed with a potential disposition transaction concerning the Subject Property. The Authorized Parties may use and rely on this report provided that the Authorized Parties agree in writing to be bound by the same contractual terms and conditions imposed by the aforementioned contract of engagement. Therefore, PCA recommends that any Authorized Party intending to rely upon the report independently determines whether the "Scope of Services" meets its expectations for its intended transaction.

PCA's professional services were performed using the degree of care and skill ordinarily exercised under similar circumstances by reputable architectural and engineering due-diligence consultants practicing in the United States. No other warranty, expressed or implied, is made as to the

professional opinions described in this report. PCA is not responsible or liable for any claims that are associated with the interpretation of the available information. Additionally, PCA is not responsible for any claims from third parties not associated with the Authorized Parties.

**Note:** PCA exercised usual and customary professional care in its efforts to assess property law/code/regulation compliance. However, due to the existence of literally thousands of laws, codes, and regulations pertaining to construction, PCA cannot provide a definitive opinion concerning property compliance with *all* laws/codes/regulations.

# SECTION 2 – PROPERTY CONDITION ASSESSMENT

## A. SITE


**Description:** The Subject Property is set on multiple land parcels in Chicago, Illinois.

**Site Access:** Vehicular access to the site is provided through two points at the public streets along the site boundary to the north and south. Pedestrian access is accommodated through public sidewalks along those same adjacent streets.

**Site Area:** 24.94 acres, or approximately 2,113,096 square feet.

**Surrounding Area:**

**North:** Freedom Center North (same ownership)

**South:** High-rise & townhome multifamily residential

**East:** Chicago River

**West:** Train tracks, commercial, garage, truck depot (same ownership)

**Shape of Site:** Irregular

## GRADING AND DRAINAGE

| | | ***Condition*** |
|---|---|---|
| **Site Topography:** | Topography throughout the site is generally flat, with minor engineered slopes. Topography at surface parking lots is gently sloped. | **Good** |
| **Drainage:** | Stormwater sheet flows across the pavement to curbed inlets that conduct the runoff to the underground stormwater-management system.<br><br>Roof surfaces gently slope to internal roof drains that are piped through the building. No overflow scuppers or secondary piping are present. | **Good** |
| **Adequacy:** | Grading and drainage appeared adequate, with no areas of significant ponding, flooding or erosion observed. | |

***Recommendation(s)*:** No significant issues were identified.

## PAVING

| | | ***Condition*** |
|---|---|---|
| **Description:** | Paving at the Subject Property is primarily asphaltic concrete. Vehicular asphalt pavement appeared in generally poor condition, with relatively heavy surface cracking throughout the loading and parking areas to the south of the building. The majority of the asphalt pavement (with the exception of the front entrance area along Chicago Ave. and the ROP Dock area to the west of the building, which only have moderate cracking and can be overlaid) is heavily cracked and is crumbling beyond repair and will require a full replacement.<br><br>Limited cementitious concrete is provided at sidewalks, curbs, entrance-drive aprons, loading drives, and loading-court service areas.<br><br>Pedestrian-oriented pavement appeared in generally good condition overall, with the exception of the concrete entry stairs at the delivery entrance and a few other minor repairs. Those concrete stairs will require partial demolition and reconstruction. | **Poor** |
| **Adequacy:** | Except as noted above, paving systems appeared adequate. | |

***Recommendation(s)*:** **A.01** Asphalt Replacement & Overlay: Grind down asphalt and repave entire south loading and parking lot areas, incorporating proper control joints and drainage. Overlay north and west dock areas and re-stripe all parking. **($2,385,000)**

**A.02** Concrete Repair: Demolish and rebuild concrete stairs outside delivery entrance. **($8,520)**

## PARKING & LOADING

| | | ***Condition*** |
|---|---|---|
| **Description:** | Parking is provided in asphalt-paved surface lots, primarily at the south side of the building. Parking spaces are typically provided in standard 90-degree configurations. The south end of the parking area is blocked off with trucks and has been restriped for truck and trailer parking, but individual parking spaces are difficult to differentiate due to the cracked and crumbling condition of the asphalt.<br><br>Loading and staging areas are provided at the south and west sides of the building, and parking for trucks and trailers | **Poor** |
| **No. of Parking Spaces:** | PCA counted approximately 247 passenger parking spaces, including 5 disabled-access spaces, none of which are van accessible. There were many additional spaces for truck and trailer storage and loading as well.<br><br>Refer to Section F, "Limited Disabled-Access Review," for more information on disabled-access parking. | **Good** |
| **Required Parking:** | Unknown; review of public records is beyond the Scope of Services for this report. | **N/A** |
| **Adequacy:** | Parking appeared adequate, with many open spaces observed during the site visit. However, verification of parking requirements is beyond the Scope of Services for this report. | |

***Recommendation(s)*:** No significant issues were identified.

## LANDSCAPING

| | | ***Condition*** |
|---|---|---|
| **Description:** | Because of freezing temperatures and partial snow cover, only a limited observation of the landscaping was possible. Landscaping is provided in a few surface planting beds along parking perimeters, a patio area along the river and at some site boundaries. Vegetative materials include mature trees, grasses, and shrubs. Landscaping materials appeared in generally fair condition, with areas of distress and a general lack of maintenance throughout. | **Fair** |
| **Adequacy:** | Landscaping generally appeared adequate except for the overall condition of deferred maintenance. | |

***Recommendation(s)*:** **A.03** Landscaping Repair: Trim, clean up and renovate all landscaping (allowance). (**$20,000)**

## FENCING

| | | ***Condition*** |
|---|---|---|
| **Description:** | Fencing was observed at the site perimeters. Steel fencing is present at the north and south site boundaries along Chicago and Grand Avenues. There is a section of fencing near Chicago Avenue and the river that appears to be detached from the posts, and the fence in that area needs to be repainted as well. Chain-link fencing runs from the viaduct along the west edge of the tracks and service drive to the Grand Ave. entrance at the south end of the site. The chain-link fencing is in fairly good shape and needs only minor repairs.<br><br>Concrete site walls are utilized on-site around the patio area and along the south entry sidewalk. Portions of the wall between the southern entrance area and the loading area are damaged and require minor repairs. | **Fair** |
| **Adequacy:** | Site fencing was observed in generally good condition, and with recommended repairs and ongoing maintenance, should remain serviceable throughout the assessment term. | |

***Recommendation(s)*:** No significant issues were identified.

## SITE LIGHTING

| | | ***Condition*** |
|---|---|---|
| **Description:** | Exterior lighting generally includes pole-mounted fixtures along the parking areas, building-mounted security fixtures, and surface-mounted lighting on the facades at various locations. | **Good** |
| **Adequacy:** | Site lighting was not observed after nightfall. However, the number and spacing of fixtures appeared to provide adequate coverage. | |
| ***Recommendation(s)*:** | No significant issues were identified. | |

## SIGNAGE

| | | ***Condition*** |
|---|---|---|
| **Description:** | Signage generally consists of tenant-identification signage on the north and south facades of the building as well as a monument sign at the south entrance from Grand Ave. All signage appeared to be in good condition. | **Good** |
| **Adequacy:** | Site and building signage appeared adequate for its intended purposes. | |
| ***Recommendation(s)*:** | No significant issues were identified. | |

## SITE AMENITIES

| | | ***Condition*** |
|---|---|---|
| **Description:** | Site amenities include an open outdoor courtyard area along the Chicago River near the front building entrance on Chicago Avenue and some green areas along the river banks on the edge of the site. | **Good** |
| **Adequacy:** | Overall, site amenities generally appeared adequate for their intended purposes. | |

***Recommendation(s)*:** No significant issues were identified.

## UTILITY PROVIDERS

| Utility | Provider |
|---|---|
| Water | City of Chicago |
| Sanitary sewer | City of Chicago |
| Storm sewer | City of Chicago |
| Electric | Commonwealth Edison |
| Natural gas | People's Gas |

## B. STRUCTURAL SYSTEMS

Review of structural systems is beyond the "Scope of Services" for this report.

## C. BUILDING EXTERIOR

PCA conducted observations of the Subject Property for the purpose of evaluating the present state of the exterior wall systems. This assessment consisted of exterior observations from:

- Vantage points at ground level and around the Subject Property;
- Random observation of interior spaces at the window line; and,
- Building roof levels.

This assessment of building exteriors does not include observation of 100% of the exterior walls or interior spaces. It also does not include close-up assessment using a ladder or lift equipment, or invasive assessment of concealed areas beneath interior or external finishes. Accordingly, this report is based upon random visual observations in conjunction with historical performance information provided by the building management and engineering staff, who provided such information in good faith, and which was corroborated by PCA's visual observations.

Whenever possible, PCA checks to confirm code compliance with the exterior wall systems. This is not always possible due to the existence of interior finishes or lack of access to certain areas.

| | | ***Condition*** |
|---|---|---|
| **Exterior Walls:** | Exterior walls are generally constructed of 14" masonry cavity walls consisting of 4" exterior utility brick over an insulated air space over 8" standard concrete-masonry units (CMUs). Exterior surfaces contain only a few large window openings at entry areas and the west side of the ROP Center addition, and all other openings are mechanical vents or closed up openings previously used to accommodate equipment installation.<br><br>Joint sealants at masonry wall panels exhibited minimal deterioration and have been well maintained overall. Continued monitoring and replacement of all exterior sealant is recommended as part of routine maintenance. | **Good** |
| **Glazing:** | Fenestration is only provided at entry façades and the west wall of the ROP Center in the form of punched openings with dark anodized aluminum-framed window systems. Glazing panels all consist of fixed, dual-pane glass. | **Good** |
| **Exterior Doors:** | Exterior doors comprise aluminum-framed, storefront-style entrances, overhead rolling doors, and passage utility doors. Overhead and utility doors are provided at loading and service areas. Doors generally appeared in good condition and, with continued maintenance, are expected to remain serviceable throughout the assessment term. | **Good** |
| **Balconies/Patios:** | No balconies or patios were observed. | **N/A** |

| | | ***Condition*** |
|---|---|---|
| **Fire Escapes:** | No fire escapes were observed. | **N/A** |
| **Adequacy:** | Exterior wall/cladding systems are performing adequately, including exterior walls, glazing, and sealants. | |

***Recommendation(s)*:** No significant issues were identified.

## D. ROOFING

Limited access to construction drawings was provided for the original building construction and additions. The membrane systems appear to be original, as some design details of the roof assembly confirmed the roofs origin. No roof cores were taken to verify roof construction or condition as part of this assessment. As such, the conditions and opinions described herein are based upon visual observation and management representations concerning the performance and leak history. Further, assessment of Remaining Useful Life (RUL) and recommended maintenance, repairs, or replacements is beyond the Scope of Services for this report, as Client has engaged a separate roofing consultant to perform an in-depth review of the roofing systems.

Main roof sections are constructed as a flat, low-slope, Sarnafil membrane roof systems with some ancillary areas still covered in the original, built-up gravel-ballasted system. The newer roof section over the addition is comprised of a rubber ethylene propylene diene monomer (EPDM) roof system that was installed in two separate phases.

Ages and warranty coverage are summarized in the following table:

| Location | Installation Date | Age | Warranty |
|---|---|---|---|
| Main/original building (printing plant) and warehouse building | 1981 / 2012 | 6 years / 37 years, varies by area | None / Requested, but not provided |
| Addition (ROP Center) | 2001 / 2002 | 16 / 17 years | None |

| | | ***Condition*** |
|---|---|---|
| **Access and Safety:** | Access to all main roof areas is by stair, except for the penthouse over the rail garage, which is accessed via a ladder up to the roof parapet. The only roof area that PCA was not able to directly access was the area over the original rear entryway, which requires a portable ladder, but it was viewed from above. | **Good** |
| **Roof Assemblies:** | Roof areas were originally assembled with a built-up roof membrane, installed on tapered roof decks. Metal decking is supported by steel beams and/or engineered joists. According to notes on the provided construction drawings, it is assumed that rigid insulation was used above the structural-metal roof deck.<br><br>The larger roof areas of the original building were re-roofed in 2012 with a white-coated Sarnafil membrane system, but many ancillary areas, including the office building, rail garage, and rear entry and dock roofs and canopies. The original roofing in these areas is in | **Fair** |

| | | ***Condition*** |
|---|---|---|
| | extremely poor condition and needs to be replaced as soon as possible. | |
| | The EPDM membrane that was installed over the ROP center is showing signs of premature wear and buckling. There is also a problem with unbroken thermal conductance coming up through the insulation via the fasteners, which has caused pitting and dimpling of the roof membrane over time due to uneven surface temperatures.<br>EPDM is a single-ply, synthetic rubber material derived from oil and natural gas (ethylene propylene). When ethylene propylene is combined with an unsaturated hydrocarbon alkene (containing two carbon-to-carbon double bonds), a strong, flexible EPDM membrane is produced. Most EPDM roof sections are terminated at metal parapet wall copings and are installed over tapered rigid insulation over metal decking. | |
| | Slopes on all of the original roof sections are approximately 1/4" per foot, and the ROP Center roof appears to be sloped at approximately 1/2” per foot.<br>Expected useful life (EUL) of these types of roof systems ranges from approximately 20-35 years. Roof warranties and annual inspection reports were not available for review.<br>Reportedly, roof systems are inspected annually by an independent roofing contractor, and repairs are performed as needed. | |
| **Parapets/Coping:** | Exposed aggregate concrete coping blocks top the parapet walls. The roof membrane terminates into a continuous one or two-part reglet masonry flashing, which is fastened and sealed to the inside faces of the parapet walls at all roof locations.<br>The parapet wall at the rear of the main entry atrium was observed to have noticeable efflorescence. Due to the expense involved in disassembling the wall and properly step flashing it into the atrium frame, cleaning off the efflorescence and resealing the parapet wall above the southwest corner of the south entryway with 2 coats of a silicone-based masonry sealer is recommended to prevent the majority of future seepage. | **Good/Fair** |

| | | ***Condition*** |
|---|---|---|
| **Base/Wall Flashings:** | Base flashings at sidewalls, expansion joints and a limited amount of equipment flashing comprise trimmed metal flashing sets that extend up the faces of protruding elements by approximately 5"-14" and terminate under premanufactured counterflashing. Randomly observed new flashings appeared in excellent condition, original flashings were in fair condition. | **Excellent/Fair** |
| **Penetrations:** | Penetrations comprise enormous exhaust duct caps roofed with white TPO membranes and termination bars, piping vents, conduits, and other equipment and flues. Penetrations appeared to have been flashed with premanufactured rubber boots or pitch pockets.<br><br>However, the metal roof hatches over the abandoned barge loading doors over the rail garage along the river are severely corroded and need to have a membrane installed over them, similar to the large exhaust vent caps on the main roof. | **Good/Poor** |
| **Drainage Systems:** | Primary roof areas drain to metal drain pans that are fitted with internal roof drains that discharge through concealed pipelines, which then discharge into the buried, subsurface drainage system. No overflow drains or scuppers are present, as they are not required by the Chicago Building Code on roofs with multiple drains. | **Good** |
| **Skylights:** | Management informed us that the glass atriums over the front and rear entries and the cafeteria had been re-glazed and re-sealed along with the replacement of the main roof in 2012. They appeared to be in very good condition overall and no leaks were observed.<br><br>The skylights over the warehouse were observed to be in good condition and no leaks were observed. | **Good** |
| **Lightning Protection:** | No lightning-protection systems were observed, nor are they required. | **N/A** |
| **Leak History:** | Management reported occasional minor leaks and repairs at the Subject Property, and various areas that may be susceptible to leakage were observed.<br><br>Two active roof leaks were observed: one over the main rear entryway that appears to be coming from the roof drain pan, and one above the abandoned office area above the rail garage, which appears to be due to a hole | **Good** |

| | | ***Condition*** |
|---|---|---|
| | in the membrane around the HVAC duct penetration. These are both in areas of the original built-up with gravel roofing that needs to be replaced. | |
| **Warranties:** | Roof warranties are in effect, according to management, but none were provided for PCA to review. | **N/A** |
| **Adequacy:** | Roofing systems are performing adequately overall, including membrane assemblies, flashings, and drainage systems. However, the remaining original roof areas on the main building are leaking and are nearing the end of their EUL, and immediate replacement is recommended. It should also be noted that the original roof assembly and construction does not appear to meet current energy-code requirements. | |

***Recommendation(s)*:**

**D.01** Roof Replacement: Completely tear-off and re-roof all ancillary areas of the original building including south loading dock interior & canopy, west loading canopy, office building and rail garage with a coated Sarnafil membrane system to match the main roof. **($362,150)**

**D.02** Roof Coating: Coat the entire roof of the ROP Center addition with white acrylic cool roof coating. **($240,484)**

**D.03** Roof Hatches: Clean, scale, and prime steel hatches over abandoned barge loading doors and install a new 60 mil white TPO membrane with termination bars. **($9,053)**

## E. INTERIORS

PCA observed approximately 90% of interiors at the Subject Property, exceeding the contractual obligation for interior observations. The building is occupied by a single tenant, which is reportedly responsible for maintenance, repair, and replacement of interior finishes and systems.

Interiors at the Subject Property generally comprise offices, computer data-storage areas, support areas, and mechanical and storage uses.

| | | ***Condition*** |
|---|---|---|
| **Common Areas:** | The main (north) entrance on Chicago Ave. is no longer in use, except by staff who work in the offices above. A secured rear vestibule off the parking lot now serves as the primary entrance and is adjoined by a security reception station. The office area to the south of the press room contains a cafeteria. Multiple restrooms and locker rooms are located throughout the building.<br><br>Common-area finishes generally include the following:<br><br>Floors: Stone/ceramic tile, vinyl tile, sheet vinyl, and carpeting<br><br>Base: Stone/ceramic tile and vinyl topset base<br><br>Walls: Painted gypsum board, vinyl wallcoverings, and wood paneling<br><br>Doors: Frameless glass, stained wood, or hollow metal, set in steel frames<br><br>Ceilings: Exposed structure, dropped acoustic tile, dropped custom/specialty tile, hard-lid gypsum board<br><br>Lighting: Suspended fluorescent/LED fixtures, and recessed can lights | **Good** |
| **Tenant Areas:** | The building is occupied by a single tenant.<br><br>Interior clear height is estimated at approximately 9' to 28' above the finished floor, depending on the area. Office areas are improved with traditional office finishes, and production spaces and back-of-house areas are utilitarian in nature, with large open volumes.<br><br>Office and production area finishes generally include the following:<br><br>Floors: Stone/ceramic tile, vinyl tile, sheet vinyl, carpeting, and sealed/painted concrete<br><br>Base: Stone tile and vinyl topset base | **Good** |

| | | |
|---|---|---|
| | Walls: Painted gypsum board, vinyl wallcoverings, wood paneling, and painted/natural concrete block<br>Doors: Hollow wood or steel, set in steel frames<br>Ceilings: Exposed structure, dropped acoustic tile, or hard-lid gypsum board<br>Lighting: Suspended fluorescent/LED fixtures, recessed can lights, and industrial pendant lights<br>PCA had limited access to the computer server room, but that area contains typical office finishes, with a raised-floor system throughout.<br>Production areas generally comprised of sealed concrete floors, painted concrete floors and perimeter walls, and exposed ceiling structures. | |
| **Mold** | Mold and/or fungi growth generally occurs on cellulose-based material, such as wood or drywall paper that has been exposed to excess moisture. The presence of mold and/or fungi growth is normally an indication of a plumbing, roofing, other leak issue, and/or a water source that results in the abnormal presence of interior moisture. Significant fungal spore growth inside walls, insulation, attic spaces, or other areas can exist and not be visible on the finished surfaces of interior spaces. PCA did not perform: 1) a mold/fungi reconnaissance; 2) sampling of any building material for surface mold; or, 3) air sampling for mold spores.<br>Management or tenant representatives did not indicate any history of mold or complaints of mold or poor indoor air quality at the Subject Property. PCA did not observe mold/fungi growth in the areas randomly accessed during the site visit, including windows identified as having moisture intrusion. | **Good** |
| **Code Compliance:** | Tenant spaces generally appeared to meet the requirements for general building-code compliance. Spaces appeared to have secondary exits where required by code.<br>All areas of the building are fully covered by automatic fire-sprinkler protection and are monitored by fully addressable fire-alarm systems. Fire extinguishers and illuminated exit signs are generally provided as required. | **Fair** |

| | | |
|---|---|---|
| | The steel structure throughout the building appears to be spray-fireproofed per CBC requirements for Type I-C construction. However, fireproofing damage was observed in multiple areas, primarily small areas where the fireproofing has fallen off the bottom of the decking and insulation that has fallen out or been removed between the steel columns and the concrete block walls. | |
| **Adequacy:** | Except as noted above, interior finishes appeared adequate. | **Good** |

***Recommendation(s)*:**

**E.01** Fireproofing Insulation: Repair/ replace fireproofing insulation between structural columns and exterior block walls (allowance). **($8,000)**

**E.02** Spray Fireproofing: Repair fireproofing damage at top of office building stairwell ceiling. **($1,296)**

## F. LIMITED DISABLED-ACCESS ASSESSMENT

### Americans with Disabilities Act (ADA)

Portions of the Subject Property were constructed before and after the implementation of current disabled-access regulations. The Americans with Disabilities Act (ADA) was written into law in 1990 and became effective on January 26, 1992.

ADA regulations are applicable retroactively to existing buildings and are generally more restrictive than the requirements of local codes; however, the more-restrictive portions of either standard must be implemented.

Under Title I of the ADA, it is the responsibility of the employer to make the disabled employee's workplace accessible. Assessment of Title I compliance is beyond the Scope of Services for this report.

Title III of the ADA requires that public facilities provide access to the disabled. Depending upon the occupancy of a building, the building may or may not be classified as a public accommodation. Generally, while data centers are not traditional places of public accommodation, some offices located therein are required to provide accommodations under Title III. Public areas at the Subject Property include exterior parking and paths of travel to the main building entry, tenant entrances, interiors where public is welcomed or accommodated, and public restrooms. All other areas are considered part of Title I. It appears that very few general provisions have been made throughout the Subject Property for disabled access.

Non-compliant building spaces or components should be modified, and barriers should be removed when they are "readily achievable." This is typically interpreted to mean that the work is accomplished without much difficulty or expense. Barriers should be removed within the facility to allow independent access and use by the disabled. "Readily achievable" is subjective, and plans should be prepared and submitted for review to the local enforcing agency to determine what will be acceptable prior to starting modifications.

PCA-recommended modifications for the Subject Property are described in subsequent paragraphs. Recommendations should be coordinated with the overall accessibility compliance plan for the Subject Property and reviewed with legal counsel to determine which should be considered "readily achievable."

In the past the City of Chicago has typically required that accessibility upgrades be made with any permitted tenant renovation or change of use or occupancy, so while they have obviously been allowing the items below to remain as is (“grandfathered” under past codes) for the current continuously operating facility, they will most likely require all of the deficiencies below to be addressed if and when any significant tenant renovations or changes in use or occupancy do occur. The repair recommendations and costs included here are only general estimates due to the rather extreme state of non-compliance of the current facility, so if more exacting information is required it is recommended that an accessibility consultant whom is familiar with ADA Title III and the accessibility provisions of the Chicago Building Code perform a detailed accessibility survey of the building and make specific recommendations for compliance renovations.

| | | ***Condition*** |
|---|---|---|
| **Site Access:** | A public sidewalk extends along the street frontages, and public transportation stops were observed near the Subject Property, and pedestrian access is provided via a gate at the north entrance from the public sidewalks. Vehicular arrival is accommodated by on-site parking areas. Observed paved surfaces leading to the building entrances appeared generally smooth and even at the disused north entrance, however the pavement is in very poor shape at the rear entrance.<br><br>Curb ramp/barrier-free access paths between disabled-access parking areas and building entrance areas were observed at both entrances, and the concrete is generally in good condition. | **Fair** |
| **Parking:** | Parking is provided in paved lots at the north and east sides of the building. PCA counted approximately 247 currently striped passenger vehicle spaces, including 5 non-compliant accessible parking spaces, none of which are van accessible. For a quantity of 247 total passenger vehicle spaces, ADA requires 7 accessible parking spaces. Per ADA, for every required one to six accessible spaces, one must be van accessible. Accordingly, 2 van-accessible spaces are required. | **Poor** |
| **Common-Area Interiors:** | Main building-entrance doors are compliant with regard to dimensional clearances, door hardware, smooth uninterrupted kickplates/base frames, and compliant thresholds. The elevators appear to have been retrofitted as well, although that is outside the scope of services for this report.<br><br>However, most other areas of the building are either non-compliant or compliant under outdated versions of the Chicago Building Code, with only a handful of exceptions. | **Poor** |
| **Tenant Interiors:** | The building contains many industrial areas not generally intended to accommodate public patrons. These areas fall under ADA Title I provisions and are excluded from the Scope of Services for this report. | **N/A** |
| **Restrooms:** | Public restrooms are provided at numerous locations throughout the facility. Other spaces contain restrooms and locker rooms only for employees.<br><br>Restrooms are generally missing many compliant features such as tactile signage, proper maneuvering | **Poor** |

clearances, faucet/fixture hardware, insulation at lavatory piping, etc.

**Adequacy:** Due to the deficiencies described above, most randomly observed interior areas appeared substantially non-compliant with ADA design guidelines.

***Recommendation(s)*:**

**F.01** Site Access - Parking, North Entry: The accessible parking space has been removed at the front of the building. This space should be re-striped to meet code requirements. **($375)**

**F.02** Site Access - Parking, South Entry: The 5 designated accessible parking spaces at the rear of the building are non-compliant and need to be re-striped with a proper adjacent 5' loading area and a 6th accessible space needs to be added. **($2,250)**

**F.03** Interior Access - Stairwells: The interior handrail extensions at the base of the stairwells throughout the original portions of the building are missing and need to be added. **($1,500)**

**F.04** Interior Access - Sinks: Multiple restroom and pantry sinks need to be modified to include knee space that meets accessibility requirements. **($117,440)**

**F.05** Interior Access - Restrooms: Multiple restroom mirrors need to be lowered to meet accessibility requirements. **($8,700)**

**F.06** Interior Access - Restrooms: Multiple restrooms do not meet required dimensional clearances and should be re-planned by a professional architect and renovated to meet current code requirements (allowance). **($200,000)**

**F.07** Interior Access - Signage: ADA-compliant signage needs to be added throughout most of the building. **($27,000)**

**F.08** Interior Access - Drinking Fountains: Replace drinking fountains in the original building with compliant units. **($96,000)**

**F.09** Interior Access - Sinks: Pipes under sinks need to be covered in most restrooms and pantries throughout the building. **($14,700)**

## G. HVAC

MEP Professional

## H. PLUMBING

MEP Professional

# I. ELECTRICAL

MEP Professional

## J. FIRE- AND LIFE-SAFETY

MEP Professional

## K. VERTICAL TRANSPORTATION

Review of vertical transportation systems is beyond the "Scope of Services" for this report.

## L. PUBLIC RECORDS REVIEW

Review of Public Records is beyond the "Scope of Services" for this report.