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August 5, 2026

Ms. Andrea Ballard
City Clerk/Treasurer
City of Sherburn
21 East 1st Street
Sherburn, MN 56171

RE: Facility Assessment Report – City of Sherburn – Liquor Store

Dear Ms. Ballard,

Bolton & Menk, Inc. is pleased to provide this facility assessment report for the building located at 18 Main Street North in Sherburn, Minnesota. This report summarizes observations from the July 20, 2026 site visit and subsequent review of available photographic documentation and equipment information.

Thank you again for partnering with Bolton & Menk, Inc., for your facility assessment service needs. Please feel free to contact us if you have any questions or if you require any additional information.

Sincerely,

Bolton & Menk, Inc.

Tad Swedin

Practice Expert

tad.swedin@bolton-menk.com

Facility Feasibility Study Report – Liquor Store

Executive Summary

The City of Sherburn commissioned this feasibility study to evaluate the long-term performance of the facility at 18 Main Street North in Sherburn, Minnesota. The study assessed the building's ability to support retail operations, operational efficiency, customer service objectives, and business continuity requirements. The findings indicate that the building's current status can easily support current operation, exterior envelope items need to be addressed: deteriorating exterior façade, aging masonry cornice, neighboring building deteriorating siding and roofing. An immediate need to add fire alarm and emergency exit lighting should be addressed as a first step.

1. Introduction

This report evaluates the existing commercial building at 18 Main Street North in Sherburn, Minnesota, to document current conditions, assess operational adequacy, and identify future facility needs. The purpose of the assessment is to define immediate, mid-term, and long-term improvement priorities and provide preliminary cost guidance to support informed capital planning decisions. The facility remains a strategic business asset and continues to support ongoing liquor sales services within the Sherburn community.

2. Existing Facility Overview

The existing “Red Carpet Bar & Grill/Municipal Liquor Store” facility operates within approximately 6,388 square feet of combined building area on the main level and an additional 6,388 square feet on the lower level. The North building was constructed in 1930, while the South building shows evidence of being constructed in 1966, and an addition of 1,500 square feet was added to both buildings in 1988. The facility includes off-sale liquor store, bar area, commercial kitchen, seating area, restrooms and storage on the lower level. Portions of the building are more than 96 years old, with an addition in 1988. Functional limitations on ceiling heights and HVAC ducting exist, and code-related improvement requirements for accessibility.

Item Description

Year Built	South circa 1966/North 1930, Addition 1988
Gross Area	12,776 square foot of main level and lower level
Occupancy Type	Municipal-Public Service
Construction Type	Type III
Number of floors	1 floor and a basement
Current Use	Off-sale liquor, bar-restaurant, and storage

Site Description

Parcel Size	1 parcel (18 Main Street North) .16 acres
Parking	Municipal street parking
Access	Main Street North
Utilities	Water, sewer, power and gas
Adjacent Land Use	Business

3. Building Condition Assessment

The South building structural system appears to remain generally suitable for continued operations; the North building main level structural system appears to remain generally suitable for continued operations and the lower level North building exhibits the original 1930's framing structure. Key concerns include exterior façade and envelope

deficiencies, accessibility/ADA deficiencies, egress limitations, and limited elevator access. Strategic reinvestment in building systems would improve reliability, reduce operational risk, and support more efficient use of the facility.

Structural Systems

The North building structural components appear to remain in generally good condition and are capable of supporting continued retail operations. The foundation is a poured wall system, floor structure is framed and the roof structure is concealed. No major structural deficiencies were observed in the North building that would limit continued occupancy or planned ongoing use. The South building structured is CMU walls, precast double "T" floor plank and precast plank roof structure. The county's date of 1930 construction is in doubt, the double "T" plank was not designed until 1951 and Wells Concrete Products did not start production until 1953. Based on additional photographic evidence, the building structure is circa 1966. The 1988 addition to the East is CMU walls, precast floor plank and precast roof plank. No major structural deficiencies were observed in the South building that would limit continued occupancy or planned ongoing use.

Business Impact

The North and South buildings provide a viable foundation for future investment. The single width CMU walls show signs of settlement cracking, mainly due to the lack of construction/control joints, the cracking is limited. No other structural issues are evident.

Mechanical Systems

The HVAC system consists of two packaged forced-air equipment, with no visible serial number to identify manufactured date. Based on the model type, it is assumed the units are 18 years old with approximately 7 years of service life remaining. Exterior condensers have a manufactured date of 5/2010 with a serviceable lifecycle of approximately 9 years. The water heater is labeled install 12/2022. Two non-serviceable water softeners are present and not connected. The Captive Aire makeup air units tag is sun-bleached and unreadable; it is assumed to be original to the 1988 addition. The attached ANSIUL system is charged and operational.

The lower level does have an exterior vent that is rusted into place, the lack of conditioned or circulated air creates a dead air space at the lower level and condensation on surfaces with temperature changes.

The waste piping has 95% or more been replaced with schedule 40 PVC and only a small amount of cast iron piping remains.

Business Impact

The lack of ventilation/heating and moisture removal on the lower-level basement of both South and North buildings are an issue:

- Moisture accumulation at basement level with potential mold growth and health effects. Enclosed storage room at North building with potential mold growth, along with mildew along the South wall of the South building.

- Moisture accumulation at South building lower level, South wall with potential mold growth and health effects.
- Heat build-up at the compressor in the North building lower level should be addressed.

Recommendation

A heating and ventilation system with moisture control or air conditioning should be installed on the lower level of the South and North buildings to supply moisture control and air circulation. Air-exchange or ventilation systems should also be installed at the basement levels of both the South and North buildings.

Structural Systems

Evaluation

Foundation	North: Operable South: Operable
Exterior Walls	North: Operable South: Operable
Floors	North: Operable South: Operable
Roof Structure	North: Unknown, not accessible South: Operable

Architectural Systems

Evaluation

Roof	North: TPO roof: Operable South: EPDM roof: Operable
Exterior Envelope	North/South: Masonry repairs required
Windows/Doors	North: Operable South: Operable
Interior Finishes	North: <10 years lifespan South: <10 years lifespan
Accessibility/ADA	North/South: Multiple accessibility updates required

Mechanical Systems

Evaluation

HVAC Equipment	Two furnaces operational, two condensers operational
Life Safety/Fire Protection	The building is not fire sprinklered. Fire alarm for storage and mechanical rooms required.
Controls	Operational
Building Automation	None

Electrical Systems

Evaluation

Service Capacity	The building service is adequate to the current use
Distribution	Operable
Lighting	Fluorescent troffers and incandescent fixtures. LED lighting recommended. No emergency exit lighting provided an immediate addition of this is required.
Fire Alarm	None. An immediate addition is required.
Emergency power	None

Plumbing Systems

Evaluation

Domestic Water	Two 1" services provided
Waste Piping	Two services provided
Fixtures	Operational
Specialty Systems	Cooler refrigeration system

4. Regulatory Compliance Assessment

Recommended improvements include accessibility upgrades, life-safety enhancements, emergency lighting, and fire alarm improvements to reduce organizational risk and improve employee and customer safety. Accessibility improvements should be addressed in accordance with best practices and applicable code requirements. In addition, future building permit activity or renovation work may trigger additional accessibility/ADA upgrades. An architect should be engaged to prepare a life-safety code analysis and exiting plan to identify required compliance improvements.

Category	Status	Improvement Required
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Accessibility	Entry threshold height, entry door distance between doors, wheelchair accessibility at restrooms, grab bars at restroom, compliant ramps at floor elevation changes.	By best practices, update. Required to update upon building permit review.
Egress	At grade egress to exterior, add handrails to ramp. Basement secondary egress required. Emergency exit lighting required.	By best practices, update. Required to update upon building permit review.
Fire Alarm	None.	Yes, immediately

5. Space Utilization Analysis

The main-level layout allows access to off-sale liquor, the bar layout allows flow and ample additional seating, restrooms are conveniently located to fully support current workflow needs. The kitchen space is limited but functional. Future planning should evaluate storage needs on the main level, projected staffing and customer service needs over the next 5 to 10 years to improve efficiency, circulation, and long-term usability.

6. Site Feasibility

The property does include onsite parking in an unimproved gravel lot on the East side of the property. The building is adjoined to the North and South by commercial buildings.

Expansion Opportunities	Evaluation
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Additions	Potential to East only
Parking	Yes
Utility Improvements	Not required

Site Constraints

Evaluation

Setbacks	Yes, front and side setbacks are built to zero lot line
Easements	None
Utilities	No
Environmental Concerns	No

7. Alternatives Analysis

Two alternatives were evaluated for the facility: Alternative A, maintain the existing facility with required maintenance and code-related improvements and Alternative B, renovate the existing facility with ADA & egress updates.

Alternative A – Maintain Existing Building

Scope	Routine maintenance and repairs only with fire alarm and exit lighting
Pros	Lowest capital investment
Cons	Continued operational limitations
Estimated Cost	\$6,850

Alternative B – Renovation with ADA & egress updates

Scope	Targeted renovation of existing facility with ADA restrooms and egress exit stairs
Pros	Extends building life and improves functionality
Cons	Construction impacts operations
Estimated Cost	\$87,000

8. Financial Analysis

The recommended improvement strategy is expected to improve operational efficiency, reduce deferred maintenance exposure, and support continued retail services in Sherburn while balancing capital investment with long-term facility performance.

Deferred Maintenance

Cost

Roof	\$83,000 for South building and \$85,000 for the North building
HVAC	\$32,000
Electrical	\$2,000
Interior Finishes	\$96,000

Capital Improvement

Cost

Accessibility/Egress Upgrades	\$87,000
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Mechanical Upgrades	\$12,000
Structural Repairs	\$7,500

Alternative Cost Comparison

Project Cost

Maintain	\$6,850
Renovate	\$87,000

9. Lifecycle Analysis

The preferred facility strategy should extend the useful life of the remaining facility components, improve building performance, reduce energy consumption where practical, and position the property for more efficient long-term use.

Remaining Useful Life Years

Roof South Building	<5
Roof North Building	>15
HVAC	7
Electrical	>20
Plumbing	>20

Immediate / Short-Term Needs (0–2 Years)

Critical needs required to maintain safety, regulatory compliance, and continued operation.

Description	Reason/Risk	Rec Action	Priority
Ventilation/air-exchanger at basement	No ventilation or HVAC/High	Add ventilation/air-exchanger of basement	High
Emergency lighting	Life safety/High	Elec engineer to create plan	Immediately
Fire alarm	Life safety/High	Elec engineer to create plan	Immediately
Exterior façade repair	Continued damage due to water infiltration/Low	Masonry repair of face brick, caulking, CMU painting and cornice cap	High
Cornice repair of capping	Cornice material deterioration	Repair deteriorating material or add flashing cap	High
Neighboring wall of North building deterioration	Wall material is beyond lifecycle and is allowing water infiltration/High	Negotiate with owner to the North to replace exterior material	High
Debris on roof	Screws, nails, glass and organic material	Remove debris	Low

	could possibly puncture roof/Low		
Electrical panel door	Broken door/Medium	Replace	Medium
Mold/mildew smell at North basement enclosed room	Mildew presence/High	Engage testing company and mitigate	High

Mid-Term Needs (3–7 Years)

Improvements to address aging systems, functional limitations, and efficiency.

Description	Reason/Risk	Rec Action	Priority
Accessibility/ADA	ADA act/High	Create plan with code updates	Medium, required with remodel permitting
Egress stairs to basement level	Life safety/High	Add secondary exit	Medium, required with remodel permitting
Electrical fixtures	Energy efficiency/Low	Replace with LED fixtures	Low
HVAC units replacement	Lifecycle/Medium	Replace units	Medium
South roof replacement	Lifecycle/Medium	Roofing and flashing replacement	Medium

Long-Term / Future Needs (8–20 Years)

Strategic needs related to growth, major renovations, expansions, or replacement.

Description	Reason/Risk	Rec Action	Priority
Architectural finishes	Lifecycle/Low	Replace finishes	Low
North roof replacement	Lifecycle/Low	Roofing and flashing replacement	Low
Make-up air unit replacement	Lifecycle/Low	Replace make-up air unit	Low

10. Risk Assessment

Primary risks include concealed existing conditions, construction cost escalation, material availability, and operational disruptions during construction. These risks can be mitigated through detailed planning and phased implementation.

Additional due-diligence services should be considered, including asbestos testing, lead-based paint testing, and mold

assessment, to better define potential cost and schedule impacts. Pipe insulation observed in the basement appears to be a linen wrapped material, and asbestos testing is strongly recommended before renovation, demolition, or disturbance.

Risk	Impact	Mitigation
Hidden conditions	High	Detailed investigation
Hazardous materials	High	Testing and abatement
Cost Escalation	Medium/Low	Contingency planning

11. Conclusions and Recommendations

The existing facility remains a valuable business asset for The City of Sherburn; however, building envelope, egress, life-safety, accessibility, and HVAC needs should be addressed in the designated timeline above to support safe and reliable continued operations.

The addition of life safety items: fire alarm and emergency exit lighting should be addressed first, the building exterior envelope requiring masonry repair, new roofing, flashing and negotiations with the neighboring property owner should be starting in the next few years to allow for corrective action. This approach provides a balanced strategy for capital investment, operational improvement, workforce support, customer access, and long-term asset value while minimizing disruption and avoiding the significantly higher cost of not addressing the exterior envelope.

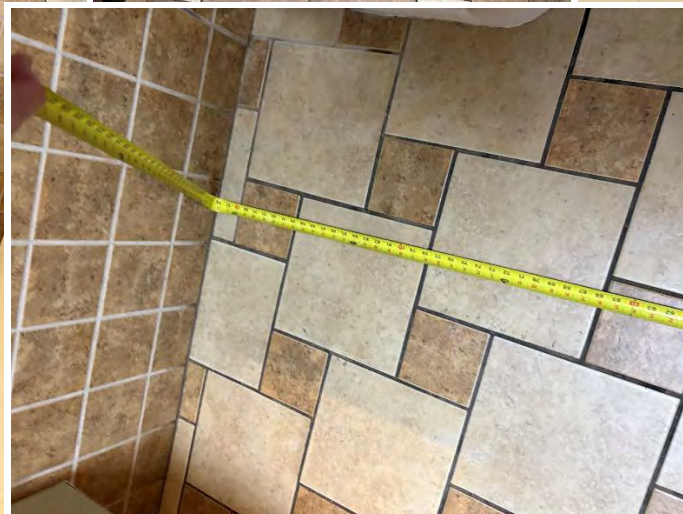
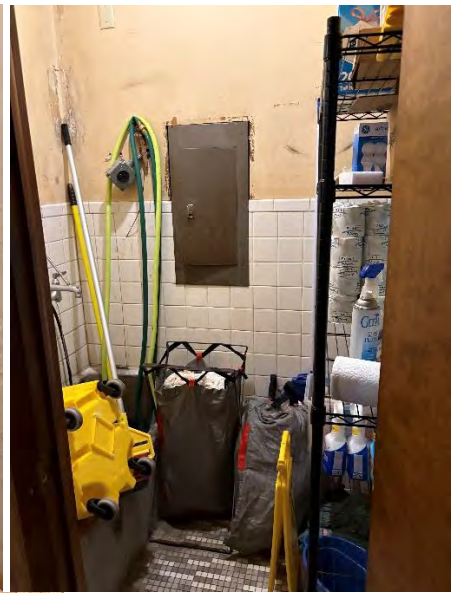
Facility Feasibility Study – Photo Appendix

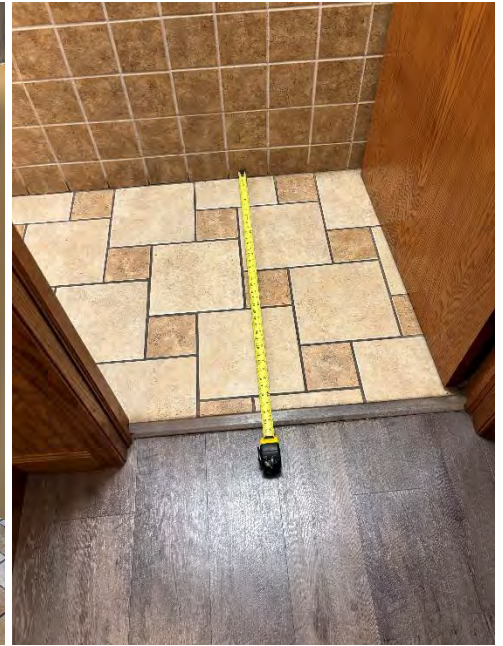
Photo 1 – Building Exterior





Photo 2 – Main Level Area





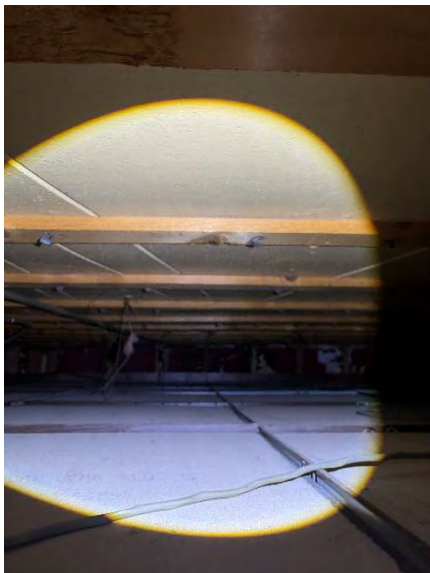
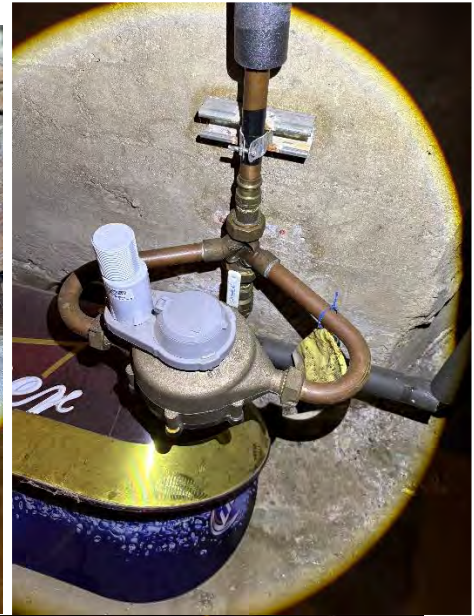
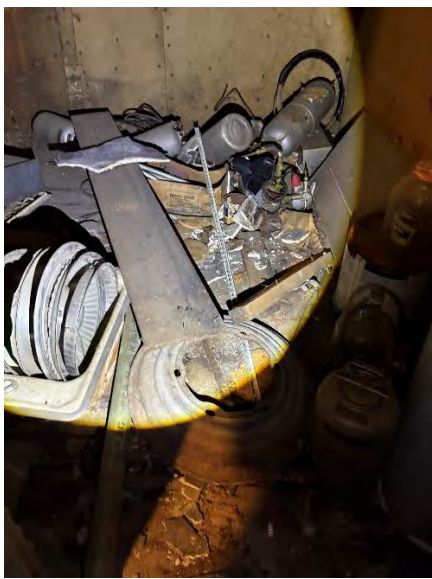


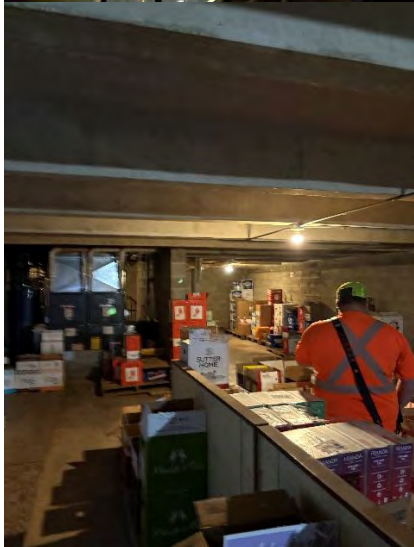
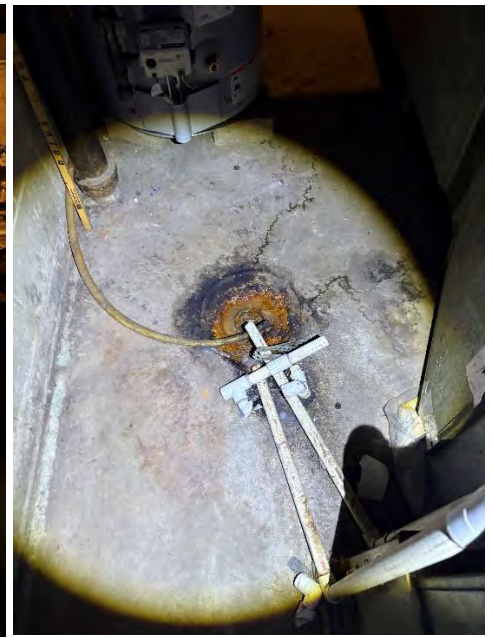
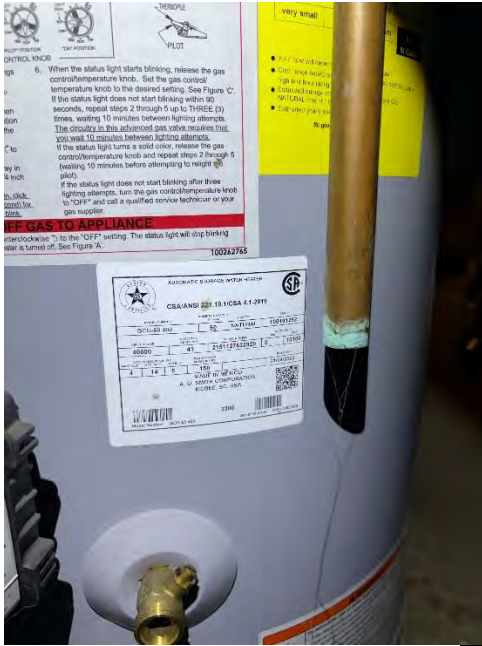


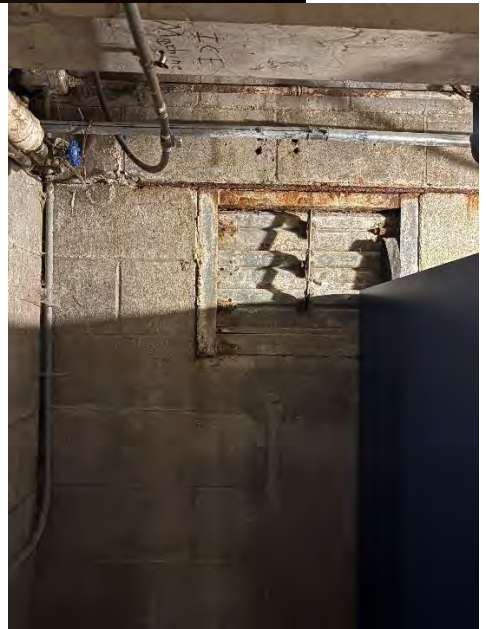
Photo 3 – Basement Area

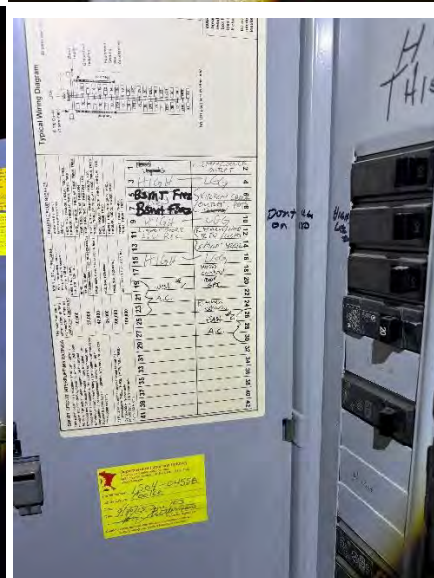












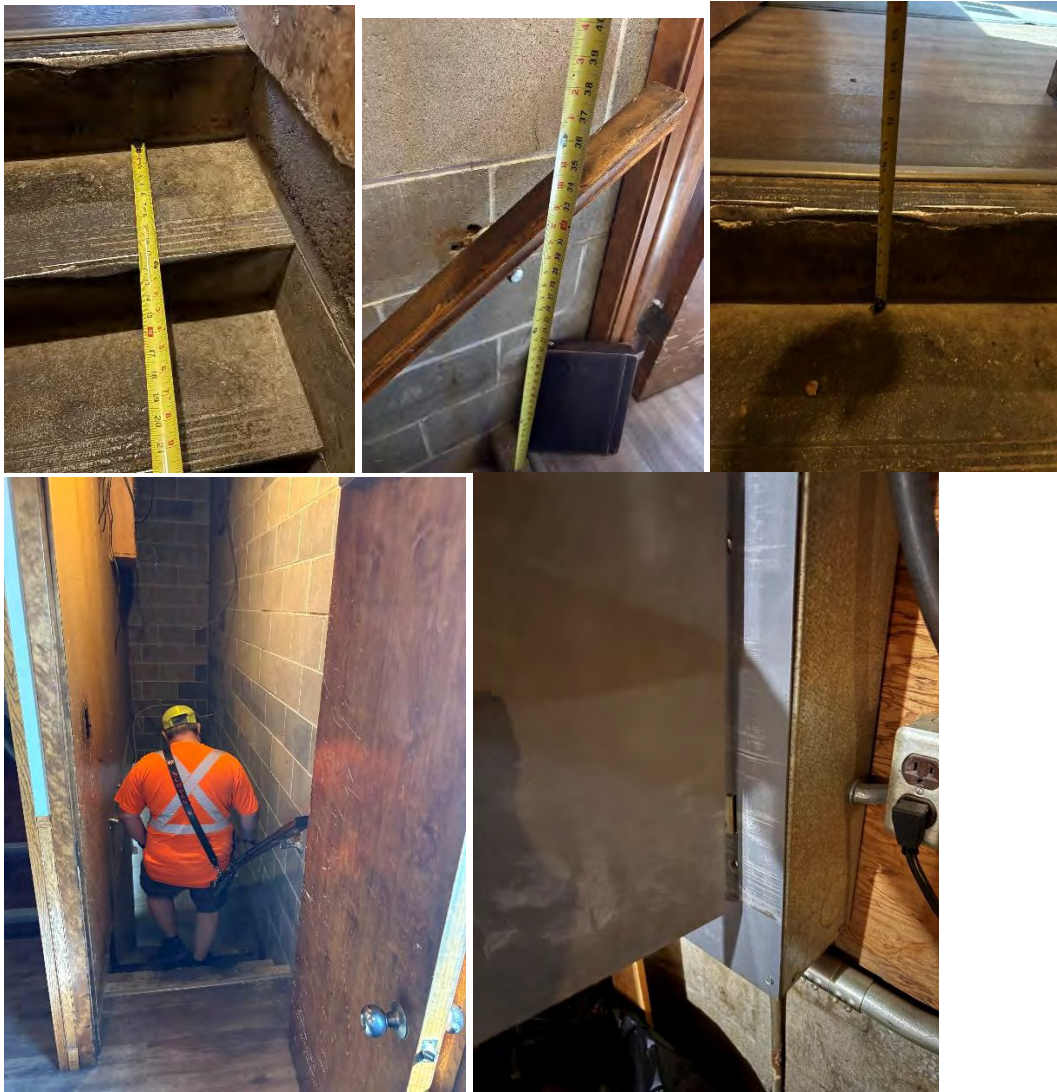


Photo 4 – Roof



