

HOSCH APPRAISAL & CONSULTING, INC
WORK FILE MEMORANDUM

DATE: March 4, 2025

TO: File #HAC22058-06 (2025 Street Reconstruction Projects)

FROM: Hosch Appraisal & Consulting, Inc.

RE: **Conclusions of Maximum Supportable Special Benefits and Broad Market Research for Various Street Reconstruction Projects in Saint Paul, Minnesota.**

SUMMARY

We have been retained to provide appraisal consulting services that explore the general impacts on market value for various property classifications and the reasonableness of proposed special assessments resulting from various proposed 2025 City of Saint Paul Public Improvement Projects. This work file memorandum documents the verbal reports of conclusions we communicated to Lynn Rolf with the City of Saint Paul during a phone call on February 14, 2025. This memo also includes further documentation of our research as it pertains to project-specific ranges of benefit to market value. This file memorandum documents the final results and conclusions pertaining to this consulting assignment.

We have been asked to provide opinions of the maximum supportable special benefits, as measured by potential increases to real estate market values, resulting from the corresponding street reconstruction projects. The conclusions of this analysis refer to general property classifications only and are not intended to provide conclusions of market value impacts for any one property. Further information regarding the scope of work is outlined in the contract of engagement.

For purposes of this assignment, we have relied upon the county assessor's estimated market values, and we have aggregated the assessed values for each property classification in order to determine the maximum supportable assessments for each property classification within a given project area. According to the most recent available Twelve-Month Sales Ratio Study, published by the Minnesota Department of Revenue, the Ramsey County Assessor's Office has mean sales ratios ranging from 96.73 to 100.75 for the most common property types in St. Paul, Minnesota, indicating that on average properties in St. Paul are assessed at approximately 96.73% to 100.75% of actual sales prices. Median ratios for the same property types range from 94.79 to 101.19. Since the sales ratio study indicates that the assessor's estimated market values provide a reasonable measure of support for actual market values, we have determined that use of the assessor's market values is appropriate for this analysis. The aggregate pre-project market value indications used in these analyses are based on the Ramsey County Assessor's estimated market values as of January 2, 2024, for real estate taxes payable in 2025.

Project descriptions and tables for each project showing the concluded ranges of supportable project-specific benefits to market value and the aggregate maximum supportable special assessments as they relate to aggregate property value by property classification are provided on the following pages. The ranges of supportable benefit and maximum supportable special assessments that were shared with our client are not property-specific and are intended to provide broad direction as to the anticipated benefit that is generally supportable for each property classification based on our market research.

Jackson Street (University Avenue to Pennsylvania Avenue) Reconstruction

This project will reconstruct Jackson Street and proposes to extend the pavement life cycle by constructing new bituminous-surfaced streets, upgrading existing pedestrian ramps to current Americans with Disabilities Act (ADA) current standards and construction of trails and sidewalks for pedestrians and bicyclists.

Jackson Street was constructed in 1969 consisting of 8" concrete pavement over 3" aggregate base. There has not been any major project on Jackson Street since its construction aside from routine maintenance patch. The pavement has reached the end of its life and requires replacement to continue serving the travelling public. Jackson Street has an average daily traffic value of 8,525.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Jackson Street: University Avenue to Pennsylvania Avenue)			
Property Classification	Aggregate Pre-Project Market Value of Assessed Properties*	Maximum Special Benefit as Percentage of Pre- Project Market Value*	Aggregate Maximum Supportable Special Benefit
Single-Family Residential	\$639,800	2.75%	\$17,595
Multi-Family/Condo	\$39,597,500	2.00%	\$791,950
Mixed Use - Comm./Res.	\$386,300	2.50%	\$9,658
Downtown Comm./Office	\$32,850,300	2.25%	\$739,132
Downtown Parking	\$12,192,100	1.50%	\$182,882
Public Use	\$6,783,300	Inconclusive	Inconclusive
Vacant Land - Residential	\$25,000	5.00%	\$1,250
Vacant Land - Public Use	\$17,400	Inconclusive	Inconclusive
Total	\$92,491,700	1.88%	\$1,742,465

* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.

University Avenue (I-35E to Lafayette Road Reconstruction)

This project entails the full reconstruction of University Ave from I-35E to Lafayette Road. A multi-use trail will be constructed on the north side and the street will undergo a lane reduction. The intersection with Lafayette Road is being investigated for conversion to a single-lane roundabout. This project is one of the first in the Common Cent program using the newly levied sales tax funds. Additional costs will be funded with MSA and Local funds.

Currently the roadway is two lanes in each direction with medians at either side of the Mississippi Street intersection. Sidewalks exist on both sides of the road, but the boulevards are paved with no trees. The road was last reconstructed in 1994 during the sewer separation program and is heavily used by trucks accessing the business park to the north, and all vehicles attempting to access I-35E. The government complex on the south of the corridor includes the headquarters for the Saint Paul Police Department, the Ramsey County Jail, and the Emergency Operations Center for both the City and the County.

Reconstruction is needed to repair and replace sidewalks, pavement, and utilities. Improvements include all new sidewalks, pavement, boulevards, trees, curb, and gutters. A new grade-separated multi-use trail will be constructed on the north side. Traffic improvements include new lane markings, traffic signals, lighting, and signage. Both public and private utilities will be improved. Buried streetcar tracks and any rubble in conflict with the project design will be removed.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (University Avenue: I-35E to Lafayette Road)			
Property Classification	Aggregate Pre-Project Market Value of Assessed Properties*	Maximum Special Benefit as Percentage of Pre- Project Market Value*	Aggregate Maximum Supportable Special Benefit
Industrial	\$10,598,500	2.75%	\$291,459
Commercial/Retail	\$708,400	4.50%	\$31,878
Downtown Office	\$7,484,100	1.50%	\$112,262
Institutional (Religious/Service)	\$7,176,300	3.00%	\$215,289
Vacant Land - Industrial	\$1,324,300	5.00%	\$66,215
Infrastructure Site	\$1,207,300	0.00%	\$0
Public Use	\$39,538,200	Inconclusive	Inconclusive
Total	\$68,037,100	1.05%	\$717,102
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.			

Pleasant Avenue (Jefferson Avenue to St. Clair Avenue) Reconstruction

The Pleasant Avenue reconstruction project aims to transform the area into a vibrant and inviting space for all users. Central to this initiative is the development of a shared-use path that enhances mobility for pedestrians, cyclists, and other non-motorized travelers, promoting a safer and more inclusive environment. The addition of solar lighting will not only illuminate the path, ensuring safety during nighttime use, but also highlights our commitment to sustainability. This project will stimulate local commerce by creating a pedestrian-friendly atmosphere, while actively engaging the community to gather feedback and address the needs of all stakeholders. By prioritizing accessibility and environmental responsibility, we envision Pleasant Avenue as a dynamic hub that fosters connection and community spirit.

Currently the roadway is generally one lane in each direction. Parking exists on both sides of the roadway throughout most of the corridor. The roadway is in poor condition with no pedestrian infrastructure available for public use. The construction of I-35E through Pleasant Avenue in Saint Paul in the late 1960s had a significant impact on the area. The highway's development altered traffic patterns, diverting a substantial amount of vehicle flow away from Pleasant Avenue, which diminished its role as a primary thoroughfare. Additionally, the construction required the modification of surrounding infrastructure and affected local businesses, some of which faced challenges due to reduced visibility and access. Over time, while I-35E facilitated regional travel, it also created a physical and psychological barrier within the neighborhood, influencing land use and community dynamics.

Reconstruction is needed to repair and replace pavement and utilities. Improvements include a shared use path, pavement, boulevards, trees, curb, and gutters. Traffic improvements include new lane markings, solar lighting, and signage. Both public and private utilities will be improved. Public utility improvements include storm sewer work, sanitary sewer replacement, and stormwater management treatments.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Pleasant Avenue: Jefferson Avenue to St. Clair Avenue)			
Property Classification	Aggregate Pre-Project Market Value of Assessed Properties*	Maximum Special Benefit as Percentage of Pre- Project Market Value*	Aggregate Maximum Supportable Special Benefit
Office	\$585,000	3.00%	\$17,550.00
Railroad	\$939,500	0.00%	\$0.00
Public Use	\$6,617,300	Inconclusive	Inconclusive
Vacant Land - Public Use	\$239,700	Inconclusive	Inconclusive
Vacant Land - Commercial	\$429,500	5.00%	\$21,475.00
Total	\$8,811,000	0.44%	\$39,025.00

* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.

Wheelock-Grotto Residential Area - Phase 1 Reconstruction

The project seeks to improve a portion of the Wheelock-Grotto Residential Area – RSP Area 56, bounded by East Como Boulevard, Grotto Street, Wheelock Parkway and Arlington Avenue by reconstructing the roadway pavement and improving the pedestrian facilities.

Improvements to be made as part of the project include constructing new bituminous surfaced streets with concrete curb and gutter, concrete driveway aprons and boulevards landscaped with sod and trees. Damaged sidewalks will be replaced as necessary. Sidewalks will be added where appropriate. The existing wood pole streetlights will be replaced with lantern style lights as part of the project. In addition, new watermain will be installed, appropriate storm and sanitary sewer repairs will be made, and storm and sanitary sewer reconnections will be made at the request of property owners.

The proposed roadway width for Parkview Avenue and Osage Street is 32’ wide to provide two travel lanes and two parking lanes. East Como Boulevard will be constructed at 28’ to provide two travel lanes and parking on the east side of the street. Avon, Folsom, Ivy and Orange Street will be 30’ wide to provide two travel lanes and two narrow parking lanes. Concrete sidewalks where present and will be repaired to match the existing width. In areas where sidewalk is not present, a 5’ wide sidewalk will be constructed. As part of this project, special attention will be paid to bringing the existing pedestrian ramps up to current ADA standards and City design standards. Public art will be included in the project, following the procedures developed for street projects. Funding for public art is 1% of eligible project funds, in this case Street Reconstruction Bonds, as determined by the Office of Financial Services per the City’s Public Art Ordinance.

Many of the streets in the area are oiled streets. These include Folsom, Ivy, Orange and Parkview. Avon was last paved in 1986. East Como Boulevard was paved in 1972. Osage was paved in 1990. The existing roadway width on Avon, Folsom, Ivy and Orange is 30’. East Como Boulevard is 28’ wide. Parkview is 32’ wide. Osage Street varies from 30’ to 34’ feet wide. The street lighting is primarily davit arms on wood poles.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Wheelock-Grotto Residential Area - Phase 1)			
Property Classification	Aggregate Pre-Project Market Value of Assessed Properties*	Maximum Special Benefit as Percentage of Pre- Project Market Value*	Aggregate Maximum Supportable Special Benefit
Single-Family Residential	\$56,755,600	3.00%	\$1,702,668
Multi-Family Residential	\$1,211,500	2.50%	\$30,288
Mixed Use - Comm./Res.	\$404,900	3.00%	\$12,147
Public Use	\$48,736,600	Inconclusive	Inconclusive
Total	\$107,108,600	1.63%	\$1,745,103

* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.