

HOSCH APPRAISAL & CONSULTING, INC
WORK FILE MEMORANDUM

DATE: February 19, 2025

TO: File HAC22058-06 (2025 Alley Projects)

FROM: Hosch Appraisal & Consulting, Inc.

RE: **Conclusions of Maximum Supportable Special Benefits and Broad Market Research
for Various Alley 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 10, 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 alley improvement 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.

Laurel-Selby-Mackubin-Arundel Alley Reconstruction

The project seeks to improve the east-west alley in Woodland Park Addition, Block 10, Lots 1 to 24 (Bounded by Laurel, Selby, Mackubin and Arundel) by grading and paving with bituminous material with 5' brick end-sections. The improvement was initiated by a petition and signed by 83% (26 of 31 households) of the abutting property owners in 2018. Properties on this alley include single family homes, condominiums, and businesses.

The existing alley is brick and was constructed in 1908. Portions of the alley have been laid over with bituminous or gravel where potholes or distress occurred over time. This project proposes to grade the alley and place hot mix bituminous pavement to a width of 15 feet. Driveway apron at alley access points will be replaced as necessary for proposed design or meet city's standards.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Laurel-Selby-Mackubin-Arundel)			
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	\$2,642,800	1.25%	\$33,035
Multi-Family/Condo	\$8,318,800	0.50%	\$41,594
Commercial/Retail	\$3,909,100	0.00%	\$0
Vacant Land - Commercial	\$251,400	0.00%	\$0
Total	\$15,122,100	0.49%	\$74,629
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.			

Hatch-Orchard-Kilburn-Ryde Alley Reconstruction

The project seeks to improve the T-shape alley in the Denslow's Subdivision of Lots 47 & 54, Block 47, Lots 1 to 26 (Bounded by Hatch, Orchard, Kilburn and Ryde) by grading and paving with bituminous material. This improvement was initiated by residents on the block. Ward 5 office supports the improvement needs of the gravel alley.

The existing alley is platted 12.0' (north-south segment) and 16.0' (east-west segment) feet wide. The alley is unimproved with an existing gravel surface. Alley topography drains stormwater southerly then out on both east-west access into the streets. This project proposes to grade the alley and place hot mix bituminous pavement to widths of 10.0'-12.0' feet. Typical alley pavement will have an inverted crown to facilitate drainage from the alley to main streets. Driveway apron at alley access points will be replaced as necessary for proposed design or meet city's standards.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Hatch-Orchard-Kilburn-Ryde)			
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	\$3,256,300	1.75%	\$56,985
Total	\$3,256,300	1.75%	\$56,985
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.			

Ashland-Laurel-Fry-Snelling Alley Reconstruction

The project seeks to improve the T-shaped alley in Schroeder's Addition, Block 9, Lots 1 to 24 (Alley Index 1948-P bounded by Ashland, Laurel, Fry, and Snelling) by grading and paving with bituminous material. This improvement was initiated by the Fire Station 14, a property along the alley block, with history of pavement distresses.

The existing alley is platted 20 feet wide. The alley's current condition is partially oiled and paved. Based on city record it was oiled in 1966. This project proposes to improve the alleyway by reconstruction, including removing existing materials, constructing new gravel base materials and bituminous pavement. Driveway at alley access will be replaced as necessary for drainage purposes or upgraded to meet city standards.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Ashland-Laurel-Fry-Snelling)			
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	\$6,262,300	1.00%	\$62,623
Multi-Family Residential	\$793,600	0.50%	\$3,968
Commercial/Retail	\$2,431,600	0.50%	\$12,158
Office	\$906,400	0.50%	\$4,532
Total	\$10,393,900	0.80%	\$83,281
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.			

7th-Woodward-RR-Payne Alley Reconstruction

The project seeks to improve the east-west alley in Brunson's Addition, Block 11, Lots 1 to 12 (Alley Index 1137-UN bounded by 7th Street, Woodward, Railroad, and Payne) by grading and paving with bituminous material. This improvement was initiated by a property owner, with history of drainage issues.

The existing alley is platted 20 feet wide with a dead-end up to the railroad right-of-way. The alley's current condition is unimproved with gravel. This project proposes to improve the alleyway by reconstruction, including removing existing materials, constructing new gravel base materials and bituminous pavement. Driveway at alley access will be replaced as necessary for drainage purposes or upgraded to meet city standards.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (7th-Woodward-RR-Payne)			
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
Commercial	\$1,130,400	2.25%	\$25,434
Vacant Land - Commercial	\$171,500	Inconclusive	Inconclusive
Total	\$1,301,900	1.95%	\$25,434
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2024.			