

**HOSCH APPRAISAL & CONSULTING, INC**  
**WORK FILE MEMORANDUM**

DATE: April 2, 2024

TO: File #HAC22058-05 (2024 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.**

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**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 2024 City of Saint Paul Public Improvement Projects. This work file memorandum documents the verbal reports of conclusions we communicated to Lynn Rolf and Bruce Engelbrekt with the City of Saint Paul during a phone call on March 18, 2024. 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 86.3 to 96.4 for the most common property types in St. Paul, Minnesota, indicating that on average properties in St. Paul are assessed at approximately 86.3% to 96.4% of actual sales prices. Median ratios for the same property types range from 91.0 to 96.1. 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, 2023, for real estate taxes payable in 2024.

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.

**Annapolis Street (Robert Street to Kansas Avenue) Reconstruction**

This project will reconstruct Annapolis Street and add a bike lane on each side of the road to improve non-motorized travel. Utilities will be upgraded along the corridor including any residential hookups for water and sewer. This project is a partnership project with the City of West Saint Paul, which has taken the lead in design, bidding, and construction management.

Parking will be removed from the north side of the road to accommodate one bike lane in each direction. Sidewalk gaps on the corridor will be filled and all intersections brought into ADA compliance. The existing six-way intersection with Dodd and Charlton will be reconfigured to a four-way stop to greatly improve safety.

<b>SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Annapolis: Robert Street to Kansas Avenue)</b>			
<b>Property Classification</b>	<b>Aggregate Pre-Project Market Value of Assessed Properties*</b>	<b>Maximum Special Benefit as Percentage of Pre- Project Market Value*</b>	<b>Aggregate Maximum Supportable Special Benefit</b>
Single-Family Residential	\$8,801,200	2.75%	\$242,033.00
Multi-Family Residential	\$204,400	2.25%	\$4,599.00
Institutional (Religious)	\$273,700	2.75%	\$7,526.75
Other (Cemetery)	\$2,798,800	0.00%	\$0.00
<b>Total</b>	<b>\$12,078,100</b>	<b>2.10%</b>	<b>\$254,158.75</b>
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2023.			

**Minnesota Street (6<sup>th</sup> Street to 11<sup>th</sup> Street) Reconstruction**

The project seeks to improve Minnesota Street from Sixth Street to Eleventh Street by reconstructing the pavement, improving pedestrian facilities and implementing the Capital City Bikeway. Improvements to be made as part of the project include constructing new concrete pavement with concrete curb and gutter, concrete sidewalk, a grade separated bicycle facility and associated traffic signal upgrades. In addition, appropriate water and storm sewer repairs will be made.

Improvements to Minnesota Street between Sixth Street and Eleventh Street include new concrete pavement with concrete curb and gutter. The project proposes to narrow Minnesota Street from 40 feet to 29 feet. This new street width will accommodate two northbound travel lanes and one parking/loading lane. The narrowing of the street will move the west curb line away from the existing building faces to provide additional space for sidewalks and a two-way off-street bikeway, which is part of the Capital City Bikeway. Since the existing bridge north of Eleventh Street will not accommodate a bikeway, the proposed off-street bikeway will turn onto the existing Tenth Street bikeway. Parking will be removed on the east side of the street. Parking will remain on the west side along the new curb line. Metro Transit will keep their existing routes on Minnesota Street. The project includes new traffic signal systems at the intersections of Minnesota and Tenth and Eleventh Streets. Upgrades to the signal system at Seventh will also be included. The traffic signal at Seventh Street (TH 5) will remain in place.

<b>SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Minnesota Street: 6th Street to 11th Street)</b>			
<b>Property Classification</b>	<b>Aggregate Pre-Project Market Value of Assessed Properties*</b>	<b>Maximum Special Benefit as Percentage of Pre- Project Market Value*</b>	<b>Aggregate Maximum Supportable Special Benefit</b>
Multi-Family/Condo	\$156,413,100	2.00%	\$3,128,262.00
Commercial/Retail	\$29,625,200	4.00%	\$1,185,008.00
Downtown Office	\$172,954,700	2.50%	\$4,323,867.50
Downtown Parking	\$12,238,200	1.50%	\$183,573.00
Vacant Land - Commercial	\$1,258,900	5.00%	\$62,945.00
<b>Total</b>	<b>\$372,490,100</b>	<b>2.38%</b>	<b>\$8,883,655.50</b>
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2023.			

**Grand Avenue (Fairview Ave to Snelling Ave) Reconstruction**

The project seeks to improve Grand Avenue from Fairview Ave N to Snelling Avenue (Highway 51) by reconstructing the pavement and improving pedestrian facilities. Improvements to be made as part of the project include constructing new concrete pavement with concrete curb and gutter, concrete sidewalk, lighting, and associated traffic signal upgrades. In addition, appropriate water and storm sewer repairs will be made.

Improvements to Grand Avenue between Fairview Avenue and Snelling Avenue include new bituminous pavement with concrete curb and gutter. The project proposes to narrow Grand Avenue from 54 feet to 48 feet. This new street width will accommodate two travel lanes and two parking lanes. The space from narrowing of the roadway will be added to the boulevard zone. Pedestrian improvements including curb extensions, a pedestrian refuge for a Safe Routes to Schools route at Cambridge Avenue, and two raised midblock crossings between Macalester Avenue and Snelling Avenue. Metro Transit will keep their existing routes on Grand Avenue. The project includes new traffic signal systems at the intersections of Fairview and Grand Avenue.

<b>SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Grand Avenue: Fairview Ave to Snelling Ave)</b>			
<b>Property Classification</b>	<b>Aggregate Pre-Project Market Value of Assessed Properties*</b>	<b>Maximum Special Benefit as Percentage of Pre- Project Market Value*</b>	<b>Aggregate Maximum Supportable Special Benefit</b>
Single-Family Residential	\$1,090,100	2.25%	\$24,527.25
Multi-Family Residential	\$27,558,000	2.00%	\$551,160.00
Mixed Use - Comm./Res.	\$11,364,000	2.50%	\$284,100.00
Commercial/Retail	\$17,992,300	3.00%	\$539,769.00
Office	\$846,200	3.00%	\$25,386.00
Institutional (Educational)	\$234,164,400	1.00%	\$2,341,644.00
Vacant Land - Commercial	\$351,100	5.00%	\$17,555.00
<b>Total</b>	<b>\$293,366,100</b>	<b>1.29%</b>	<b>\$3,784,141.25</b>

\* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2023.

**Robert Street (Kellogg Blvd to I-94) Reconstruction**

This project entails the full reconstruction of Robert Street from Kellogg Boulevard to I-94. The corridor is currently a MnDOT trunk highway (TH 3) and is being turned back in 2024 to the City of St. Paul, to be owned and operated by the city. As part of the agreement, the state will pay for a significant amount of the project capital cost. Federal funds, Saint Paul Regional Water Service funds, Metro Transit funds, and City of St. Paul funds will cover the rest of the project cost.

In addition to replacing aging infrastructure, the project goals are to:

- Create a vibrant and welcoming place for everyone.
- Improve mobility for all modes of travel.
- Support efficient and reliable transit service through downtown.
- Create an accessible and safe environment for people who walk and roll.
- Enhance street-level commerce.
- Facilitate a community engagement process that addresses the needs of all stakeholders.

Reconstruction is needed to repair and replace sidewalks, pavement, and utilities. Improvements include all new sidewalks, pavement, boulevards, trees, curb, and gutters. Traffic improvements include new lane markings, traffic signals, lighting, and signage. Both public and private utilities will be improved. Public utility improvements include sewer main work, water main replacement and repair, and stormwater management treatments. Several areaways have been identified and the city is working with property owners to preserve them. Buried streetcar tracks and any rubble in conflict with the project design will be removed.

**SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT  
 BY PROPERTY CLASSIFICATION  
 (Robert Street: Kellogg Blvd to I-94)**

<b>Property Classification</b>	<b>Aggregate Pre-Project Market Value of Assessed Properties*</b>	<b>Maximum Special Benefit as Percentage of Pre-Project Market Value*</b>	<b>Aggregate Maximum Supportable Special Benefit</b>
Multi-Family/SF Condo	\$208,794,310	2.00%	\$4,175,886.20
Commercial/Retail	\$4,394,900	3.00%	\$131,847.00
Downtown Office	\$253,460,400	2.50%	\$6,336,510.00
Downtown Parking	\$9,297,400	1.50%	\$139,461.00
Institutional (Educational)	\$1,879,000	3.00%	\$56,370.00
Vacant Land - Commercial	\$466,500	5.00%	\$23,325.00
Vacant Land - Public Use	\$356,100	Inconclusive	Inconclusive
<b>Total</b>	<b>\$478,648,610</b>	<b>2.27%</b>	<b>\$10,863,399.20</b>

\* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2023.