HOSCH APPRAISAL & CONSULTING, INC
WORK FILE MEMORANDUM

DATE: October 15, 2025

TO: File #HAC22058-07 (2026 Mill and Overlay Projects)

FROM: Hosch Appraisal & Consulting, Inc.

RE: **Conclusions of Maximum Supportable Special Benefits and Broad Market Research for Various Mill and Overlay 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 2026 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 October 6, 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 mill and overlay 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 91.35 to 98.35 for the most common property types in St. Paul, Minnesota, indicating that on average properties in St. Paul are assessed at approximately 91.35% to 98.35% of actual sales prices. Median ratios for the same property types range from 87.17 to 97.45. 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, 2025, for real estate taxes payable in 2026.

Summary – Continued

A general project description for the mill and overlay projects and tables for each project showing the concluded ranges of maximum supportable special benefit as they relate to aggregate property value by property classification are provided below and on the following pages. The ranges of maximum supportable special benefit 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.

General Project Description

The projects will replace the bituminous surfaces of one project area, including:

1. Ivy/Birmingham Residential Area

The Mill & Overlay program proposes to extend the pavement life cycle by resurfacing the bituminous pavement. In conjunction, the projects will upgrade existing pedestrian ramps to current ADA standards and/or construct new pedestrian ramps for sidewalk network connectivity.

Streets will be milled at varying depths (generally from 2-4") as needed and replaced with the same removal depth. Newly paved roads will improve the ride quality, extend pavement life from a total reconstruction and reduce annual maintenance cost. The projects will also upgrade non-compliant pedestrian ramps at street corners to bring them up to current standard. Other proposed work includes upgrading existing pedestrian ramps to current American with Disabilities Act's (ADA) current standards and compliances, constructing new pedestrian ramps for existing sidewalk network connectivity, and boulevards landscaped with sod. Impacted sidewalks will be replaced as necessary. Impacted storm sewers will be reconstructed as appropriate. Impacted signing and striping will be replaced as necessary. Existing water main or services work in the project areas will be managed and performed by the SPRWS Department.

Based on direction from the City of St. Paul Real Estate and Public Works departments we were asked to analyze only the special benefits resulting from the mill and overlay and pavement striping portions of the projects as the remaining improvements are not planned to be assessed to property owners in the project areas. Based on our research and analysis we have developed the conclusions outlined in the following charts.

Ivy/Birmingham Residential Area - Mill and Overlay

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Ivy/Birmingham Residential Area Mill & Overlay)

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	$100,870,400	1.25%	$1,260,880
Multi-Family Residential	$47,002,200	0.75%	$352,517
Office	$330,000	2.00%	$6,600
Commercial/Retail	$9,982,800	1.00%	$99,828
Other (Cemetary)	$2,610,100	0.50%	$13,051
Institutional (Educational)	$5,596,700	1.00%	$55,967
Vacant Land - Residential	$198,500	5.00%	$9,925
Vacant Land - Public Use	$71,800	Inconclusive	Inconclusive
Total	**$166,662,500**	**1.08%**	**$1,798,767**

* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2025.