

HOSCH APPRAISAL & CONSULTING, INC
WORK FILE MEMORANDUM

DATE: October 15, 2025

TO: File #HAC22058-07 (2026 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 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 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 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.

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.

Pelham Boulevard Reconstruction (Mississippi River Boulevard to Franklin Avenue)

Pelham is a major collector and municipal state-aid route with average daily traffic volume of 5,408 collected in 2024 and PCI rating between 8 and 37.

Pelham Boulevard was originally constructed as a 4-lane roadway in various sections from the 1960s-80s. Beginning in 1964, Pelham from Interstate 94 to Wabash Avenue was built with 7" bituminous pavement over 3.5" bituminous base and 12" gravel. That same year, the sections from Wabash Avenue to Franklin Avenue was constructed using 8" concrete pavement over 6" gravel base. In 1971, the southern section of Pelham from Otis Avenue to St. Anthony Avenue was constructed of 7" bituminous pavement over 12" aggregate base. The concrete pavement from Mississippi River Boulevard to Otis Ave was constructed in 1987 with the sewer separation project. In 2017, Pelham Boulevard was reduced to a 2-lane road on the existing pavement to make space for a street-level cycle track separated by delineators. In 2021, curb extensions were added at various intersections to enhance bike safety. Neither project brought improvements to the pavement or addressed the missing sidewalks on the east side of Pelham from Mississippi River Boulevard to Beverly Road. The pavement has reached the end of its life, and the street lacks modern amenities required to serve the travelling public.

Improvements to be made as part of the project include reconstructing the roadway to a true 2-lane configuration and repurpose the excess space as an off-street bikeway as part of the Grand Round Implementation Plan. Sidewalks will be added where none currently exists. The project will upgrade existing pedestrian ramps to current Americans with Disabilities Act (ADA) current standards. The at-grade railroad crossing at Wabash Avenue will also be addressed with this project to anticipate future connections with other multi-use trails in the area.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Pelham Boulevard: Mississippi River Boulevard to Franklin 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	\$19,794,900	2.25%	\$445,385
Multi-Family Residential	\$2,428,300	2.00%	\$48,566
Office	\$14,344,300	2.50%	\$358,608
Industrial	\$21,155,300	2.50%	\$528,883
Commercial - Golf Course	\$21,000,800	0.25%	\$52,502
Vacant Land - Commercial	\$766,100	5.00%	\$38,305
Vacant Land - Public Use	\$77,000	Inconclusive	Inconclusive
Public Use	\$1,051,300	Inconclusive	Inconclusive
Total	\$80,618,000	1.83%	\$1,472,248
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2025.			

Earl Street Reconstruction (Maryland Avenue to Minnehaha Avenue)

This project entails the full reconstruction of Earl Street from Maryland Avenue to Minnehaha Avenue not including the bridge over Phalen Boulevard. The corridor is currently a Municipal State Aid route and is owned and operated by the city. This project will be funded with Common Cent Sales tax funding and assessments.

Currently the roadway is two lanes in each direction with parking restrictions on one side of the roadway. The roadway is in poor condition and many of the sidewalk segments are not pedestrian friendly.

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

- Create a vibrant and welcoming corridor.
- Improve mobility for all modes of travel.
- Create an accessible and safe environment for non-motorized users.
- Enhance street-level commerce at nodes.
- 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.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Earl Street Reconstruction: Maryland Avenue to Minnehaha 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	\$21,667,800	2.75%	\$595,865
Multi-Family Residential	\$2,906,400	2.25%	\$65,394
Mixed Use - Comm./Res.	\$675,600	3.00%	\$20,268
Commercial/Retail	\$706,100	4.00%	\$28,244
Office	\$182,800	3.00%	\$5,484
Industrial	\$399,600	2.50%	\$9,990
Institutional (Religious)	\$793,300	3.00%	\$23,799
Vacant Land - Residential	\$76,000	5.00%	\$3,800
Vacant Land - Public Use	\$1,713,800	Inconclusive	Inconclusive
Railroad	\$458,300	0.00%	\$0
Total	\$29,579,700	2.55%	\$752,844
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2025.			

Wheelock-Grotto Residential Area - Phase 2 Reconstruction

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

Many of the streets in the area are older paved or never paved, oiled streets. The Pavement Condition Index (PCI) for all of these streets is less than 40 out of 100. The existing roadway widths, last paved date and current Pavement Condition Index are listed below:

Alameda – Maryland to Wheelock	32'	1992	23
E. Como Blvd. – Lakeview to Victoria	32'	1972	12
Cottage – Avon to Grotto	32'	oiled	31
Grotto – Lakeview to Arlington	32'	1992	19
Lakeview – E. Como Blvd. to Victoria	32'	oiled	16
Orange – Grotto to Dale	30'	1991	36
Parkview – Avon to St. Albans	32'	oiled	35
St. Albans – Maryland to Orange	32'	oiled	18
St. Albans – Cottage to Arlington	32'	oiled	34

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. 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.

Grotto St. between Lakeview and Arlington Avenue, and Orange St. between Grotto and Dale, will be milled and overlaid. This portion of the project has been analyzed separately and is not included below due to its differing scope.

SUMMARY OF MAXIMUM SUPPORTABLE SPECIAL BENEFIT BY PROPERTY CLASSIFICATION (Wheelock-Grotto Residential Area - Phase 2)			
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	\$72,956,600	3.00%	\$2,188,698
Multi-Family Residential	\$408,400	2.50%	\$10,210
Public Use	\$5,238,500	Inconclusive	Inconclusive
Total	\$78,603,500	2.80%	\$2,198,908
* Market value based on Ramsey County Assessor's Estimated Market Value as of January 2, 2025.			