

Items 8

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## **Parkland Dedication Ordinance Overview – August 26, 2015**

- The City of Saint Paul—along with Minneapolis-- has the best park system in the country. The two tied for first place on The Trust for Public Land's 4th annual ParkScore® index, with each city earning a perfect 5 "park bench" rating from the nonprofit organization.
- The proposed Parkland Dedication Ordinance will help us maintain that outstanding ranking by providing an increased net revenue source for parks and open space, while promoting strong economic development in Saint Paul.
- Developers and the City will work together to determine whether the parkland dedication for each project should come in the form of land or a fee.
- The level of the fee (or the amount of land) has been established to:
  - Meet the need for parkland articulated in the Saint Paul Parks and Recreation Systems Plan
  - Relate to the actual demand of parkland created by different kinds of uses. The fee associated with a new residential unit, for instance, is higher than that for an industrial plant or warehouse.
  - Be competitive with our neighboring communities. For the dedication of land, the maximum percentage of a development that the City of Minneapolis can require be dedicated for parkland is 10%. In Saint Paul, it would be 9%. Alternatively, the fee for a new residential unit in Minneapolis is \$1,500. In Saint Paul, it would be \$1,200.
  - Recognize competing public policy goals. The Saint Paul ordinance would discount the fee associated with affordable housing units. (Affordable housing units in Minneapolis are exempt from the requirement.)

- The proposed Parkland Dedication Ordinance constitutes a significant increase in parkland dedication. The maximum cash requirement for residential development would increase by 93%. Using some recent Saint Paul developments, the comparison between what they were charged and what they would have been charged under the proposed ordinance is as follows:

|                                                                  | Current Ordinance | Proposed Ordinance |
|------------------------------------------------------------------|-------------------|--------------------|
| <b><i>Residential Projects</i></b>                               |                   |                    |
| The Lyric (171 units)                                            | \$35,980          | \$61,680           |
| Schmidt Brewery (261 units—with 41% affordable housing discount) | \$21,452          | \$25,228           |
| <b><i>Commercial/Industrial Projects</i></b>                     |                   |                    |
| Baldinger Bakery                                                 | \$890             | \$2,030            |
| Bang Brewery (exemption for very small projects)                 | \$180             | \$0                |
| <b><i>Mixed-Use Projects</i></b>                                 |                   |                    |
| Pioneer Endicott                                                 | \$0               | \$45,960           |
| The Penfield                                                     | \$93,844          | \$146,475          |
| The Vintage                                                      | \$57,718          | \$108,756          |

- While the Minneapolis Park Dedication Ordinance is structured somewhat differently, the fundamental provisions are very similar.
- The proposed changes will put us much closer in line with what other cities are doing in regard to parkland dedication.
- Keep in mind that over the next three years, we have dedicated over \$4.7 M through the 8-80 Vitality Fund to acquire and develop a substantial amount of new park space (this does not include River Balcony, bike trails, etc.).

| <b>Saint Paul (proposed)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Minneapolis*</b>                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <u>Residential cash dedication:</u> \$1,200/dwelling unit up to 4.5% of the estimated market value of the parcel of land                                                                                                                                                                                                                                                                                                                                                                                                              | <u>Residential dedication:</u> \$1,500/dwelling unit                           |
| Payments for affordable housing would be discounted based on affordability levels                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Affordable housing units are exempt from the Parkland Dedication requirements. |
| <u>Commercial dedication:</u> 28 square feet of parkland/1000 sq ft of gross floor area (or the comparable cash value up to .5% of the estimated market value of the parcel of land)<br><u>Industrial dedication:</u> 11 sq ft of parkland/1000 sq ft of gross floor area (or the comparable cash value up to .5% of the estimated market value of the parcel of land)<br><u>Wholesale/warehouse/storage dedication:</u> 6 sq ft of park land/1000 sq ft of gross floor area (or the comparable cash value up to .5% of the estimated | <u>Commercial/industrial dedication:</u> \$200/development employee            |

|                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |
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| market value of the parcel of land                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                             |
| <i>Commercial projects of less than 5,000 sq ft, industrial projects of less than 12,500 sq ft and wholesale/warehouse/storage projects of less than 25,000 sq ft would have no Parkland Dedication requirement</i> | <i>Commercial/industrial projects of less than 5,000 sq ft are not subject to Parkland Dedication</i>                                                                                                                                                                                                                                       |
| <u>Different rates for different uses:</u> Residential development contributes to 90% of the demand for park space; commercial/industrial development contributes 10% of the demand for park space.                 | The rate is different for residential and commercial/industrial uses to reflect the different need created by the residential uses which is a common practice in parkland dedication ordinances. The adopted Minneapolis ordinance is based on the idea that residential usage is more intense than a commercial or industrial development. |
| <u>Use of funds:</u> Funds generated through parkland dedication must be used within ½ mile of the development or in a neighborhood- or community-scale park nearest to the development.                            | <u>Use of funds:</u> The money will be restricted to the development of new parks, playgrounds, recreational facilities, wetlands, trails and open space areas within .5 miles of where the development occurs.<br>Upgrades to existing neighborhood and community parkland, trails, equipment etc are considered allowable uses.           |
| <u>Land dedication:</u><br>For residential uses, if the City agrees to a dedication of land, the requirement would be 150 sq ft of parkland/dwelling unit up to 9% of the land area being developed.                | <u>Land dedication:</u><br>For residential units, if the City agrees to a dedication of land, the requirement would be 288 sq ft per unit in the downtown and 436 sq ft of land outside of downtown up to 10% of the land area being developed.                                                                                             |

\*As detailed in City of Minneapolis Parkland Dedication Ordinance FAQ

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