



July 14, 2015

Council President Russ Stark
City of Saint Paul
310-D City Hall
15 Kellogg Blvd. West
Saint Paul, MN 55102

VIA EMAIL

Re: Proposed Parkland Dedication Amendments

Dear Council President Stark:

As the state's largest local chamber and a proponent of building a world-class city with great natural and recreational amenities, the Saint Paul Area Chamber of Commerce writes in regards to the proposed parkland dedication amendments under consideration by the city of Saint Paul. We appreciate the opportunity to comment on the draft amendments.

We believe that Saint Paul is a vibrant world-class city. The Chamber understands the important role that robust community infrastructure plays in building a city with the character, amenities, and balanced tax base that Saint Paul enjoys. These are assets that provide communities like Saint Paul with a competitive advantage over other great American cities. This is particularly true with respect to our park system, which the Trust for Public Land ranks best in the country among the nation's 75 largest cities (tied for first place with Minneapolis), as reflected by the following accomplishments:

- 96% of Saint Paul residents live within a 10 minute walk (½ mile) of a public park, compared to 95% in Minneapolis and an average of 71% for the 75 largest cities, and Saint Paul has ½ more parkland per capita than Minneapolis;
- Saint Paul has 70% more playgrounds per capita than the average (39% more than Minneapolis), and 2½ times more rec centers per capita than the average of the 75 largest cities; and
- Annual capital and operating expenditures per capita on parks in Saint Paul is also about 2½ times more than the average.

There is no question that we need to preserve and maintain our parks system. With that in mind, it is critically important to recognize the relationship between heightened parkland dedication requirements (including in-lieu-fees) and the community's desire to facilitate economic development, expand employment opportunities, and grow the tax base. If we cannot strike a balance between these goals, Saint Paul will lose its competitive advantage.

The Chamber agrees with a number of the parkland dedication amendments being considered by the city. Saint Paul is the only city in Minnesota that requires parkland dedication at both the platting and building permit stages of development. We support moving away from this model to a one-time basis for parkland dedication requirements as proposed. We also support varying parkland requirements based on the category of development being proposed.

CONCERNS

While the Chamber supports many of the proposed changes, we are opposed to any effort to increase the required amount of parkland that needs to be dedicated as a condition of obtaining development approval from the city. In addition, we are strongly opposed to the proposed increase in parkland dedication fees (i.e. the cash payment charged in-lieu of meeting the land dedication requirements) for residential and mixed-use projects. We are concerned that these changes may negatively affect the city's ability to grow and expand its tax base through future growth and expansion. These changes also raise important legal questions.

Minnesota law does not allow parkland dedication fees to be used for operation or maintenance of "parks, recreational facilities, playgrounds, trails, wetlands, or open space." Minn. Stat. § 462.358, subd. 2b(g). The fees may only be used "for the acquisition and development or improvement of" these assets. Any fees that are collected must be used to meet the need of the specific development for which they were obtained (based on the approved park system plan of the comprehensive plan). In addition, the city cannot require a fee or dedication unless there is an actual need for additional parkland or facilities. Minn. Stat. § 462.358, subd. 2c. If the city imposes a dedication or fee beyond these statutory requirements, it would raise serious statutory and constitutional problems.

In *Collis v. City of Bloomington*, the Minnesota Supreme Court expressed concern about how easy it can be for municipalities to misuse parkland dedication ordinances to exact land or fees that are disproportionate to the actual need for additional parkland or facilities. 246 N.W.2d 19 (Minn. 1976). If a proposed development would be adequately served by the existing parks system, the city cannot require dedication of additional parkland without paying just compensation to the property owner. In cities like Saint Paul that already have a well-developed system of parks and natural-resource amenities, many new developments are adequately served by existing park infrastructure. In these situations, there should not be a parkland dedication requirement.

The Chamber is of the position that there needs to be increased accountability and transparency surrounding the city's assessment of its need for additional parkland and how fees in-lieu of dedication are used in Saint Paul. Since 2007, when parkland dedication fees were first imposed, Saint Paul has collected hundreds of thousands of dollars. We believe the city should provide a detailed accounting of how parkland dedication fees have been used, along with an assessment of whether the fees have been sufficient to meet the need for additional park facilities, before increased fees are even considered.

As our community continues to face reduced hours of operation and consolidation of important public services and amenities because of budget reasons, more than adding new facilities, Saint Paul needs to find creative ways to facilitate economic development, expand employment opportunities, and grow its population and tax base. Doing so will help pay for the operation and maintenance of Saint Paul's strong park system.

RECOMMENDATIONS

To help ensure proper application of the city's parkland dedication requirements consistent with the statutory requirements discussed above, the Chamber recommends adopting the proposed parkland dedication amendments as approved by the planning commission, with the following additions:

1. In Section 63.701 of the revised draft amendments, titled "Parkland dedication requirements," add the following as the second paragraph:

Pursuant to Minn. Stat. Sec. 462.358, and based on the approved park system plan of the comprehensive plan, the director of parks and recreation shall provide a written

determination of the need for additional park facilities created by the development (due to distance to existing parks, inadequate size of nearby parks, or inadequate facilities in nearby parks) and how the parkland dedication fee will be used to meet the need. Where the director determines that a proposed development would not create a need for additional park facilities because the development would be adequately served by existing park facilities, there shall be no parkland dedication requirement.

2. In Section 63.704 of the revised draft amendments, titled “Parkland dedication; parkland development special fund,” add the following language:

Funds collected shall only be used to meet the need for additional park facilities created by the project for which the funds were collected, and must be returned if the funds have not been used as required by law within eight years.

3. Finally, given the relatively minor need created for additional parkland and facilities by commercial and industrial development, the Chamber encourages the city to consider eliminating parkland dedication requirements as applied to commercial and industrial property.

CONCLUSION

The Chamber appreciates the city council’s consideration of its comments. Please feel free to contact me with any questions or comments. Thank you.

With Kind Regards,



Matt Kramer
President

cc: Members of the City Council, City of Saint Paul