

Parkland Dedication – Proposed Ordinance Changes

In 2007, the City of Saint Paul enacted §69.511 allowing for dedication of parkland or a cash in lieu land of payment at the time of platting and the issuance of building permits. In 2011 and 2012, the City initiated a study to require parkland dedication only for new lots for new development and to change the metric used to measure density from parking due to eliminating the parking requirements along the Green Line. During public testimony for these changes, some groups called into question the City's ability to collect parkland dedication fees at the time of building permits. Based on this challenge, staff worked with the State Legislature to receive clear authority to do such. In 2013, the State of Minnesota passed the special legislation allowing the City to "require that a reasonable portion of land be dedicated to the public or impose a dedication fee in conjunction with the construction permit required for new housing units and new commercial and industrial development in the city..." In January 2014, the Planning Commission initiated a new zoning study to examine the City's parkland dedication ordinance to reflect the new legislation.

The following describes the City's existing parkland dedication policy, the recommended policy changes, and some impacts of the proposed changes. In addition, a few project examples are provided to demonstrate how these changes are reflected in real situations.

Existing and Proposed Parkland Dedication Requirements

Current Parkland Dedication Policy

Dedication of Land at Platting: Requires dedication of 2% of the plat as parkland.

Dedication of Land at Building Permits: Based on the number of new parking spaces and change in land use, requires parkland dedication as follows:

- Residential: 100 sq. ft. of land per surface parking space and 50 sq. ft. of land per structured parking space up to 7% of the development area.
- Commercial/Industrial: 30 sq. ft. of land per surface parking space and 15 sq. ft. of land per structured parking space up to 2% of the development area.

Cash in Lieu of Land: One-third of the estimated market value of the land that would otherwise be dedicated, reflecting a typical portion of need for parkland met by existing parks. Fees for affordable housing at the time of building permits are discounted.

Recommended Policy

Assumptions:

- New development impacts the need for new neighborhood-scale (mini, urban, and neighborhood parks) and contributes to the need for additional community-scale parkland as defined in the 2010 Park & Recreation System Plan.
- The level of park service today, in terms of park area/dwelling unit and job, is roughly the level of service that the City wants to continue to maintain in the future.
- Residential development contributes to 90% of the demand for park space; commercial/industrial development contributes 10% of the demand for park space.

Dedication of Land at Platting:

- Up to 9% for residential land and up to 4% for commercial/industrial land.
- City would determine if it wants the land as it does today.
- If land is not required, payment would be paid at the time of building permits.

Parkland Dedication at Building Permits:

Residential:

- 150 sq. ft. of parkland/dwelling unit if a land dedication option is agreed upon.
- \$1,200/dwelling unit up to 4.5% of the county assessors EMV of the parcel of land.
- Payments for affordable housing would continue to be discounted based on affordability levels.

Commercial/Industrial:

- Parkland/1,000 square feet of gross floor area if a land dedication option is agreed upon
 - Commercial: 28 square feet of parkland/1,000 square feet of GFA
 - Industrial: 11 square feet of parkland/1,000 square feet of GFA
 - Wholesale: 7 square feet of parkland/1,000 square feet of GFA
 - Warehousing & Storage: 4 square feet of parkland/1,000 square feet of GFA
- Cash in lieu of land would be based on the amount of parkland needed by use per at the per square foot value for the site.
- Projects of less than 5,000 sq. ft. in gross floor area would have no parkland dedication requirement.

Mixed Use: Residential requirement plus commercial requirement up to 4.5% of the parcel of land/EMV, with the commercial/industrial portion capped at 0.5%.

Administration Fee: 5% of the Parkland Dedication Fee up to \$1,000

Impacts of the Proposal

- Residential maximum cash requirement would increase by 93% (from 2.3% to 4.5% of land EMV).
- Commercial/industrial maximum cash requirement would decrease by 29% (from 0.7% to 0.5% of land EMV).
- As the density metric is shifted to dwelling units and gross floor area from parking spaces, the collection of the parkland dedication is based on a more stable metrics as parking requirements are not constant over time.
- The proposal reflects support for small business expansions by eliminating the dedication at the time of building permits for small commercial/industrial projects that would have limited impact to park system demand and require little land dedication or cash in lieu of payments.
- Use of a per-unit flat fee and a land dedication per gross floor area per use type increases the ability for users to calculate fee requirements.
- Parkland dedication requirements at the time of platting (land) will be similar to other communities in the Metropolitan area; the cash in lieu of fee at the time of building permits will continue to be lower than that instituted by Minneapolis.
- Maintains the policy of requiring affordable housing projects to contribute toward parkland needs created by the project.
- The institution of an administration fee will offset the staff costs of implementing this program.

Cash in Lieu of Land Collected Under Existing Code and Under Proposed Changes

The following tables show projects that have been or are in the process of being developed. It identifies the payment that was collected under the City's current parkland dedication ordinance and then compares it to what an uncapped payment would be and maximum payment that could be collected under the proposed revisions.

Table 1: Residential Projects

<i>Project Name (# of units) (EMV of land)</i>	<i>Payment Collected</i>	<i>New Uncapped Payment¹ (With Afford. Housing Disc.)</i>	<i>Maximum Payment (4.5% EMV Cap)</i>
The Lyric (171 units) (\$1,542,000)	\$35,980	\$205,200	\$69,390
Schmidt Brewery (121 units) (\$1,089,700)	\$21,452	\$145,200 (\$87,120)	\$49,067

Table 2: Commercial/Industrial Projects

<i>Project Name (Area/Type of use) (EMV of land/Area of parcel)</i>	<i>Payment Collected</i>	<i>New Uncapped Payment¹</i>	<i>Maximum Payment (0.5% EMV Cap)</i>
Baldinger Bakery (133,400 sf industrial) (\$406,000/405,979 sq. ft)	\$890	\$1,467	\$2,030
Bang Brewery (1,838 sf industrial) (\$57,500/9,583 sq. ft.)	\$180	\$0	\$288
Habitat for Humanity Office (27,600 sf commercial) (\$851,000/28,750 sq. ft.)	\$1,488	\$22,875	\$4,255

Table 3: Mixed-Use Projects

<i>Project Name (# of units) (area of use) (EMV of land/Area of parcel)</i>	<i>Payment Collected</i>	<i>New Uncapped Payment¹</i>	<i>Maximum Payment (4.5% EMV Cap)</i>
Pioneer Endicott (234 units) (31,900 sf commercial) (\$1,149,000/47,045 sq. ft.)	\$0	\$302,615 (\$280,800) (\$21,815)	\$51,705
The Penfield (254 units) (27,500 sf commercial) (\$3,255,000/94,961 sq. ft.)	\$93,844	\$331,193 (\$304,800) (\$26,393)	\$146,475
The Vintage (208 units) (39,000 sf commercial) (\$2,718,900/120,404 sq. ft.)	\$57,718	\$274,259 (\$249,600) (\$24,659)	\$122,351

¹ Based on gross units/building area. Housing units and/or building area previously developed were not excluded from this calculation.