

Resolution 13-16
Administration Code Change Chapter 86

PROJECT DESCRIPTION:

Partnering with qualified service partners has proven to be an effective way to offer a wider variety of programs while operating under budget constraints. To encourage capital investments in facilities by qualified service partners, the proposed change to Administration Code Chapter 86, which offers lease terms of up to 15 years, is requested.

The proposed changes to Administration Code 86 leaves 5 years as the baseline for leases on land or buildings but authorizes longer lease terms with qualified service partners who meet the following:

- the organization invests in long-term capital improvements or capital maintenance improvements to the land which are consistent with the Department’s plan for that area;
- the amount of the investment by the qualified service partner and the need for them to recover that investment will be taken into consideration for agreement terms over 5 years
- the use of the land by the lessee is not exclusive during the term of the lease; and
- ownership of the improvement becomes the property of the City at the termination of the lease.

The proposed changes also ensure that the land surrounding a leased recreation center remains accessible by the public.

STAFF COMMENTS:

The proposed changes to Administration Code Chapter 86 will allow for more stability in programming options by qualified service partners and will encourage them to invest in long term capital improvements to the facilities they are leasing which will have a positive benefit to the public.

REQUEST OF THE COMMISSION:

Recommend passage of Resolution 13-16 in support of the changes to Administration Code Change Chapter 86.

COMMUNITY CONCERNS:

In preliminary discussions with park advisory groups, the details of how the level of investment will be applied in practice to a prospective agreement terms is a question that has surfaced.

RESOLUTION 13-16
Administration Code Change Chapter 86

WHEREAS, the Saint Paul Parks and Recreation Commission serves as an advisory body to the mayor and city council on park and recreation matters relating to the planning, promotion, preservation, acquisition, development, operation and evaluation of parks, parkways, lakes and waterways, recreational facilities, city trees, bikeways and trails in the City of Saint Paul; and

WHEREAS, the Department of Parks and Recreation is proposing changes to the administrative code regarding the length of time park lands and facilities can be leased without constituting parkland diversion; and

WHEREAS, the Department of Parks and Recreation continuously faces financial challenges to providing enough recreation and leisure opportunities in the neighborhoods to meet demands; and

WHEREAS, the Department has found that partnering with qualified service partners is an excellent way to offer a larger number and wider variety of such opportunities within its budgetary constraints; and

WHEREAS, the Department has found, after some experience with reprogramming recreation sites, that organizations which will come in and provide long-term services as well as improvements to the facilities are desirous of lease terms that make such investments more attractive to the organization; and

WHEREAS, facility improvements and provision of recreation and leisure opportunities which are beyond the ability of the City to finance should be encouraged; and

WHEREAS, currently Saint Paul Administrative Code § 86.03(b)(3) states that “[a]ny lease of park lands and/or recreation facilities for a period of more than five (5) years where the property will no longer be exclusively for the use of the public shall, without limiting the provisions of chapter 13 of the City Charter, be considered a diversion or disposal subject to the provisions of section 13.01.01 of the City Charter”; and

WHEREAS, the amendment to the Administrative Code would allow longer lease terms for recreation center facilities to allow partner organizations the stability to plan for long-term services and to encourage them to finance improvements to the buildings, or to engage in improvements to the parkland which would benefit the public; and



Chapter 86 Saint Paul Administrative Code

Sec. 86.03. - Real estate, conveyance.

- (a) All deeds, leases and other instruments pertaining to the conveyance of real estate or any interest therein on behalf of the city shall first be authorized by the council and executed by the mayor, city clerk and director of the office of financial services or designee. Leases of one (1) year or less in duration need not be first authorized by the council. For such leases, the mayor, by administrative order filed with the city clerk, may establish an alternative process, including signatories, for the execution of those leases.

- (b) Any lease of park lands and/or recreation facilities which will be for a period of more than one (1) year shall require approval by the council following a public hearing before the park commission.
 - (1) Any lease of park lands and/or recreation facilities allowing for renewal or extension of the lease shall require the consent of the city before the lease can be renewed or extended.
 - (2) Any lease of park lands and/or recreation facilities for a term of one year or less shall not be renewed by the city without prior notice on the agenda of the park commission.
 - (3) Any lease of park lands and/or recreation facilities for a period of more than five (5) years where the property will no longer be exclusively for the use of the public shall, without limiting the provisions of chapter 13 of the City Charter, be considered a diversion or disposal subject to the provisions of section 13.01.01 of the City Charter: except that a qualified non-profit organization whose purpose is to provide social, educational or recreational activities and whose mission is consistent with that of the Department of Parks and Recreation may lease land for a period of up to fifteen years without it being considered diversion if: 1) the organization invests in long-term capital improvements or capital maintenance improvements to the land which are consistent with the Department's plan for that area; 2) the use of the land by the lessee is not exclusive during the term of the lease; and 3) ownership of the improvement becomes the property of the City at the termination of the lease.
 - (4) No lease of a recreation facility shall include any provision for exclusive use by the lessee of adjacent parkland.