

January 16, 2015

St. Paul Planning Commission
Attn: Jamie Radel
25 W. Fourth Street, Suite 1400
St. Paul, MN 55102

Dear Commissioners,

Friends of the Parks and Trails of St. Paul and Ramsey County support a robust Parkland Dedication ordinance. The Minnesota Legislature gave us an opportunity to diversify the funding structure of our park system and we should seize that opportunity.

Why is this important? According to the Pew Charitable Trust, Minnesota weathered the recent recession better than most other states because of its diversified tax structure. You, the planners and visionaries of the City of St. Paul, can apply this lesson locally in order to better fund our parks.

According to the American Planning Association report, *How Cities Use Parks for Economic Development*, "Parks provide intrinsic environmental, aesthetic, and recreation benefits to our cities. They are also a source of positive economic benefits. They enhance property values, increase municipal revenue, bring in homebuyers and workers, and attract retirees. At the bottom line parks are a good financial investment for a community."

We support a robust Parkland Dedication ordinance. The ordinances in our neighboring communities vary, but it is possible to draw some reasonable conclusions:

1. Neighboring cities are collecting parkland dedication fees and supplementing their park budgets. For example, Woodbury adds around \$1 million to their park budget annually through Parkland Dedication.
2. Percentages for dedication vary, but 10% of estimated market value of the land is commonly used. We think we can be a little bit better than "common" here in St. Paul and suggest a 12% dedication. Indeed, that was the unanimous recommendation of the Planning Commission in Resolution 06-80, dated October 20, 2006, when the City of St. Paul first undertook the issue of Parkland Dedication.
3. Where a flat fee is used per residential unit, those numbers also vary from \$1,500 per unit to \$6,500 per unit. Using our suggestion of 12%, that equates to roughly \$4,000 per unit. Bloomington has a \$5,700 per unit rate. The Mall of America expansion is an example of development in that city.

Clearly, a robust Parkland Dedication ordinance in Bloomington has not stymied development.

Some will tell you that St. Paul cannot afford a robust Parkland Dedication ordinance. Quite the opposite is true. We can't afford to miss this opportunity. By having a weak ordinance, the result is lower revenue and therefore subpar amenities compared to our neighboring communities.

Some will tell you that its not really an "apples to apples" comparison to put our parkland dedication ordinance up against those of our neighbors, those communities that we compete with. They are collecting parkland dedication as they develop. Because many of our properties are already developed, we did not collect parkland dedication revenue when those properties were developed years ago. The bottom line is that if we don't collect the revenue now that we're authorized to, we've lost out on the funding source that our competitors are currently taking advantage of.

Some will tell you that they support the idea of Parkland Dedication, but now is not the time to do it. The economy is growing, development is happening. Mayor Coleman said in a press conference in regards to the Ford site, "The developers are salivating." The Ford site may very well be developed within the next few years. Imagine what we stand to lose by not receiving adequate parkland when that area is redeveloped. Opportunities such as that are rare, we must not squander it for lack of vision and purpose today.

Because the City of St. Paul has a park system and has adopted plans to improve that system, it is allowed to collect Parkland Dedication. As drafted, the ordinance limits where the money can be spent to within one half mile of the project or to the neighborhood or community park nearest the property. This is particularly problematic because it builds inequity into the system. Areas of the city that have fewer parks would receive less funding for future parks by the very fact that they have fewer parks. Its a vicious cycle. We believe the City Council should make the decisions of where the money should be spent because they can take the entire park system into account.

An interesting trend developed during the recent recession that should be carefully noted as decisions about how to fund our park system are considered. Many private citizens recognize the value of parks. When those private citizens happen to be very wealthy private citizens, they are willing to fund parks when the public funding is scarce. According to a recent New York Times article, "The Billionaires' Park", this trend is occurring in places like New York City, Philadelphia, Houston, and Tulsa. While extra money for parks is hard to turn down, when it comes from the private sector instead of the public sector, it leaves the decision of where to invest in the hands of the donor. Conveniently, the donor invests in areas of the community where they live and/or work. This is yet another example of the "haves" getting more and

the “have nots” getting less. At a time when our country is examining equity issues, we in St. Paul should be aware of how our funding decisions can have these unintended consequences.

As the planners and visionaries of “The Most Livable City in America,” you have an opportunity to give the citizens of St. Paul what they are asking for. Last fall, when the Shepard-Davern Plan was brought before you, it was noted that one of the outcomes of the two-year planning process was a desire for more parks and for the parks that do exist, such as McDonough Park, to actually look and function like a park. Please seize this rare opportunity to give the citizens of St. Paul what they so richly deserve and diversify the funding structure for our park system with a robust Parkland Dedication ordinance.

In conclusion, we support a Parkland Dedication ordinance that equates to 12% of the estimated market value of the land. The dedicated land value and the cash-in-lieu of value should be the same. The decisions on where the money is best spent should be left to the City Council. The money can be used for acquisitions, development, and improvements. Adopted plans, such as the Great River Passage Master Plan, and proposed plans, such as the West Side Flats plan, call for acquisitions, development, and improvement of parks and trails. In order to make those plans a reality, we must have adequate funding sources. A robust Parkland Dedication ordinance would be a great place to start.

Sincerely,

Shirley Erstad, Executive Director
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