

May 7, 2021

To: State Government Finance, Veterans, and Military Affairs Finance & Elections Conference Committee Members

RE: Dedication fee; first class cities- **Article 6, section 7, 21, and 22**

Greetings,

Thank you for your work thus far this session. We are writing in reference to a local government provision in **Article 6, section 7, 21, and 22** in the House version of the State Government, Veterans, and Military Affairs Finance & Elections bill ([HF 1952](#), 3rd Engrossment). We ask for your support in the provision that would provide an important tool for the City of Rochester, our residents, greater community, and visitors.

This bipartisan bill (HF 1350, Rep. Boldon/SF 1781, Sen. Nelson) would provide Rochester and Duluth parity with authority that other cities of the first class received in 2013 around parkland dedication and redevelopment.

- Current statute only allows cities to require parkland dedication only if the property is 'subdivided' (unplatted). Minneapolis and St. Paul received special legislation in 2013 that allows their municipalities to require parkland dedication when most development occurs. This authorization was provided due to the amount of development/redevelopment of existing parcels in the Twin Cities that does not require subdivision of the property but still generates need and impact for the park system.
- **Rochester is in a similar situation with redevelopment occurring inside and outside of the downtown area.**
 - For example, the recently completed Riverwalk Apartments created 152 residential units where 3 homes once stood.
 - These types of projects greatly increase the need for parkland without providing any associated funding to support their resident's desires and uses of the park system.
- Rochester currently charges approximately \$350 per single family home for parkland dedication in a subdivision and between \$1,500-2,000 per unit for multifamily. These fees are charged only one time and are not allowed to be collected if subdivision does not occur.

We have drafted the A95 amendment in response to feedback from the two committee hearings and floor discussion in the House. The A95 amendment:

- REMOVES COMMERCIAL/INDUSTRIAL properties from being included in this new dedication authority. (consistent with our current local practice)
- REQUIRES PROXIMITY & NEXUS USE-- Requires parkland fees be used within the quadrant/zone of the city they were collected (this is the current practice in Rochester for fees from subdivision).
- PROVIDES FOR AFFORDABLE HOUSING--Creates a descending scale for parkland dedication fees of affordable housing.

- LIMITS USE OF FUNDS WITHIN 6 YEARS--Provides limit of 6 years by when the funds must be used by the city, or else they are returned to the property owner.
- CREATES SPECIAL LAW SPECIFIC TO ROCHESTER AND DULUTH-- Makes special law specific to the other two current cities of the first class by name rather than a statutory change.

We have remained engaged with our local stakeholders on this issue, including our local Rochester Area Builders and Realtors who are neutral or have taken no position. **This provision would result in better equity for park funding across the entire city and more progress could be made on needed improvements to the city's park system. It is also keeps developers on the same playing field irrespective of whether they have to subdivide property for their development to proceed.**

If you have additional questions, please don't hesitate to contact Heather Corcoran, Legislative Policy Analyst, at hcorcoran@rochestermn.gov or 507-269-9893 or either of us at the contact information listed below.

Sincerely,



Mayor Kim Norton
City of Rochester
knorton@rochestermn.gov



Brooke Carlson
Council President, City of Rochester
bcarlson@rochestermn.gov

