



## REQUEST FOR COUNCIL ACTION

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**MEETING DATE:** February 7, 2022

**PREPARED BY:** Chuck Stifter, Parks and Recreation Director

**AGENDA ITEM:** 2022 Park Dedication  
Residential Unit Fee and Commercial/Industrial Acre Fee

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### PREVIOUS ACTIONS:

On February 1, 2021 the City Council established the per unit fee for single family residential subdivisions at \$4,332 through January 31, 2022

On February 1, 2021 the City Council established the per acre fee of \$6,500 per acre for industrial subdivisions and \$11,000 per acre for commercial subdivisions through January 31, 2022.

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### RECOMMENDED COUNCIL ACTION:

Motion to modify the park dedication rate to \$4,236/unit for a single-family residential subdivision filed with Hennepin County for a period beginning February 1, 2022 and ending January 31, 2023 based on the City Ordinance.

Motion to continue the park dedication rate of \$6,500/acre for an industrial subdivision and \$11,000/acre for a commercial subdivision filed with Hennepin County for a period beginning February 1, 2022 and ending January 31, 2023 which amount is based on the City policy established pursuant to Resolution 88-120.

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### COMMENTS:

The City Assessor annually prepares an assessment of the average value of raw land for residential, commercial and industrial property for the purpose of the city park dedication calculation. The Assessor's report shows no increase in value for residential, commercial, and industrial land. The City Park Dedication Ordinance allows, at the Park Board's discretion, a developer to make a cash contribution in-lieu of land to satisfy their park dedication obligation. City Ordinance (residential) and Resolution 88-120 (industrial/commercial) provides that the City Council shall annually establish the cash contribution rate for residential, industrial and commercial property.

### Residential

The City Assessor has estimated that the average value of undeveloped residential land in Maple Grove to be \$133,000 per acre (see Attachment A). The cash in-lieu of land for residential properties is applied on a per dwelling unit basis. The current average density in the City is 3.14 units per acre (see Attachment B) and the dedication requirement is 10%. Therefore, the residential cash rate per unit is calculated by multiplying \$133,000 by 10% and dividing by 3.14, yielding a maximum cash rate of \$4,236 per unit.

This recommendation is formulated for the Council using the City Ordinance formula and consideration of a survey of park dedication fees from comparable cities (see Attachment C), staff is recommending that the fee be set at \$4,236 per unit (see Attachment D, page 1).

### Industrial/Commercial

The cash in-lieu contribution for industrial/commercial property is figured similarly. This year, the Assessor estimates the average land value of \$185,000/acre for industrial and \$305,000/acre for commercial. Since the industrial/commercial dedication is 7.5% of the per acre fee, that would yield a maximum of \$13,875/acre for industrial and \$22,875/acre for commercial. A review of the survey of other communities reflects that Maple Grove is historically in line with the comparable city average for both industrial and commercial fees. It has been the staff position that keeping our commercial and industrial rates in line with our direct neighboring cities is in our best interest for economic development. Staff is recommending the Council maintain the present acre fee for industrial at \$6,500 and maintain the present acre fee for commercial at \$11,000. This constitutes no change from 2022 for both the industrial rate and the commercial rate (see Attachment D, pages 2 and 3).

	2018	2019	2020	2021	<b>Proposed 2022</b>
Residential	\$4,262/unit	\$4,233/unit	\$4,177/unit	\$4,332/unit	<b>\$4,236/unit</b>
Commercial	\$6,500/acre	\$6,500/acre	\$6,500/acre	\$6,500/acre	<b>\$6,500/acre</b>
Industrial	\$11,000/acre	\$11,000/acre	\$11,000/acre	\$11,000/acre	<b>\$11,000/acre</b>

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### **ATTACHMENTS:**

Attachment A - Memo from City Assessor

Attachment B - Memo from Planning Manager

Attachment C - Park Dedication Survey of Comparable Cities

Attachment D - Park Dedication Worksheets; Residential, Commercial & Industrial



**CITY OF  
MAPLE GROVE**  
Assessing Department

**MEMORANDUM**

TO: Chuck Stifter, Parks and Recreation Director

FROM: Tim Mitchell, City Assessor

DATE: October 26, 2021

SUBJECT: 2022 Assessed Land Values / Park Dedication Fees

The chart below details the typical assessed valuations used for the 2022 assessment for residential, industrial and commercial vacant land parcels within the City of Maple Grove.

**2022 ASSESSED LAND VALUES PER ACRE**

<b>Property Classification</b>	<b>January 2, 2021</b>	<b>January 2, 2022</b>	<b>Percent Change</b>
Residential	\$133,000	\$133,000	0.0%
Industrial	\$185,000	\$185,000	0.0%
Commercial	\$305,000	\$305,000	0.0%

The purpose of this information is to estimate the value of vacant residential, industrial and commercial properties for the 2022 assessment within the Assessing Department.

Over the past year, there were a limited number of acreage sales that took place throughout the City of Maple Grove and the sales that did occur did not demonstrate the need for any assessed value changes for vacant land within the city for the 2022 assessment. The 2022 assessment of residential, industrial and commercial land within the city has not changed.

This information was prepared for the Maple Grove Parks and Recreation Department. The intended use of this information is to assist the Parks and Recreation Department in determining annual park dedication fees, this information is not intended for any other purpose.

This memo does not constitute an appraisal as defined by Minnesota Statute. It does not comply with the Uniform Standards of Professional Appraisal Practice (USPAP). A value estimate for a specific property would require a USPAP compliant appraisal report.

If you have any questions or concerns related to this information, please feel free to contact me.

CC: Heidi Nelson

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**TO:** Chuck Stifter, Parks and Recreation Director

**FROM:** Peter Vickerman, Planning Manager

**DATE:** January 13, 2022

**SUBJECT:** Residential Densities for 2021

Attached is a list of residential plats and certain phased projects filed in 2021 with corresponding area, unit count and net densities.

The density calculations are net excluding wetlands, floodplains, extraordinary drainage and utility easements, parks, and arterial rights-of-way.

As you recall the totals for phased projects are based upon the total unit count in the approved preliminary plat and are, for purposes of this report, reported in the year in which they filed a first phase final plat. They will not be counted again in future reports.

The totals for 2021 as compared to 2020, 2019, and 2018 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Units Platted/Approved	818	672	390	187
Net Acres Platted/Approved	59.5	118.5	20.3	20.7
Average Net Density (units per acre)	13.8	5.7	19.2	9.0

When added to the existing residential inventory in the City, the totals are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Equivalent Units Platted/Approved	28,701	27,883	27,211	26,821
Net Acres Platted/Approved	9,139	9,079	8,961	8,944
Average Density (units per acre)*	3.14	3.07	3.04	3.00

\*The annual density calculations have been added to the citywide base density, which in 1986 was 2.28 units/acre. The exact criteria or means by which the base numbers were developed is not known.

cc: Heidi Nelson  
Department Directors

**2021 RESIDENTIAL DENSITIES FORM**

	TOTAL ACRES	TOTAL UNITS	NET ACRES	UNITS/ ACRE NET	DETACHED UNITS	NET ACRES	DETACHED NET DENSITY	ATTACHED UNITS	NET ACRES	ATTACHED NET DENSITY	SINGLE PHASE	MULTI-PHASED	INFILL
Minnesota Health Village 2nd Addition (Roers Apartments)	9.1	250	9.1	27.5	-	-	-	250	9.1	27.5	Y	N	N
Village at Arbor Lakes 15th Addition	4.3	201	4.3	46.7	-	-	-	201	4.3	46.7	Y	N	Y
Avery Park	23.9	119	23.9	5.0	42	13.2	3.2	77	10.7	7.2	Y	N	Y
Minnesota Health Village 3rd Addition (Roers 55+)	6.8	169	6.8	24.9	-	-	-	169	6.8	24.9	Y	N	N
Palisades at Nottingham 3rd Addition	5.0	7	4.9	1.4	7	4.9	1.4	-	-	-	Y	N	N
Weston Commons	10.9	72	10.5	6.9	-	-	-	72	10.5	6.9	Y	N	N
<b>2021 TOTALS</b>	60.0	818	59.5	13.8	49	18.1	2.7	769	41.4	18.6			
<b>2020 CITY WIDE TOTALS</b>		27,883	9,079	3.07									
<b>2021 CITY WIDE TOTALS</b>		28,701	9,139	3.14									
	<b>Total Acres</b>	<b>Total Units</b>	<b>Net Acres</b>	<b>Unit/Net Acre</b>									
<b>2021 SINGLE PHASED</b>	60.0	818	59.5	13.8									
<b>2021 MULTI-PHASED</b>	0.0	0	0	0.0									
<b>2021 Totals</b>	60.0	818	59.5	13.8									
* The elements and/or exact methodology used in the development of the original citywide figures are not known.													

## 2021 Park Dedication Rate Survey

City	2020 Residential (per unit) Single Family	2021 Residential (per unit) Single Family	2020 Commercial (per acre)	2021 Commercial (per acre)	2020 Industrial (per acre)	2021 Industrial (per acre)
Andover	\$3,475	\$4,400	\$10,424	\$13,200	\$10,424	\$13,200
Apple Valley	\$1,935	\$1,935	\$1,272 - Retail \$1881.50 - Office \$636.00 - Institutional	\$1,272 - Retail \$1881.50 - Office \$636.00 - Institutional	\$128	\$128
Blaine	\$4,449	\$4,449	\$8,704	\$8,704	\$6,702	\$6,702
Bloomington	\$5,700	\$5,700	\$585	\$585	\$402	\$402
Brooklyn Park	\$4,600	\$4,600	\$8,000	\$8,000	\$8,000	\$12,500
Burnsville	\$2,717	\$2,717	\$17,500	\$17,500	\$8,750	\$8,750
Chanhassen	\$5,800	\$5,800	\$12,500	\$12,500	\$12,500	\$12,500
Champlin	\$4,370	\$4,370	\$8,323	\$8,323	\$7,283	\$7,283
Cottage Grove	\$3,400	\$3,400	\$6,000	\$6,000	\$6,000	\$6,000
Eagan	\$3,722	\$3,871	\$977	\$1,016	\$265	\$276
Eden Prairie	\$6,500	\$6,500	\$11,500	\$11,500	\$11,500	\$11,500
Falcon Heights	8%	8%	10%	10%	10%	10%
Fridley	\$1,500	\$1,500	\$.023/sf of land (full site being developed)		\$.023/sf of land (full site being developed)	
Golden Valley	6%	6%	6%	6%	6%	6%
Inver Grove Hights	\$2,850	\$2,850	\$7,000	\$7,000	\$5,000	\$5,000
Lakeville	\$4,509	\$4,734	\$7,693	\$7,693	\$4,558	\$4,558
Little Canada	\$3,500	\$3,500	10% Land or 7% FMV	10% Land or 7% FMV	10% Land or 7% FMV	10% Land or 7% FMV
<b>Maple Grove</b>	<b>\$4,177</b>	<b>\$4,332</b>	<b>\$11,000</b>	<b>\$11,000</b>	<b>\$6,500</b>	<b>\$6,500</b>
Maplewood	\$3,540	\$3,540	9%	9%	9%	9%
Moundsview	\$3,500	\$3,500	10%	10%	10%	10%
Oakdale	\$2,886	\$2,886	Retail \$467 / 1,000 Sq. Ft., Office: \$534 1,000 Sq. Ft.	Retail \$467 / 1,000 Sq. Ft., Office: \$534 1,000 Sq. Ft.	\$267	\$267
Plymouth	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Roseville	\$4,000	\$4,250	10%	10%	10%	10%
Shakopee	\$5,340	\$5,340	\$9,500	\$9,500	\$9,500	\$9,500
Shoreview	4%	4%	Up to 0.1 but lower with staff discretion	Up to 0.1 but lower with staff discretion	Up to 0.1 but lower with staff discretion	Up to 0.1 but lower with staff discretion
St. Louis Park	\$1,500	\$1,500	5%	5%	\$0	\$0
Woodbury	\$3,500	\$3,500	\$6,000	\$6,000	\$6,000	\$6,000
All Average	\$3,978	\$4,034	\$8,357	\$8,533	\$6,210	\$6,615
<b>Select Average</b>	<b>\$4,784</b>	<b>\$4,805</b>	<b>\$8,669</b>	<b>\$8,674</b>	<b>\$7,031</b>	<b>\$7,675</b>

# Attachment D

## 2022 Park Dedication Rate Recommendation RESIDENTIAL

- Residential Rate History

<u>Year</u>	<u>Land Value</u>	<u>Density</u>	<u>Rate</u>
2016	\$115,000	2.88 units/acre	\$3993
2017	\$127,000	2.96 units/acre	\$4290
2018	\$127,000	2.98 units/acre	\$4262
2019	\$127,000	3.00 units/acre	\$4233
2020	\$127,000	3.04 units/acre	\$4177
2021	\$133,000	3.07 units/acre	\$4332

- Residential rate is based on the following formula:
  - Average Residential Land Value x 10% ÷ Average Density = Allowable Rate
  
- Survey of 2021 Park Dedication Rates - *Exhibit C*
  - Average Residential Rate .....\$4,805/unit  
*Comparable Cities (Blaine, Brooklyn Park, Burnsville, Eagan, Eden Prairie, Plymouth, Woodbury)*
  
- **2022 Single Family Residential Rate Calculation**
  - Land Value.....\$133,000 (0.0% increase from 2021)
  - Density .....3.14 units/acre
  
- **2022 Single Family Residential Rate Recommendation**
  - \$133,000 per acre x 10% ÷ 3.14 = **\$4,236/unit**

# Attachment D

## 2022 Park Dedication Rate Recommendation COMMERCIAL

- Commercial Rate History

<u>Year</u>	<u>Land Value</u>	<u>Actual Rate</u>	<u>Allowable Rate</u>
2016	\$220,000	\$11,000	\$16,500
2017	\$250,000	\$11,000	\$18,750
2018	\$265,000	\$11,000	\$19,875
2019	\$280,000	\$11,000	\$21,000
2020	\$280,000	\$11,000	\$21,000
2021	\$305,000	\$11,000	\$22,875

- Commercial rate is based on the following formula:
  - Average Commercial Land Value x 7.5% = Allowable Rate
- Survey of 2021 Park Dedication Rates - *Exhibit C*
  - Average Commercial Rate.....\$8,674/acre  
*Comparable Cities (Blaine, Brooklyn Park, Burnsville, Eagan, Eden Prairie, Plymouth, Woodbury)*
- **2022 Commercial Rate Calculation**
  - Land Value.....\$305,000 (8.9% increase from 2021)
  - \$305,000 per acre x 7.5% = \$22,875/acre (ALLOWABLE)
- **2022 Commercial Rate Recommendation**
  - Maintain current rate of \$11,000/acre for 2022.



# Attachment D

## 2022 Park Dedication Rate Recommendation INDUSTRIAL

- Industrial Rate History

<u>Year</u>	<u>Land Value</u>	<u>Actual Rate</u>	<u>Allowable Rate</u>
2016	\$150,000	\$6,500	\$11,250
2017	\$155,000	\$6,500	\$11,625
2018	\$155,000	\$6,500	\$11,625
2019	\$170,000	\$6,500	\$12,750
2020	\$170,000	\$6,500	\$12,750
2021	\$185,000	\$6,500	\$13,875

- Industrial rate is based on the following formula:
  - Average Land Value x 7.5% = Allowable Rate
- Survey of 2021 Park Dedication Rates - *Exhibit C*
  - Average Industrial Rate.....\$7,675/acre  
*Comparable Cities (Blaine, Brooklyn Park, Burnsville, Eagan, Eden Prairie, Plymouth, Woodbury)*
- 2022 Industrial Rate Calculation
  - Land Value.....\$185,000 (0.0% increase from 2021)
  - \$185,000 per acre x 7.5% = \$13,875/acre (ALLOWABLE)
- 2022 Industrial Rate Recommendation**
  - Maintain current rate of \$6,500/acre for 2022.