



REQUEST FOR COUNCIL ACTION

MEETING DATE: February 6, 2023

PREPARED BY: Chuck Stifter, Parks and Recreation Director

AGENDA ITEM: 2023 Park Dedication Rates
Residential Unit Fee and Commercial/Industrial Acre Fee

PREVIOUS ACTIONS:

On February 7, 2022 the City Council established the per unit fee for single family residential subdivisions at \$4,236 through January 31, 2023

On February 7, 2022 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, 2023.

RECOMMENDED COUNCIL ACTION:

Motion to modify the park dedication rate to \$4,156/unit for a single-family residential subdivision filed with Hennepin County for a period beginning February 1, 2023 and ending January 31, 2024 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, 2023 and ending January 31, 2024 which amount is based on the City policy established pursuant to Resolution 88-120.

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 3.20 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 3.20, yielding a maximum cash rate of \$4,156 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 \$4,156 per unit (see Attachment D, page 1).

Per city code multi-family residential units receive a 20 percent reduction from the single-family cash rate, affordable residential units receive a 25 percent reduction from the single-family cash rate and memory care and assisted living units use the commercial rate.

Commercial/Industrial

The cash in-lieu contribution for industrial/commercial property is figured similarly. This year, the Assessor estimates the average land value of \$305,000/acre for commercial and \$185,000/acre for industrial. Since the commercial/industrial dedication is 7.5% of the per acre fee, that would yield a maximum of \$22,875/acre for commercial and \$13,875/acre for industrial. A review of the survey of other communities reflects that Maple Grove is historically in line with the comparable city average for both commercial and industrial 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 current per acre fee for commercial at \$11,000 and maintain the current per acre fee for industrial at \$6,500. This constitutes no change from 2023 for both the industrial rate and the commercial rate (see Attachment D, pages 2 and 3).

	2019	2020	2021	2022	Proposed 2023
Residential	\$4,233/unit	\$4,177/unit	\$4,332/unit	\$4,236/unit	\$4,156/unit
Commercial	\$11,000/acre	\$11,000/acre	\$11,000/acre	\$11,000/acre	\$11,000/acre
Industrial	\$6,500/acre	\$6,500/acre	\$6,500/acre	\$6,500/acre	\$6,500/acre

ATTACHMENTS:

Attachment A - Assessed Land Values Memo

Attachment B – Residential Densities Memo

Attachment C - Park Dedication Survey of Comparable Cities

Attachment D – 2023 Park Dedication Worksheets