

**ORDINANCE AMENDING MANKATO CITY CODE SECTION 10-2193 RELATED TO
PUBLIC SITES AND OPEN SPACES, AND THE PARKLAND DEDICATION FEE**

WHEREAS, Minnesota Statutes §462.358 authorizes cities to adopt subdivision regulations that establish the standards, requirements, and procedures for reviewing, approving, or denying subdivisions. Under subdivision (c) of this section, a municipality may accept a cash fee in lieu of land dedication for public use. These payments are commonly referred to as "*parkland dedication fees*"; and

WHEREAS, state law requires that a clear nexus exist between the fee or land dedication and the public purpose it is intended to serve. For this reason, the basis for the fee must be documented in the Planning Commission's findings and in the City Council's resolution; and

WHEREAS, the Minnesota Supreme Court has reviewed several cases involving park dedication fees and the justification for collecting them. Based on those decisions, it is recommended that the City complete an analysis demonstrating "rough proportionality" when calculating or recalculating the fee using the fair market value of the specific property. The Court emphasized that cities may encounter legal issues if they rely solely on a blanket formula without conducting an individualized analysis of the specific subdivision or development; and

WHEREAS, the Planning Commission of the City of Mankato submitted a finding stating the proposed amendment is consistent with the goals, objectives, and policies of the Comprehensive Land Use Plan, as adopted and amended from time to time by the City Council.

NOW, THEREFORE BE IT ORDAINED, by the City Council for the City of Mankato, that Mankato City Code Section 10-2193 be and hereby is amended as follows:

Sec. 10-2193. Public sites and open spaces.

- (a) All new subdivisions shall dedicate land for public use such as parks, playgrounds or other open space use according to the following types of subdivisions:
 - (1) Residential subdivision of up to ten dwelling units per gross acre: five percent of the total gross area.
 - (2) Residential subdivision in excess of ten dwelling units per gross acre: seven percent of the total gross area.
 - (3) Commercial and industrial subdivision: five percent of the gross area.
- (b) The term "new subdivision" shall not apply where property lines are being surveyed for the purpose of correcting previous descriptions, situations where individuals are buying or selling land only to increase their yard space for individual properties or the resubdivision of an area where a previous dedication was made.
- (c) Where a proposed park, playground or open space, as shown on the comprehensive development plan, is located in whole or in part in a subdivision, the council may require the dedication of such area within the subdivision in those cases where the council deems such requirements to be reasonable.

- (d) ~~When in the judgment of the planning agency, a subdivision is of insufficient size to include an area for park and playground or the subdivision is not designated as an area for playground or park in the comprehensive development plan, the owner or subdivider, in lieu of property dedication, shall pay to the city a sum of money equal to the required dedication percentage multiplied by the gross value of the subdivision. The gross unimproved value of the subdivision shall be determined in accordance with the intended use of the property. The city shall request the county assessor to establish a market value on the proposed use minus any improvements. Payment to the city of the required open space dedication, whether in dedicated property monies, shall be accomplished by the property owner or subdivider at the time of final platting, provided further that where money in lieu of land is to be paid to the city, such money may be paid in a manner established by policy of the council. In no case shall the plat be signed or building permit issued for any lot within the subdivision until such transfer of land or payment in lieu of land has been completed. Any money paid to the city shall be placed in a special fund to be used for the acquisition of land for parks and playgrounds only. Parkland dedication fee.~~
- (1) As an alternative to land dedication, and by the city's sole determination, the developer or subdivider may be required to pay an applicable park dedication fee for its development type to further the city's park, trail and open space component(s) of its comprehensive plan.
 - (2) The park dedication fee shall be based on a reasonable estimate of the fair market value of the buildable land that is being developed or redeveloped as determined by the county assessor or other relevant factors, and shall include the value added by existing utilities, streets and other public improvements serving the property, but shall not include the value added of all other existing improvements on the land. The park dedication fee shall not exceed an amount equal to up to five percent of the fair market value of the low-density residential, commercial and industrial buildable land and seven percent of the fair market value of the high-density residential buildable land.
 - (3) Park dedication shall be paid by the subdivider prior to the city signing the final plat and/or development agreement. If the subdivider or developer objects to the city's determination as to the value of the land, the value shall be determined either by negotiation between the city and the subdivider or developer or by the city based on an independent appraisal of the market value of land in a same or similar land use category. If the city elects to have an independent appraisal performed in order to resolve the objection, the subdivider or developer shall be responsible for reimbursing the city for the appraisal costs.
 - (4) The park dedication fees the city collects shall be placed in its park fund and shall be used for the acquisition and development, or improvement, of parks, recreational facilities, playgrounds, trails, wetlands, or open space based on the city's park plan.
 - (5) The developer or subdivider may request a reduction from the city manager, or their designee, of the public parkland dedication requirement of up to 100 percent of the payment in-lieu, in accordance with the parameters stated herein. Any recommendation of reduction in the fee shall be approved by the city council. Any refusal for a reduction may be appealed to the city council within 30 days of the denial.

- (6) When reviewing fee reduction requests, the city may consider, among other things, criteria which includes:
- a. Comprehensive plan requirements for maintaining open space and any percentages included in that plan;
 - b. Number of households or increase in population of the development and guidance from the comprehensive plan or zoning;
 - c. The unique individualized circumstances present, if any, in the application, which make a dedication, dedication fee, or the amount of either, inappropriate in the specific case;
 - d. The open space, recreational, or common areas and facilities open to the public that the applicant proposes to reserve for the subdivision; and
 - e. The basis for the applicant's contention, if any, that the intent and purpose of city's code related to public dedication can be accomplished without a dedication and/or cash fee in lieu of dedication, or a dedication and/or cash fee in lieu of dedication at a lesser amount.

(Code 2015, § 11.05(7); Ord. of 4-28-1980)

This ordinance shall, in accordance with the provisions of Sections 2.14 and 5.06 of the Mankato City Charter, become effective thirty (30) days after publication of notice of its adoption.

Adopted this _____ day of May 2026.

Najwa Massad
Mayor

ATTEST: _____
Renae Kopischke, MMC
City Clerk