CITY OF OWATONNA

CITY COUNCIL MEETING

Tuesday, January 20, 2026 at 5:30 PM
Council Chambers, Charles S. Crandall Center at City Hall, 540 West Hills Circle

STUDY SESSION

1. **ITEMS OF DISCUSSION :**
    1.1. Park Land Dedication Ordinance

    1.2. Board/Commission Updates

Owatonna Zoning and Subdivision Update

Parkland Dedication Ordinance

City Council Work Session
January 20, 2026

BOLTON & MENK

Real People. Real Solutions.

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Today’s Topics

- Parkland Dedication Ordinances (PDOs) – The Basics
- History/Origin
- Benefits of PDOs
- Considerations/Drawbacks of PDOs
- Examples
- Questions/Discussion

Parkland Dedication Ordinances – The Basics

Minnesota State Statute Section 462.358, Subd. 2b

- Gives municipalities the authority to require developers to make dedications for parks, trails, and open spaces as part of the subdivision approval process. Dedications may include:
  - Land
  - Fees or Cash-in-lieu of land
  - A combination of both

- The authority is given "To protect and promote the public health, safety, and general welfare, to provide for the orderly, economic, and safe development of land, to preserve agricultural lands, to promote the availability of housing affordable to persons and families of all income levels, and to facilitate adequate provision for transportation, water, sewage, storm drainage, schools, parks, playgrounds, and other public services and facilities…"

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Parkland Dedication Ordinances – The Basics

- Minnesota State Statute 462.358
  - Fees or cash accepted in-lieu of land can be used for acquisition or development, **but not maintenance**
  - A municipality must have:
    - A capital improvement budget for parks, trails, and open spaces
    - A parks and open space plan or have a parks, trails, and open space component in its comprehensive plan

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History / Origin of PDOs

- The first PDO was passed by the State of Montana in 1919 “For the purpose of promoting the public comfort, welfare and safety, such plat and survey must show that at least one-ninth of the platted area, exclusive of streets, etc., is forever dedicated to the public for parks and playgrounds.”

- In 1923 the City of Bluefield, West Virginia enacted a requirement that “Not less than five percent of the area of all plats shall be dedicated by the owner for parks and playground purposes except in the case of a very small area.”

Journal of Park and Recreation Administration, Volume 28 Number 1, Spring 2010 pp. 70-102

Benefits of Parkland Dedication Ordinances

- **Helps ensure we have places for people to exercise, socialize, and play; key factors for health and well-being.**
- **Provides a funding source for the development of parks, trails and open spaces as an alternative or supplement to a city's general funds.**
- **Helps ensure parks, trails and open spaces are distributed across the city to provide balanced access for residents.**
- **Helps cover the cost of growth.**
- **Increases property values.**
- **Supports the development of green infrastructure – parks reduce pollution, provide cooling benefits, and manage stormwater.**

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Considerations / Drawbacks of PDOs

- **Requires administration**
  - Development and approval of ordinance
  - Fund management and Utilization
    - Aggregating land/ fee acquisitions into sizes and amounts needed to be impactful
  - Enforcement during development review/plat approval and permitting
  - Determining ‘reasonable portion’ and fair valuation must be determined
- **May face legal challenges**
  - Must adhere to constitutional and statutory requirements
    - ‘Nexus’ – show how new parks serve the development in question
    - ‘Rough Proportionality’- the fee collected must be proportional to the need created by the development
- **Potential Impact on growth**
  - Developer resistance to additional cost
  - Potential decrease in affordability

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Comparisons

- **Fee Structure**
  - Per-unit basis
  - Per-acre basis
  - hybrid - rates depending on the development type (residential vs. commercial/industrial)
- **Level of Service Standards**
  - Parkland-to-resident ratios
  - Minimum park area standards

Examples – Faribault

Faribault (population 23,851)

Land (collected at time of platting)

- Residential: 7% of Subdivision Gross Area
- Commercial: 4% of Subdivision Gross Area

Fee-in-lieu (collected at permitting)

- Residential
  - Single Family dwelling - $1,000
  - Multi Family dwelling - $500 per unit up to 20, then $400 per unit up to 50 units, then $300 per unit for over 50 units
- Commercial
  - $1,000 per acre

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Examples – Northfield

Northfield (population 21,316)

Land

- Residential
  - 12% of Net Land - 0 to 3.9 dwelling units per Net Acre
  - 9% of Net Land - 4 to 7.9 dwelling units per Net Acre
  - 6% of Net Land - 8+ dwelling units per net acre
- Commercial - 5% of Gross Land
- Industrial - 2% for trails only

Fee-in-lieu (based on Estimated Market Value)

- Residential
  - 16% - 0 to 3.9 dwelling units per net acre
  - 13% - 4 to 7.9 dwelling units per net acre
  - 10% - 8+ dwelling units per net acre

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Examples – New Ulm

New Ulm (population 14,124)

Fee-in-lieu

- Residential
  - $350/lot due at time of platting + $350/unit fee due at time of building permit
  - For 5+ Dwelling Units/Lot: $1,050 per lot fee due at time of platting, $350/unit fee due at time of building permit
- Commercial, Industrial, and Special Purpose
  - $275 to $2,200 per square feet due at time of building permit

Examples – Waseca

Waseca (population 9,067)

Land

- Single-Family and Two-Family Homes
  - 8% of Land
  - 14% of Land
- Multi-Family
  - 20% of Land
  - 35% of Land
  - 45% of Land
- Mobile Home Park
  - 13% of Land

Fee-in-lieu

Single-Family and Two-Family Homes

$420/Lot (up to 3 lots/acre)

$420/Lot (3 to 5 lots/acre)

Multi-Family

$300/unit (up to 15 units/acre)

$275/unit (15 - 30 units/acre)

$250/unit (30+ units/acre)

Examples – Lakeville

Lakeville (population 70,023)

Land

- Residential
  - Low Density Residential (less than 3 units/acre) - 12% of Development
  - Medium Density Residential (3 to 9 units/acre) 14% of Development
  - High Density Residential (9+ units/acre) 17% of Development
- Commercial - 8%
- Industrial - 6%
- Mixed Use - calculated based on the percentage of land area or building square footage devoted to each use

Cash-in-lieu

- May require cash-in-lieu or a combination of land and cash; based on fair market value

Examples – Farmington

Farmington (population 24,464)

Land

- Residential
  - Low Density - .058 acres/dwelling unit
  - Medium Density - .032 acres/dwelling unit
  - High Density - .023 acres/dwelling unit
- Industrial / Commercial - 5% net area

Cash-In-Lieu

  - appraised fair market value of the land that would be required for land dedication

Examples – Winona

Winona (population 25,948)

Cash

- Residential
  - $625/dwelling unit

Land-in-lieu

- Minimum of 3 acres may be accepted in lieu of cash

Examples – Elk River

Elk River (population 25,835)

Land

- Residential
  - Low - .0846 acres/dwelling unit
  - Medium - .054 acres/dwelling unit
  - High Density - .0474 acres/dwelling unit
- Commercial - 8%
- Industrial - 6%
- Mixed Use - calculated based on the percentage of land area or building square footage devoted to each use

Cash-in-lieu

- proportionate to the fair market value of the land

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QUESTIONS / DISCUSSION

DATE: January 20, 2026
TO: Mayor and City Council
FROM:
SUBJECT: Board/Commission Updates

Purpose:

Background:

Budget Impact:

Staff Recommendation:

Attachments:
None