

ORDINANCE
By B. Johnson and Goodman

Amending Title 2, Chapter 16 of the Minneapolis Code of Ordinances relating to Administration: Finance.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Chapter 16 of the Minneapolis Code of Ordinances be amended by adding thereto a new Article XIV to read as follows:

Article XIV. 20 YEAR NEIGHBORHOOD PARK PLAN.

16.1200. Purpose. The City of Minneapolis and its Park and Recreation Board are concurrently adopting the 20-year financial plan set forth in Section 16.1220 in order to achieve a shared goal of closing a neighborhood parks funding gap in a manner that is consistent with existing annual levy and capital budget processes and that avoids the uncertainty and inflexibility of various potential ballot measures.

16. 1210. Definitions.

“20 Year Neighborhood Park Plan” means the funding plan outlined in Section 16.1220.

“BET” means the Board of Estimate and Taxation under Article V of the City Charter.

“City” means the City of Minneapolis, acting through its City Council and Mayor as provided in Article IV of the City Charter.

“Exigent Economic Events” means state-imposed levy limits, decreased market value for tax capacity purposes, changes in the state’s property tax classification system, changes in pension obligations or other events that impact the City’s ability to raise revenues through taxation or other means.

“MPRB” means the Park and Recreation Board under Article VI of the City Charter.

“Neighborhood Park Capital Project(s)” means the addition of a permanent structural improvement to the Neighborhood Park System or the restoration of some aspect of an asset in the Neighborhood Park System that will either enhance the asset’s overall value or increase its useful life.

“Neighborhood Park Projects” means Neighborhood Park Capital Projects and Neighborhood Park Rehabilitation Projects.

“Neighborhood Park Rehabilitation Project(s)” means an improvement or repair to the Neighborhood Park System that does not constitute a Neighborhood Park Capital Project.

“Neighborhood Park System” means those parks that (1) are owned, operated and maintained or owned or maintained by the MPRB, (2) are generally less than two blocks in size, but may be larger, and (3) are neither designated as part of the Metropolitan Council System of Regional Parks and Trails nor part of any of the MPRB’s golf courses.

“Unanticipated Critical Needs” means natural disasters, diseases, acts of god and similar occurrences that place extraordinary demands on City resources.

16.1220. 20 Year Neighborhood Park Plan.

(a) *Term.* The plan is effective from 2017 through 2036, unless earlier terminated as provided in Section 16.1230.

(b) *Exclusive Purpose.* The financial resources that the City provides to the MPRB under the plan must be used exclusively to fund the Neighborhood Park System as further delineated below.

(c) *Startup Funding.* The City will provide \$1.5 million to the MPRB by December 31, 2016, for it to expend on capital improvements to, rehabilitation of, or operating expenses relating to the Neighborhood Park System.

(d) *Operating Funds.* The City will recommend that the BET increase the adopted base 2016 MPRB Park and Recreation Tax Levy amount of \$52,583,000 by \$3 million in 2017. It is the intent of the parties that this increase, which equates to approximately 1% of all City tax levies for 2016, will remain in effect for the duration of the plan and shall be used to increase funding for general operations of the Neighborhood Park System and not to supplant other operations funding for the Neighborhood Park System.

(e) *Project Funds.*

(1) *Guaranteed Minimum Annual Amount.* Beginning in 2017 and continuing for the term of the plan, the City will provide the MPRB with a guaranteed minimum annual amount of funding for Neighborhood Park Projects. The guaranteed minimum annual amount will be \$10.5 million per year, the form of which will be some combination of levy, cash or bond proceeds at the discretion of the City.

(2) *Adjustments to Guaranteed Minimum Annual Amount.* The City and the MPRB will review and adjust the guaranteed minimum annual amount on or before December 15, 2020, December 15, 2025, and December 15, 2030 based on mutually acceptable objective measures of inflationary costs and other salient factors. Examples of mutually acceptable objective measures of inflationary costs and other salient factors over the previous five year period would include: the consumer price index, wage growth, property value growth, the City’s credit

rating as reported by the major credit rating agencies and any other objective measures of the ability of taxpayers to afford tax increases that may result from any increases adopted for the next five year period. The five-year adjustments will be approved by the concurrent resolutions of the City and the MPRB. Any adjustment approved in 2020 will be effective for years 2022 through 2026. Any adjustment approved in 2025 will be effective for years 2027 through 2031. Any adjustment approved in 2030 will be effective for years 2032 through 2036.

(3) Use; Control. The guaranteed minimum annual funding amount of \$10.5 million and future adjusted annual amounts shall be used only for Neighborhood Park Projects, but shall be under the sole control of the MPRB.

(4) Capital Projects Process. Each Neighborhood Park Capital Project shall be identified in the City's annual five-year Capital Long Range Improvement Program Process under Minneapolis Code of Ordinances Chapter 35, as amended from time to time.

(f) *Changed Circumstances*. For any applicable year within the 20 year term of this financing plan, the City may determine that the occurrence of an Unanticipated Critical Need or Exigent Economic Event prevents the City from maintaining the agreed upon level of support to the MPRB for that applicable year. Such City determination and the amount of funding less than the \$10.5 million or less than a subsequent adjustment amount stipulated in concurrent resolutions as provided in paragraph (e) above, must be set forth in an amendment to the ordinance for that applicable year.

16.1230. Ballot Measures Precluded; Early Termination. This ordinance is intended to be a substitute for any levy referenda, charter amendments or other ballot measures to provide additional funding for the MPRB outside of the existing annual levy and capital budget processes. Therefore, for the duration of the 20 Year Neighborhood Park Plan, the MPRB will refrain from advocating, supporting or approving any manner of ballot measure to increase Neighborhood Park System funding. If, however, the City exercises its right to significantly reduce or suspend Neighborhood Park Project funding to the MPRB under Section 16.1220(f) for at least three (3) consecutive years, then the MPRB may by resolution of the MPRB opt out of the 20 Year Neighborhood Park Plan, in which case the concurrent ordinances will automatically terminate and neither party will have any further obligations under the 20 Year Neighborhood Park Plan.

16.1240. Reservations. (a) *Local Government Aid*. The MPRB will continue to receive 11.79% of the annual amount of Local Government Aid funds that are awarded to the City each year, irrespective of the 20 Year Neighborhood Park Plan.

(b) *Administrative and Benefit Administrations Fees*. The MPRB will continue to pay to the City the City's administrative and benefit administration fees, as amended from time to time, with a mutually agreed upon cost allocation methodology, at rates proportionate to the rates the City applies to its own operations, irrespective of the 20 Year Neighborhood Park Plan.

(c) *Levy Request Authority.* The MPRB will retain its authority, as provided in the City Charter and State law, to request a maximum property tax amount and rate from the BET and to adopt an annual property tax levy within the maximum set by the BET, irrespective of the 20 Year Neighborhood Park Plan.

16.1250. Effective Date. This ordinance will be effective only upon adoption of a concurrent 20 Year Neighborhood Park Plan ordinance by the MPRB.