

SAC Committee Meeting
Thursday, February 26, 2026
Fargo Parks Sports Center
Island Park Conference Room

Present: Rusty Papachek, Tyler Kirchner, Dave Bietz, Broc Lietz, John Gunkelman

1. Shared Site & Working Process

- A shared site/folder has been or is being created for the SAC:
 - Purpose: store spreadsheets, prior comments, research, studies, and supporting documents.
 - Carmen has already captured and uploaded some of Dominic's prior comments/material, though committee members currently can't see it due to access issues.
- Desired workflow:
 - Committee and staff will share ideas via the shared site between meetings.
 - Staff will populate the site with:
 - Questions previously raised
 - Normalized data, park examples, and research

2. Purpose of the SAC Work: Benefit/Cost Matrix for Parks (Special Assessments)

The core topic is building a matrix or framework to evaluate the benefit vs. cost of park-related improvements when funded by special assessments.

2.1 Background & City Process

The city had a 3-person committee (e.g., engineer, staff) that would:

- Review developer agreements and project costs.
- Decide if the benefit justified the cost, without a formal formula—it was largely judgment-based.
- New legislative pressure is driving a need for:
 - A more transparent, documented method of showing that assessed benefits $\geq$ costs, especially for all assessments.

2.2 Scope of the Matrix

- The matrix will focus on projects where the Park District uses special assessments as a funding tool.
- It will generally not apply to:
 - Internal Park District projects funded by GO bonds, operating budgets, or citywide taxes (e.g., main building financed by bonds and tax levy).
- Park elements under consideration include:
 - Playgrounds
 - Trails / bike paths
 - Trees and landscaping
 - Open space
 - Shelters
 - Multi-use facilities / warming houses

- Parking

3. Tangible vs. Intangible Benefits

3.1 Tangible Benefits & “Good/Better/Best” Concepts

- For playgrounds, the group discussed using three price/benefit tiers:
 - Example: low-cost home system, mid-tier vs. membership-based alternatives as substitutes if a public playground isn’t available.
 - Recent playground projects often cost \$50,000–\$200,000 or more in commercial settings.
- For trails, “good/better/best” is harder:
 - Replacement or alternatives could include:
 - Walking on sidewalks
 - Membership at a facility with indoor tracks or treadmills
 - Traveling to state parks or other locations

3.2 Intangible Benefits

They emphasized that intangible benefits are significant and must be backed by data, not just opinion. Examples discussed:

- Health & wellness benefits:
 - Cited research indicating annual savings per person (e.g., around \$1,200/year) from park-related health benefits.
 - One illustrative calculation: assuming 10 years of playground use and the stated per-year benefit leads to multi-million dollar aggregate benefits for a system of parks.
- Property value uplift:
 - Proximity to parks and open space can result in 10–30% property value increases within about a 10-minute / half-mile walk.
 - Plan to normalize across 15 developments:
 - Example: if total building value is \$125M, and research supports a 10% uplift for properties within that distance, that suggests an added value of ~\$12.5M attributable to park proximity.
 - This helps counter the notion that “parks don’t pay taxes” by showing the indirect tax-base benefit from higher property values.
- Trees and environmental services:
 - Park District uses TreePlotter software and national data to estimate:
 - Carbon reduction
 - Air quality improvements
 - Stormwater benefits
 - Average per-tree annual benefit is about \$44, and an average park has ~84.5 trees, generating significant recurring intangible value.
 - One example benefit figure mentioned: \$172,000 per year in total intangible value from trees/landscaping for a typical park scenario, plus up to 500% return on initial tree/landscape investments.
- Mental health / quality of life:
 - Discussion of concepts like “forest bathing,” mental wellness, and psychological benefits of green space, though exact dollar values would be

supported via studies they intend to cite (Dominic and others have research on this).

3.3 Normalization & Methodology

- Tyler and Robert have built a normalization spreadsheet:
 - Average residents per development
 - Average building values, user counts, etc.
- Goal: create standardized formulas that can be reused:
 - Example: percentage increase in property value within half a mile $\times$ normalized total building value.
 - Use health, environmental, and economic statistics tied back to credible sources
- A “summary page” will explain:
 - How numbers were derived,
 - Which sources were used (research papers, city data, national standards),
 - Providing defensible logic if values are challenged.

4. Park Dedication & Developer Agreements

- Process overview:
 - Determine total area of the development.
 - Compare dedicated land provided vs. required; the gap is translated into cash-in-lieu, using a standard rate (e.g., \$1.75/sq ft, derived from theoretical park cost per quarter section).
- Triggers for cash payments:
 - Could be tied to platting of later phases or first building permit, possibly adjusted annually with CPI to reflect rising costs.
- Relationship with the City:
 - There is not yet a formal recorded document forcing developers to work with the Park District; instead, city planners informally require developers to coordinate with the Park District.
 - Park District is working on a public land dedication policy for City approval to formalize this.
- Park classification & funding:
 - Neighborhood parks vs. community parks vs. athletic complexes (e.g., Brunsdale, Lindenwood).
 - Large community-scale projects (e.g., Lindenwood road improvement) have historically been funded from Park District operating budgets, but could theoretically involve citywide assessments if benefit can be shown and protests are low.
 - SAC matrix could eventually help justify assessments for larger projects, but the immediate focus is on neighborhood-scale, special-assessed parks in new developments.

5. Legal/Political Environment & Challenges

- Discussion about:
 - Legislative pressure to control taxes.

- How Grand Forks challenges triggered the need for more rigorous benefit demonstration.

6. Plan & Next Steps

- Immediate next steps:
 - Fix shared-site access: resend invites, confirm correct email addresses, and get members logged into the 365 environment.
 - Carmen to keep working with IT to ensure invited emails from invites@fargoparks.com are delivered and not lost in spam.
- Workplan for the SAC:
 - Aim to have a rough draft matrix by next meeting.
 - Possibly one additional meeting after that to finalize.
 - Use the shared folder to:
 - Brainstorm additional tangible and intangible benefit categories.
 - Upload studies
 - Refine the values and formulas.
- Ongoing process:
 - Once the matrix is established, it can be reused across multiple projects; only the inputs (e.g., area, residents, value) change.
 - Consider an annual check-in to update assumptions and statistics, based on new research or cost changes.