

## Community and Economic Development in North Carolina and Beyond Blog: Downtown Parks as Economic Development

By CED Program Interns & Students

Article: <https://ced.sog.unc.edu/downtown-parks-as-economic-development/>

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Downtown revitalization takes many forms, and for some cities downtown parks

are a major catalyst for redevelopment. From New York's Central Park to Greensboro's Central City Park, parks have not only provided open green space for recreation and community gatherings, but have also fostered interest from private developers in adjacent properties. Parks can become a central amenity for urban development and are often attributed to several economic benefits, including:

- Increased property values;
- New real estate development;
- Increased public safety;
- New spending locally and will supporting businesses;
- Resident and business attraction; and
- Increased mental and physical health.

These economic benefits are justification for many communities to pursue park development as a driver for economic development. For example, with Cincinnati's Washington Park, a recent *Governing.com* article connected the redevelopment of the park to the rebirth of a distressed downtown neighborhood. The park's \$8 million renovation is cited as the catalyst for nearly \$500 million in investment in the last ten years.

However, in order to realize these benefits, having a strong management and operations plan in place prior to development is crucial for success. As a result, we will explore key components and tools that local governments and community organizations should consider in accordance with a 2008 Trust for Public Land report on management structures and funding methods for downtown parks. *(Note: The Trust for Public Land report linked here was not written specifically for North Carolina, so while general funding tools described are available within the state, the legal authority and implementation for a municipality or state may differ.)*

**Capital Funding** is the start-up funding sources for construction or renovation of the park, which might include contributions from private sources, local general obligation bonds, state capital investments, or grants. Some examples are summarized below.

Method	Example
<b>Borrowing</b>	General Bonds, Revenue Bonds
<b>Special Taxing Districts</b>	Tax Increment Financing
<b>Taxes from Development</b>	Park Dedication Fee, Incentives and Negotiations with Developers

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**Grants & Contracts**  
**Contractual Revenue**

Sales Tax Revenue, Federal, State, or Local grants  
User Fee, Concessions, Leasing Arrangements,  
Advertising

**Operational Funding** is the ongoing financial resources to maintain the park operations. Options might include general appropriations from the local government, private donations, fees, or special service district funding. Some examples are summarized below.

<b>Method</b>	<b>Example</b>
<b>Traditional Tax-Generated income</b>	Property Tax, Sales and Use tax, Income Tax
<b>Special Taxing Districts</b>	Special Assessment Improvement District, Municipal Service District
<b>Private Contributions</b>	Sponsorships, Naming Rights, Conservancies/ "Friends of..." Group, Volunteer Program

**Ownership and Management** is dependent on the preferences of the leading entities in each community. Methods and descriptions are summarized in the chart below.

<b>Method</b>	<b>Description</b>	<b>Funding Source</b>
<b>City Park Agency</b>	Elected board with employees	Taxes or agency revenues
<b>City Department</b>	Department of Public Works or Parks & Recreation	Taxes or other city funding
<b>Other Government Agency</b>	County, special purpose agency	Taxes or fees
<b>Non-profit Organization</b>	Organization set up exclusively to manage the park through a contractual arrangement	Donations, endowments, government agency contributions
<b>Business Improvement District (Municipal Service District)</b>	Non-profit that manages a park under contract with the city	Fees from property owners within the district
<b>Public-Private Partnership</b>	Collaboration between a nonprofit and government agency	Combination of nonprofit and government agency revenue

From this overview, it is evident that the construction and management of urban parks present great opportunities that may require unique strategies for implementation. Greensboro, North Carolina's Center City Park and Roanoke, Virginia's Elmwood Park are two examples of local municipalities that redeveloped parks in their downtown. In Greensboro, a public-



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private partnership between the City of Greensboro, Action Greensboro, and two local foundations constructed the Center City Park in 2006. Capital funding for the park came from private donations to support land acquisition and construction costs. Operational funding is provided by annual contributions from the City of Greensboro and the downtown business improvement district (or municipal service district). In Roanoke, redevelopment of Elmwood Park was envisioned and managed by the City's Parks and Recreation Department. The City of Roanoke issued general obligation bonds to fund the construction of the park and currently operates the park from the City's general fund.

Roanoke and Greensboro provide two distinct examples of strategies for operating and managing catalytic downtown parks. Additionally, the Trust for Public Land is an excellent national resource for additional information on specific parks, but also the economic benefits that can be realized by providing additional green space in urban communities.

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