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# **Downtown Parks:** Funding Methods, Management Structures, and Costs

*A Report for the City of Minneapolis  
April 1, 2008*

## *Acknowledgements*

With support from the McKnight Foundation, the City of Minneapolis contracted with the Trust for Public Land to evaluate finance and management options and issues related to a downtown park. The Trust for Public Land (TPL) conserves land for people to enjoy as parks, gardens, and other natural places, ensuring livable communities for generations to come. Founded in 1972, TPL works in 45 states and has protected more than 2.3 million acres with a fair market value of more than \$5.1 billion. TPL assists communities in identifying and securing public financing for conservation and recreation land acquisition. TPL's Conservation Finance Program offers technical assistance to elected officials, public agencies and community groups concerning finance options for parks.

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## Summary

This report provides a summary of funding sources, management structures and costs for downtown parks throughout the United States. The report highlights legal and policy considerations specific to Minneapolis, and gives examples of other cities' experiences with particular downtown parks. In each section that follows this summary – funding sources, ownership and management structures, and costs of building, operating and maintaining a downtown park – a table with other cities' experiences precedes a discussion of the context for the City of Minneapolis.

### *What sources might fund a park?*

Creating and supporting parks requires two distinct types of funding: capital funding for land acquisition and development, and operational funding for ongoing maintenance and management. Most successful downtown parks use a combination of funding from both private and public sources, and raising the necessary funding required public – private collaboration and leadership. Table A, *Funding Creation and Maintenance of Downtown Parks* (see page 25) and accompanying text describe options for both types of funding, with their allowed uses.

**Capital Funding.** Some combination of a few substantial funding sources is usually necessary to create a downtown park. Three sources stand out:

1. **Contributions from private sources** - donations, sponsorships and naming rights – demonstrate leadership essential to the success of the park; other cities have raised at least half of the capital costs from the private sector.
2. **Local general obligation bonding**, either by city council vote (local legislative authorization) or referendum, has been a primary source for many parks. Where a ballot measure is considered, some jurisdictions have tested public opinion on voter support before determining what funding strategies to use.
3. **State general obligation bonding, or capital investment**, can also provide substantial support, especially when private match dollars have already been committed.

Other capital sources can be important, but secondary, to these three substantial sources:

1. **General appropriations** based on the local property tax levy and other local revenues may provide substantial funds for some capital projects.
2. **Park dedication fees** can support capital investment, though it has not been a primary funding source for other downtown parks.
3. **Grants** from local, regional and federal sources may support particular features or uses of the park. Proposed uses and features of a park greatly affect its eligibility and competitiveness for various grants.

Three potentially significant capital sources require state legislative action and voter approval, which may require several years to make available:

1. **State authorized, voter-approved local sales tax** has been used in other Minnesota cities for park acquisition and improvement. This tool requires state legislative approval, and usually requires a local referendum.
2. **State constitutional dedication of sales tax increase** will likely be placed on the state November 2008 ballot as the “Clean Water, Wildlife, Cultural Heritage and Natural Areas” ballot question. If voters approve this measure, a portion of the funding to support parks and trails of regional and statewide significance might be available for park acquisition and operating costs.
3. **Tax increment financing** has been used by other cities, but current state law limits its availability to strictly economic development purposes. While state legislative action would likely be necessary for this tool to be used for a downtown park, voter approval is not required.

**Operational Funding.** The options range broadly; private and public sources are usually combined, depending on the management structure.

1. **General appropriation** by one or several public agencies, depending on park management and design, is a primary source.
2. **Special service district funding** is frequently used for operating funding, even though it can pay for capital costs as well. With the requirement that landowners petition to establish the district, this tool relies on strong private sector leadership in gaining landowner support in the service district area.
3. **Private donations** for an operating endowment can accompany a capital fundraising effort, as other cities have shown.
4. **Fees or marketing income** may be a component, depending on park design and public acceptance. Parking, advertising, and/or concession revenues may provide some operating support. While some parks are supported primarily with parking fees, an analysis of the local parking market preceded selecting an underground parking structure as a viable funding source.

### ***Who might own and manage a park?***

The choice of an entity to own and manage a downtown park affects the funding strategies for creating and supporting a park. Park leaders frequently combine public and private roles in ownership and management to maximize support from a variety of sources, as described in a review of other cities' experiences presented in Table B, *Management Structure* (see page 30) and Table D, *Forms of Management Funding Sources and Cost of Operation* (page 34). In almost all of the examples provided, the city owns the land, and in half of the examples, a nonprofit organization manages the park and helps with fundraising. As cities have explored funding options, they have evaluated a variety of ownership and management options. Each city developed its own unique solution to fit its locality. The process of selecting an operating entity may include testing the preferences of public and private funding sources and evaluating potential uses and features of a park.

Participation of many public agencies and private entities in park management is common in the downtown areas of many cities, including Minneapolis. Thus, a variety of options exist for operating a downtown park in Minneapolis:

1. An **existing public agency**, with support from the agency's general revenue, special district revenue, and / or private donations; or
2. A **private non-profit organization**, such as a foundation or conservancy, which could be partly or wholly supported with public funding. Options from other cities include a newly created organization dedicated to managing the park; an existing organization with appropriate mission, capacity and expertise to manage and program a downtown park; or a business improvement district or association.

### ***How much might it cost to create, operate and maintain a park?***

Creating a new park has two principal costs: acquiring the land and developing the facility itself, as illustrated in Table C, *Construction Costs and Funding Sources* (see page 33). Cost estimates for park creation take into account many factors: the size and shape of the park, existing public ownership of the site or potential exchange sites, existing site conditions, development features, complexity of design, and construction of support facilities like underground parking. For downtown parks researched for this study, costs ranged from \$481,333 with no land acquisition and few park features, to \$9,981,250 per acre including a wide range of park features and performance spaces.

The costs of operating and maintaining downtown parks vary widely, based on park design, programming, and use. The park management structure can also affect those costs. Table D: *Forms of Management, Funding Sources and Cost of Operations* (see page 34) provides specific examples from other cities. Existing downtown destination parks have annual operating costs ranging from \$229,000 to \$884,000 per acre, not including Boston Post Office Square, with its parking facility contributing to a \$7,846,734 per acre annual budget. An average acre of parkland in a U.S park system has lower operating costs – as low as \$27,000 per acre – and does not have the type or number of features and level of programming.<sup>1</sup> In the destination parks, much of the costs are paid for through user fees, leasing arrangements, concession agreements and other enterprise efforts. (For instance, Pioneer Courthouse Square receives about 44 percent of its revenue through such means.)

Research from this project indicates that the costs of creating and maintaining a park vary widely, depending on features. A more highly programmed, designed and maintained park in Minneapolis may cost \$6,000,000 to \$8,000,000 per acre to develop and \$500,000 to \$700,000 to operate, while a park with fewer features and programming may cost \$1,000,000 to \$3,000,000 to develop and \$200,000 to \$400,000 to operate. These estimates do not include land acquisition costs.

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<sup>1</sup> In 2005, in the nation's sixty largest cities, operations and maintenance cost an average of \$21,178 per designed acre of parkland. City Park Facts. (2007.) Center for City Park Excellence Annual Survey of City Park Systems. The Trust for Public Land. Washington, D.C. [www.tpl.org/cityparkfacts](http://www.tpl.org/cityparkfacts)

# *Funding Sources for Creating and Maintaining a Park*

The funding strategies listed in Table A (see page 25) are described more fully below, following the order of presentation in the table: local, special local, other public, and private.

## **A. Traditional Tax-Generated Income**

### **Property Tax**

Some public agencies use general appropriations, as supported primarily by property tax revenues and state local government aid, to pay directly for operating costs or for capital investments. National examples include Bryant Park in New York City, Jamison Square and Pioneer Courthouse Square in Portland, OR, Millennium Park in Chicago, and Wacouta Commons in St. Paul. In Minneapolis, two agencies use these sources: the Minneapolis Park and Recreation Board (MPRB), and the City's Public Works Department.

In Minneapolis, the traditional method to fund park operations and some capital investments is through the Minneapolis Park and Recreation Board (MPRB). In 2007, the MPRB had an operating budget of \$53,312,202, which included "capital projects." The largest expenditures the MPRB made were on park maintenance and rehabilitation in forestry and its districts, which accounted for 38 percent of total expenditures.

The City of Minneapolis may also make a contribution to park operations and maintenance through its general appropriations. Because the Public Works Department maintains some land used as park or parkway, the Public Works budget includes those management costs. Within special service districts, such as Nicollet Mall, the special district revenues are meant to provide support above that of basic operations, as described separately below.

### **Sales and Use Tax**

Local sales taxes are not widely used specifically to support downtown parks, though other states have given cities authority to create local sales taxes, and other cities, such as San Antonio, Phoenix and St. Paul (under its STAR program) have used this tool for park purposes. In St. Cloud, Minnesota, a city sales tax supported park improvements to Riverside Park and Munsinger Gardens, which are on the Mississippi River near downtown. Atlanta's Centennial Olympic Park receives an allowance from the state-chartered World Congress Authority that runs the city's convention center and arenas; about eight percent of the Authority's revenue comes from a hotel tax.

Under Minnesota law, the state legislature must specifically authorize the imposition of any local sales tax. Before seeking legislative approval, the governing body – in this case, the city council – must adopt a resolution in support of the tax, including information on the proposed tax rate, how the revenues will be used, the total amount to be raised before the tax expires, and its estimated duration. If authorized by the legislature, the question must be put to a vote at a general election, which may be either a state or local general election. The enabling legislation may allow other

methods of local approval. For instance, laws authorizing the Minneapolis, St. Paul, Bloomington, and Rochester (first authorization) sales taxes provided that the city council could impose the tax by ordinance, without a local ballot measure.<sup>2</sup>

Understanding the existing tax rate relative to other communities' rates is important in evaluating this tool. The City of Minneapolis has one of the highest sales tax rates locally.

|                 |               |
|-----------------|---------------|
| Minnesota       | 6.5%          |
| Hennepin County | 0.15%         |
| Minneapolis     | 0.5%          |
| Downtown        | 3.0%          |
| <b>Total</b>    | <b>10.15%</b> |

The state legislature has granted a few of Minnesota's local governments authority to levy a local tax. According to the Minnesota Chamber of Commerce, in 2005, 16 local governments were exercising the authority given to them by the Legislature. They are Bemidji, Cook County, Duluth, Hermantown, Mankato, Minneapolis, New Ulm, Proctor, Rochester, the St. Cloud area (St. Cloud, St. Joseph, Sartell and Sauk Rapids), St. Paul, and Two Harbors.<sup>3</sup> The City of St. Cloud supports park uses with its sales tax revenues, as does Bemidji. Albert Lea uses it for water quality projects.

A proposed state sales tax to support parks and trails is discussed below with other state funding sources.

## **Income Tax**

A locally enacted income tax is not widely used for downtown parks. Pennsylvania is the only state that allows municipalities to use income taxes for parks; Minnesota state law does not now provide local government authority to enact a local income tax. Revenues from income taxes collected at the state and federal levels help fund city parks indirectly, only as they might qualify for grant programs.

## **B. Borrowing**

### **General Obligation Bonds: Overview**

The most common and largest single source of funds for land acquisition and park development in Minnesota and nationwide is the issuance of general obligation (G.O.) bonds. These bonds are guaranteed by the full faith and credit of a local government unit and are most frequently backed by property tax revenues, though other revenue sources are possible. Local G.O. bonds can be authorized by the city council, the county, the Metropolitan Council (for regional parks), or a voter referendum placed on the ballot by elected officials. The bonds are sold, the proceeds are used to purchase or develop the park, and then property tax revenue is used to repay the bonds and interest over a defined period, usually twenty years. Houston's Discovery Green and Portland's Pioneer

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<sup>2</sup> Excerpted from: Minnesota Local Sales and Use Taxes: a report to the 2004 Legislature, [http://www.taxes.state.mn.us/taxes/legal\\_policy/research\\_reports/content/local\\_sales\\_tax\\_study.pdf](http://www.taxes.state.mn.us/taxes/legal_policy/research_reports/content/local_sales_tax_study.pdf)  
<sup>3</sup> [http://www.mnchamber.com/priorities/localtax\\_bkgd.cfm](http://www.mnchamber.com/priorities/localtax_bkgd.cfm)



Courthouse Square have both received some funds from city capital improvements allocations, following voter-approved ballot measures.

Minnesota statutes list various purposes for which any city may issue G.O. bonds, including the acquisition or betterment of parks, for which proceeds may be used to pay all expenses that are reasonably necessary.<sup>4</sup> Proceeds from a general obligation bond issuance may not be used for ongoing expenses, such as maintenance. Two types of G.O. debt, capital investment plan and referendum debt, have been used for park creation and are detailed below.

## General Obligation Bonds: Capital Investment

Capital improvement plan (CIP) bond issues use the net tax capacity of property, and may be issued by the local government with a vote of the elected body, and without voter approval. The annual debt service limit is more restrictive for CIP bonds than for referendum debt. Because more property tax types are included in the tax base for capital improvement bonds, the cost per year for the average homeowner may be lower for capital improvement bonds as compared to referendum-approved debt.<sup>5</sup>

The City of Minneapolis sets the capital improvement budget for both itself and the Minneapolis Park and Recreation Board (MPRB), with the typical approval process spanning a 16-month period. In the most recent five-year plan covering 2008-2012, the Park Board has been proposed to receive \$5.25 million for parks capital out of \$543.1 million total.

If a tax capacity-based levy were used to raise \$15 million, the average homeowner would pay \$6.70 a year, and the debt service would be the same as a referendum bond issue. (See inset Table I.) At \$50 million, the average homeowner would pay \$22.32 a year.

## General Obligation Bonds: Voter Referendum

Many other cities have used referendum debt to fund parkland acquisition. Since 2000, about 17 cities with populations over 300,000 have passed ballot measures with some portion of funding dedicated to the acquisition and development of parkland, resulting in funding from \$2 million to \$150 million, depending on the city, and an average of \$36.2 million. The funds serve either citywide purposes on a variety of

projects, or specific purposes such as protecting natural areas or creating trails. Often downtown

| Table 1. Minneapolis CIP Bond Financing Costs   |                  |                   |                       |                         |
|---|------------------|-------------------|-----------------------|-------------------------|
| <i>Assumes 20-year bond at 5.0% interest rate; Net Tax Capacity = \$375 million.*</i> |                  |                   |                       |                         |
| Bond Issue  | Annual Debt Svce | Prop Tax Increase | Cost/ Year/ \$100K AV | Cost/ Ave./ Homeowner** |
| \$10,000,000  | \$802,426        | 0.2141            | \$2.14                | \$4.46                  |
| \$15,000,000  | \$1,203,639      | 0.3211            | \$3.21                | \$6.70                  |
| \$20,000,000  | \$1,604,852      | 0.4281            | \$4.28                | \$8.93                  |
| \$30,000,000  | \$2,407,278      | 0.6422            | \$6.42                | \$13.39                 |
| \$50,000,000  | \$4,012,129      | 1.0704            | \$10.70               | \$22.32                 |

\* Based 2008 Proposed Values, Hennepin County Assessors Office, Page 6  
\*\*Based on median home taxable value of \$208,500. Source: Minneapolis Assessors Office.

| Table 2. Minneapolis Referendum Bond Financing Costs   |                  |                   |                       |                         |
|--|------------------|-------------------|-----------------------|-------------------------|
| <i>Assumes 20-year bond at 5.0% interest rate; Total Referendum Valuation = \$34.6 billion.*</i> |                  |                   |                       |                         |
| Bond Issue   | Annual Debt Svce | Prop Tax Increase | Cost/ Year/ \$100K AV | Cost/ Ave./ Homeowner** |
| \$10,000,000   | \$802,426        | 0.0023            | \$2.32                | \$4.94                  |
| \$15,000,000   | \$1,203,639      | 0.0035            | \$3.48                | \$7.41                  |
| \$20,000,000   | \$1,604,852      | 0.0046            | \$4.64                | \$9.88                  |
| \$30,000,000   | \$2,407,278      | 0.0070            | \$6.96                | \$14.82                 |
| \$50,000,000   | \$4,012,129      | 0.0116            | \$11.59               | \$24.69                 |

\* Based 2008 Proposed Values, Hennepin County Assessors Office, Page 6  
\*\*Based on median home market value of \$213,000. Source: Minneapolis Assessors Office.

<sup>4</sup> Minn. Stat. 475.52, Subds. 1 & 3.

<sup>5</sup> Personal communication with Eric Willette, Policy Research Manager for the League of Minnesota Cities.

parcs are not specifically included in these measures, but sometimes they do receive funding. For instance, in 2007 Denver voters passed a \$93-million parks referendum, of which \$10 million was dedicated to restore structures in downtown's Civic Center park. Also in 2007, Oklahoma City voters passed an \$89-million bond that included \$3.2 million for property acquisition and development of a new downtown park.

Referendum (voted) debt is payable from taxes levied on the referendum market value of all taxable property in the jurisdiction.<sup>6</sup> A city or county resolution, including the ballot title and language, initiates proceedings to place a question on the ballot to authorize the issuance of bonds. Under state law, the ballot language must state the maximum amount of the increased levy as a percentage of market value and the amount that will be raised by the new referendum tax rate in the first year it is to be levied.

Since 1996, Minnesota voters have passed seventeen local measures; 75% of conservation referenda on the ballot in Minnesota since 1988 have passed.

A referendum bond issue in Minneapolis of \$50 million would add \$4.0 million to the city's annual debt service and cost the average homeowner (\$213,000 value home) \$24.69 per year, assuming a 20-year bond at 5 percent interest – a value of about \$2 per month. (See inset Table 2, above, for bond scenarios.)

### Hennepin County

As a county with one of the largest tax capacities in the state, and among the strongest bond ratings in the nation, Hennepin County is another possible source for capital funding. A referendum bond issue in Hennepin County of \$30 million would add just \$2.4 million to the county's annual debt service and cost the average homeowner (\$252,300 value home) \$4.50 per year, assuming a 20-year bond at 5 percent interest. (See inset Table 3.) However, the county is not likely to be the acquiring agency for a downtown park.

Hennepin County's bonding authority may provide a resource in a different way, through conduit financing, which the county is now evaluating partly for parkland. Because the bond rating for both the county and city is AAA, the conduit financing program may not benefit Minneapolis.

**Table 3. Hennepin County Referendum Bond Financing Costs**  
*Assumes 20-year bond at 5.0% interest rate; Total Referendum Valuation = \$135 billion.\**

| Bond Issue   | Annual Debt Svce | Prop Tax Increase | Cost/ Year/ \$100K AV | Cost/ Ave./ Homeowner** |
|--------------|------------------|-------------------|-----------------------|-------------------------|
| \$30,000,000 | \$2,407,278      | 0.0018            | \$1.78                | \$4.50                  |
| \$50,000,000 | \$4,012,129      | 0.0030            | \$2.97                | \$7.50                  |
| \$70,000,000 | \$5,616,981      | 0.0042            | \$4.16                | \$10.49                 |

\* Based 2008 Proposed Values, Hennepin County Assessors Office, Page 6  
\*\*Based on median home value of \$252,300. Source: 2006 US Census.

### Revenue Bonds

Revenue bonds have not been widely used for downtown parks, though one strategy might be revenue bonds backed by future parking revenues. In 2000, the City of San Francisco began a \$25 million rebuild of its downtown park, 2.6-acre Union Square. To

<sup>6</sup> This value is based on the market value of property, rather than taxable value. General property taxes are paid upon the taxable value of property, which are in most cases significantly less than market value and vary depending upon land use type.

pay for the project, the city issued bonds from the revenue of a parking garage built underneath the park through the entity it created to manage the garage, the Uptown Garage Corporation. For Boston's Post Office Square, the projected revenues from the parking facility were used for traditional private bank financing, not revenue bonds.

## C. Special Taxing Districts

While special assessment districts are not widely used for downtown parks, special services districts, business improvement districts, and tax increment financing are more common.

### Special Assessment Districts

Special assessment districts are special purpose government agencies that can generate revenue in a particular area for a distinct public purpose. Such a district is more likely to provide grant funding to a downtown park than to fund, own and manage a downtown park.

An example in Minneapolis is the Mississippi Watershed Management Organization (MWMO), whose mission includes water quality protection and stewardship. MWMO uses general appropriations from an annual tax levy to pay for operating and capital improvements, including projects in parks.<sup>7</sup> From 2002 to 2006, the levy ranged from \$3.5 to 4 million dollars annually, and about 75 percent was dedicated to capital projects. From 2002 – 2007, the MWMO has provided \$15.3 million for capital projects in Minneapolis, including parks near downtown as well as the green roof of the Central Library.

### Special Services Districts

Minnesota law allows for the creation of special service districts (SSD) in which businesses or property owners within a specific geographic area are assessed surcharges for the city to manage specific resources within the district. The fees are assessed “at a rate or amount sufficient to produce the revenues required to provide special services in the district.”<sup>8</sup> The rate is based on net tax capacity of the property. The services provided include “improvements” and the operations and maintenance costs of those improvements; the statute does not mention land acquisition. The statute also states that after June 30, 2009, a special law authorizing new districts is required.

Cities are authorized under state law to adopt an ordinance establishing a SSD upon the petition of property owners within the boundaries of the proposed district.<sup>9</sup> Expansion of a SSD follows the same procedure as creation of a new SSD.<sup>10</sup> Landowners have to initiate this; no action may be taken by the city council unless a very specific group of landowners files a petition requesting a public hearing to establish a SSD:

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<sup>7</sup> Minn. Stat. Section 103B.211; 103B.251: CAPITAL IMPROVEMENTS BY WATERSHED MANAGEMENT ORGANIZATIONS.

<sup>8</sup> Minn. Stat. sec. 428A.03. To determine the appropriate rate for a service charge based on net tax capacity, taxable property or net tax capacity must be determined without regard to captured or original net tax capacity under section [469.177](#) or to the distribution or contribution value under section [473F.08](#). Minn. Stat. sec. 428A.03.

<sup>9</sup> Minn. Ch. 428A.

<sup>10</sup> Minn. Stat. sec. 428A.04.

- Owners of 25 percent or more of the land area of property that would be subject to service charges in the proposed district; and
- Owners of 25 percent or more of the net tax capacity of property that would be subject to service charges in the proposed district.

Advantages to SSDs are that they are custom-built around a democratically chosen geographic area and payment system, and are driven by local priorities, including business retention, safety or parks. The city is authorized but not required to establish an advisory board to review city management of the district.

Downtown Minneapolis currently has three special service districts to support maintenance in defined areas – the Nicollet Mall District, the Hennepin Theater District and the Chicago Avenue Mall District. The City now collects revenues from the current Nicollet Mall SSD for maintenance by the City.

Several models have been used in other cities. In addition to a localized SSD, cities have combined SSDs to configure a park, creating a downtown-wide SSD. Nationally, such a larger-scale configuration would more closely mirror Business Improvement Districts (BIDs), described below, which also involve management by a private organization.

Analyzing a theoretical example illustrates the revenue generating potential of this tool. Based on the tax capacity of a downtown central business district block, an average property would be assessed \$5,102 and the median \$2,067 to achieve annual revenue of \$500,000 (with no property being charged more than \$15,000). A portion of these revenues could be devoted for capital debt, and another portion could be for operations. For example, borrowing \$5 million would cost about \$260,000 annually for 20 years.

## **Business Improvement Districts**

Business Improvement Districts (BID) are organized public-private partnerships to promote and improve an area, most commonly in downtown areas and run by downtown associations. A BID is nationally proven as a successful tool for pooling revenue for collective purposes. Two extraordinarily successful examples are Philadelphia’s Center City District and Washington, D.C.’s Downtown DC Business Improvement District. Bryant Park in New York City is another successful model BID. In Minnesota, a business improvement district can be set up under the special services district law described above, with a non-profit group managing the district as a BID. Both Rochester and Duluth, Minnesota, have established such an arrangement.

### **Case Example: City of Duluth, MN** <sup>11</sup>

The Duluth Downtown Waterfront District was established in 2005 as a Special Service District managed by the Greater Downtown Council. Encompassing 90 blocks in the heart of Duluth, property owners in the district pay for enhanced services and programs to improve safety, cleanliness and economic vitality in the area. The District has a five-year renewal provision, and its first projected operating year budget was \$500,000. The Downtown

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<sup>11</sup> <http://www.downtownduluth.com/district.htm>

Waterfront District is funded using service charges imposed on the basis of net tax capacity and collected in the same manner as property taxes. The assessment for services charges was based upon a target total assessment of \$300,000 in the year 2005 and incrementally rising to \$337,652 in 2009, with a maximum service charge imposed on any single property of \$7,878 in 2009. The assessment for property owners in 2005 was equal to approximately \$1.33 to \$1.77 per \$1,000 of taxable market value.

## **Tax Increment Financing**

Some cities have used tax increment financing (TIF) as a major source of park acquisition and improvement funds. A TIF diverts increases in property tax revenue within a set geographic area for specified purposes. Chicago's Millennium Park relies in part on revenues from the Central Loop TIF, and Portland used TIF for Pioneer Courthouse Square and Jamison Square. In the city's Pearl District, a new densely populated central neighborhood built near the Willamette River on a former railroad area, nearly \$23 million has been used to build three parks totaling 4.9 acres and renovate another acre of existing parkland.

In Minnesota, state law now limits the use of this tool to redevelopment, housing or economic development.<sup>12</sup> In the past, land acquisition for parks, as part of a larger project, could have been an authorized use of this financing tool.<sup>13</sup> A state statutory amendment would be necessary to allow tax increment financing to support park purposes.

## **D. Taxes or Exactions from Development**

### **Real Estate Transfer Tax**

While several states, such as Pennsylvania, Illinois, New York and Rhode Island use real estate transfer taxes to fund parks, municipalities do not widely use the tax for parks and it has not been used specifically for downtown parks. Some local communities in Minnesota have considered the deed transfer tax as a funding source for specific purposes. Since 1974, mortgage and deed taxes have been entirely a state revenue source, except for the 3 percent county retention for administration.

In 1997, the state legislature authorized Hennepin County to collect a mortgage registry and deed tax for deposit into an Environmental Response Fund (ERF) for the very specific use of addressing special needs of contaminated lands in the county. In ten years, the county ERF awarded 152 grants for a total of approximately \$19,030,168. ERF grants are primarily used to address problem sites where investigation and/or clean up has been hampered because there is no other source of funds for the work, or sites where public use is intended.

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<sup>12</sup> 469.176 LIMITATIONS. Subd. 4g. General government use prohibited.

<sup>13</sup> Minnesota Statutes sections 469.174 to 469.1791.

## Park Dedication Fee

Revenue from Park Dedication Fees - also called Impact Fees, Developer Exactions or System Development Charges – is a common source of park capital funding in Minnesota and nationally; however, it is not widely used in other cities for downtown parks specifically.

In Minnesota, local governments have statutory authority to regulate development so that “a reasonable portion of any proposed subdivision be dedicated to the public or preserved for conservation purposes for public use as parks, recreational facilities as defined in section, playgrounds, trails or open space.”<sup>14</sup> Alternatively, at the local government’s option, the regulations may require a cash-equivalent donation, based on the fair market value of the land that otherwise would be dedicated.<sup>15</sup> The cash must be put in a special fund and used for no other purpose than the relevant acquisition of interests in land or capital costs associated with a park. The funds may not be used for park maintenance or operations. These cash dedications can be substantial and provide valuable funding for park acquisition.

Issues to consider in establishing a park dedication ordinance include: what types of development it will affect, the amount of land per dwelling unit, parking space, land area or other measure; the means of calculating the fee; what exceptions are provided; and the purposes for which funding may be used.

**Case Example: City of St. Paul, March 2007.** In March 2007, the City of St. Paul passed a parkland dedication ordinance. The law requires new commercial, residential and industrial developers to dedicate land for public parks or pay into a fund that will be used to buy and build (but not operate) parks near the new development (within approximately a half-mile). New homes will be charged a \$200 to \$300 fee. Officials estimate that if the law had been in place since 2002, it would have generated up to 26 acres of new parks, or \$4.7 million to fund new parks.<sup>16</sup>

## Incentives and Negotiations with Developers

Cities frequently negotiate with developers to provide public services in developments. An example is a wider right of way to provide linear park connections. Cities can provide an array of benefits or incentives, including an increase in density from permitted levels. This common tool is difficult to document. The City of Chicago used this tool to create Lakeshore East Park, as part of a redevelopment project.

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<sup>14</sup> Minn. Stat. 471.191

<sup>15</sup> The Supreme Court held in *Dolan v. City of Tigard*, 512 U.S. 274 (1994), that a dedication requirement is a “taking” for which compensation must be provided unless the type of dedication and the amount of the dedication are reasonably related to the kinds of burdens the new development will place on the public. According to the Court, an “individualized determination” must be made in each case that these tests are met. See also, Kim Hopper, *The Trust for Public Land, Increasing Public Investment in Parks and Open Space: Local Parks Local Financing*, 1 (1998).

<sup>16</sup> Personal Communication with Allan Torstenson, City of St. Paul.

## E. User Fees and Contractual Revenue

### User Fee

Depending on the park design, cities may collect user fees for particular park uses. The goal of the user fee is to pay for the service provided. In a study by the Trust for Public Land of 65 city park or recreation agencies, in the fifty cities with user fees, the average income per agency was \$7.6 million a year, or \$12.27 per resident; the median income per agency was \$4.2 million, or \$6.13 per resident. In a downtown park, user fees could be assessed for public speaking and public events, or other individual activities like ice skating, which carry a cost to operate. Post Office Square, Campus Martius and Bryant Park all receive revenue from user fees. Pioneer Courthouse Square receives about \$150,000 per year in event rental revenue.

**Parking Fees.** Other cities have used parking fees as a substantial funding source for downtown parks. Several strategies are possible, including increasing or redirecting existing parking fees, creating a downtown parking district, or building a parking facility underneath the park.

A city could dedicate revenue from parking meters (i.e. street parking) to parks or a special purpose. If parking is priced below its market rate, a city could conceivably increase parking rates, especially in a downtown where street parking is in high demand, and dedicate the incremental revenue to a special service such as parks. Pasadena, California dedicated meter revenue to a downtown improvement fund that is priced accordingly and generates \$80,000 per block annually. The city used the funds to borrow \$5 million and also uses the funds for maintenance and beautification.<sup>17</sup> Austin, Texas has a similar program underway – a "parking benefit district" that helps pay for neighborhood improvements. The city's 2007 annual budget lists "parking lots and meters" citywide as receiving \$812,500 in operating revenues.

Where meters or public facilities already exist, rates could be raised and dedicated to supporting a park. The MPRB, which has installed parking meters in selected regional parks, brought in about \$800,000 in 2005 from that source, much of it from non-city residents. Alternatively, the city could create what essentially amounts to a downtown parking special district by enacting a tax on private and public parking in the downtown area and dedicating the revenues to parks in the area. This may require approval from the state legislature.

Other cities are using the "parking below, park above" strategy to finance parks. Several factors are important if a new parking facility is being considered:

- Whether the market value of parking can support the cost of building special parking facilities in the park itself, frequently underground.
- Whether building a parking structure is feasible structurally and in the specific park location

Boston's tiny, jewel-like Post Office Square is a public park that was paid for and is operated by a private corporation supported entirely by parking fees from the garage below, at no cost to the City of Boston or other public agency. The privately run park cost \$80 million to create, all of which

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<sup>17</sup> Shoup, Donald C. (March 29, 2006). "The Price of Parking on Great Streets." *Planetizen*. [www.planetizen.com](http://www.planetizen.com)

was privately supported, including a conventional private loan from Fleet Bank of \$50 million. Other cities with similar facilities include Pittsburgh (Mellon Square), San Francisco (Union Square), Boston (Boston Common) and Los Angeles (Pershing Square). Table D, *Forms of Management, Funding Sources, and Cost of Operations*, provides more detail on the parks with parking facilities.

An analysis of the central business district market rate for parking is necessary to evaluate whether local rates would support construction and maintenance of an underground parking structure in Minneapolis. In Boston, for example, Post Office Square charges \$33 a day. In Minneapolis, at the Central Library, the daily rate posted on its web site is \$8.

## **Concessionaire and Leasing Agreements**

If an agreement can be reached over the allocation of revenue, destination parks can potentially provide several opportunities for restaurants, cafes and even pushcarts – either through concessions fees or leasing agreements. Concession fees are a major source of revenue for park agencies in New York, St. Louis, Chicago, New Orleans, Cincinnati and other cities, and are authorized in Minneapolis. Minneapolis code allows the MPRB to grant authority for commercial activities that are consistent with the general welfare of the public and consistent with zoning regulations for that site. The Park Board has granted the authority to restaurants operating within certain parks, including outdoor cafes in the Lake Calhoun and Minnehaha Falls park pavilions. At Lake Calhoun, revenues increased from \$20,000 gross annually to \$85,000 to \$100,000 net income annually.

Even pushcarts can generate revenue in destination parks; New York receives \$250,000 from a single pushcart in Central Park in front of the Metropolitan Museum of Art, with the museum's estimated 4,000,000 visitors a year. Stands or pushcarts can be placed within a park, such as the stands in Portland's Pioneer Courthouse Square, to bring in more revenue than the average city pushcart. Currently, the City of Minneapolis charges an annual license fee of only about \$660 per cart. In 2007, the Minneapolis Municipal Code established a year-long license for a "Kiosk Food Cart Vendor" at \$410.00. For vendors within the Nicollet Mall special service district, sidewalk cart food vendors can be charged an additional fee not to exceed \$250.00 per year to defray the cost of mall cleanup and maintenance. For comparison, Bryant Park in New York makes about \$470,000 from its four food kiosks and newsstands and Pioneer Courthouse Square about \$250,000 in food cart and leasing arrangements.

## **Advertising**

The public does not always accept advertising in public parks, though it is used at Millennium Park. For instance, Toyota gave \$800,000 to the park in 2005 to help pay for park operations, and in turn, Toyota received its name on Millennium Park brochures, the park's website and signs posted in the park that also advertised free concerts. The Minnesota Recreation and Park Association highlighted a few examples in its association magazine last year, combining advertising, sponsorships and naming rights. The level of funding noted in the articles was \$50,000 to \$100,000 a year. In the private funding section below, naming and sponsorships are described.



## F. Revenue from Other Entities: Grants and Contracts

Funds may also be available from other levels of government, described below in this order: state, metropolitan, county, special district, and federal.

### State Sources

Several existing or proposed state sources may provide funding for a downtown park: capital investment, lottery proceeds, sales taxes, and grants.

**Capital Investment.** Other states have supported downtown parks with capital investment. For example, the State of New Mexico provided \$1 million in capital funds to support the Railyard Park in Santa Fe.

This tool is a potential source for a downtown Minneapolis park as well. Every two years, in even-numbered years, the Minnesota legislature drafts a state omnibus capital investment bill – a “bonding bill”- including projects of state and regional significance as well as some local grant programs, subject to line-item veto by the Governor. The \$1 billion in the 2006 "bonding bill" included an array of projects addressing cultural, health, safety, education, transportation and other needs. The City of Minneapolis and the Minneapolis Park and Recreation Board develop separate lists of preferred projects to receive funding; recent projects have included the Guthrie and Shubert Theaters, as well as parks projects around the city. In 2004, Minneapolis and MPRB received \$3.45 million for a specific park improvement and park plan and for planning a Mississippi River bridge. In 2006, \$31.55 million came to the MPRB and the city for two cultural projects – a music school and a theater; a community development project; and some park and trail improvements and planning. The City of Saint Paul has received substantial state bonding funds for its regional Como Zoo, Park, and Conservatory, in matched by privately raised funds.

Receiving state bonding for a downtown park is possible, but may take a sustained effort over several legislative sessions or substantial committed match, as seen with the McPhail School of Music’s privately raised \$15 million to match the state’s \$5 million.

**State Lottery Proceeds (Environment and Natural Resources Trust Fund) and State Future Resources Fund.** Another potential source of capital funds is the Minnesota Environment and Natural Resources Trust Fund. The Legislative-Citizen Commission on Minnesota Resources (LCCMR; formerly LCMR) w makes recommendations to the legislature for natural resource projects from the trust fund.<sup>18</sup> In 2007, this commission recommended about \$22 million statewide, with no urban parks specifically included. While land acquisition is an authorized use of these funds, acquisition of a central business district park is unlikely to be competitive with native habitat protection projects. Park development is not likely to be eligible at all.

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<sup>18</sup> MN Constitution Chapter 116P §05

The Minnesota Future Resources Fund, which received revenues from cigarette taxes, is currently an unfunded program, but statutory authorization remains allowing legislators to revive that source more easily.

**Proposed State Sales Taxes Revenue.** Pending before the legislature in 2008 is a proposal to ask voters in November 2008 to increase the sales tax by 3/8 of one percent to protect clean water, wildlife, cultural heritage, and natural areas – providing nearly \$40 million per year to support parks and trails. The funds could support both capital and operating costs for sites of statewide and regional significance. While the legislature has not yet defined “significance,” Minneapolis could seek regional status for a downtown park.

**State Natural Resource Grants.** The Department of Natural Resources (DNR) uses federal grants, state capital bond funds, and state lottery proceeds for grant programs supporting local governments acquiring conservation lands, and for direct state acquisition. While the DNR administers several grant programs, only one seems a good match for a downtown park: the Outdoor Recreation Grant program.<sup>19</sup> Other DNR grant programs favor non-urban natural resources.

The DNR’s Outdoor Recreation Grant program, funded by state bonding and federal Land and Water Conservation Fund, distributes grants to local governments for park acquisition and development. Grants may not exceed \$500,000, and require a minimum 50% match of cash or in-kind contributions, and a detailed plan for the proposed project. Eligible grant recipients include cities and school districts. Grant applications are evaluated based on project feasibility, the public/private partnerships, and how the project addresses the identified needs and priorities of a statewide comprehensive plan. Funding levels for this statewide program have dropped to under \$500,000 a year, and a downtown park would be competing against other projects statewide.

## **Metropolitan Sources**

The Metropolitan Council administers two funding sources that could provide partial funding for a downtown park.

**Metropolitan Council Parks and Open Space Grants.** The Metropolitan Council awards grants for parks that meet “regional park” criteria to specific agencies designated “regional park implementing agencies,” which includes the Minneapolis Park and Recreation Board. Since 1998, the Metropolitan Council has spent over \$20 million on new land acquisition only for sites defined as “regional parks,” mostly through Park Acquisition Opportunity Fund Grants. These funds have come from a combination of state bonding and Metropolitan Council tax revenues. A downtown signature park might not qualify as a “regional” park under the Council’s standards.

If it does qualify as “regional,” the regional park implementing agency has two potential funding sources. A grant from the Park Acquisition Opportunity Fund may finance up to 40% of the fair market value of the parcel and related acquisition costs, with a \$1 million cap per agency. The remaining 60% match can be provided by either the park agency or other funds, or the land seller can reduce the sale price of the parcel by 60%. The park agency can request to be considered for

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<sup>19</sup> <http://www.dnr.state.mn.us/grants/index.html>

reimbursement of its cash contribution in a future regional parks spending plan. Under a revised policy in 2008, the grant might be up to 75% of the land acquisition cost, with no later reimbursement possible. The maximum grant would be raised to \$1.5 million.

**Metropolitan Council Livable Communities Grants.** The Metropolitan Council also administers the Livable Communities Grant Program, and has awarded 472 grants totaling more than \$160 million for housing and economic development projects. The grants are expected to leverage billions of dollars in private and other public investments. Funds may be used for the restoration of natural resources, improved transportation options, new community amenities and thriving new neighborhoods. While some of these projects have included restoring natural resources and parks such as St. Paul's Wacouta Commons, eligibility of a downtown park for this funding source would have to be further explored with the Council.

The Metropolitan Council also administers certain transportation funds, discussed below.

## **Hennepin County**

Hennepin County has an existing program and is considering an additional program to assist local governments with conservation.

**Environmental Grants.** Hennepin County's Environmental Response Fund collects a mortgage registry and deed tax for deposit into an Environmental Response Fund (ERF) for the very specific use of addressing special needs of contaminated lands in the county. In ten years, the county ERF awarded 152 grants for a total of approximately \$19,030,168. ERF grants are primarily used to address problem sites where investigation and/or clean up has been hampered because there is no other source of funds for the work, or sites where public use is intended.

**Potential County Grant Assistance.** As noted above in bonding, Hennepin County is considering offering grants to local governments to help acquire land for parks and natural areas, particularly to protect water quality. The grants might be helpful for a downtown park if it includes design features to protect or improve water quality. This potential grant program has not yet been approved by the Hennepin County Board, and would be in conjunction with a conduit financing program described above in bonding.

## **Special District Grants**

Special district grants could augment other funding sources for park acquisition or development, but are not widely used for downtown parks. As noted in the special assessment district section, the Mississippi Watershed Management Organization, or MWMO, has provided funding for Minneapolis projects improving water quality or stewardship. If park features address these purposes, some grant funding might be available for acquisition or development. For operations, programs addressing water quality education might also be eligible.

## Federal Funding

Potential federal funding covers a wide spectrum of public purposes, ranging from transportation and natural resource protection, to economic development and brownfields redevelopment.

**Federal Transportation and Trails Funding.** Transportation funding sources have provided substantial support for park and trail acquisition and features, depending on the design and proposed uses for a park. Some cities incorporate bicycle and pedestrian facilities in parks, including improved connections and features that increase use of non-motorized transportation. Others design for increasing transit use, such as appealing bus shelters or kiosks. In Santa Fe, the Railyard Park received \$2.6 million in federal transportation funds out of the construction total of \$13.5 million.

Three vehicles provide access to transportation funds for park creation, depending on the design of the park and its transportation or enhancement-related functions. Every five years, Congress passes a surface transportation authorization bill. Congress also passes annual appropriation bills to release funding. Both bills provide opportunities for Congress to include line-item funding for individual transportation-related projects (including trails and greenways), in addition to establishing and funding programs. Third, the funding programs distribute grants at the regional level, based on grant applications submitted by government agencies. These three categories are described more fully below.

**Transportation Authorization Line-item Opportunities.** The most recent authorization bill was the 2005 SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act—A Legacy for Users) bill. One possibility is including specific funding in an authorization bill. Minneapolis has access to funding secured in this way. The most recent authorization bill designated Minneapolis-St. Paul as one of four communities authorized to receive up to \$21.5 million over four years to increase bicycle and pedestrian use. The purpose of this Non-motorized Transportation Pilot Program is to develop and expand the emerging bicycle and pedestrian network to increase connections with transit stations, schools, residences, businesses, recreation areas, and other community activity centers. The legislation permits the sub-granting of funds to nonprofit organizations, and Transit for Livable Communities has received funds to carry out this program. This pilot funding could support some aspect of a downtown park development that improves bicycle and pedestrian access.

**Transportation Appropriation Line-item Opportunities.** The FY 2008 transportation appropriations bill passed by both houses of Congress included several earmarks for bike trails, greenways, and even parks. An earmark related to improving bicycle and pedestrian access or addressing parking needs is a potential way of raising funds.

**Authorized Programs in 2005 SAFETEA-LU.** Within the federal transportation act, SAFETEA-LU, several authorized programs could provide funding to support park acquisition and development, and potentially park programming related to increasing non-motorized transportation uses. The Metropolitan Council administers three of these programs, with applications received every other year from local governments. The federal government

provides 80% of the funds, and the municipalities provide a minimum 20% match from non-federal sources. However, the federal funding must be at least 50% of the total project cost, and project proposals have to be prepared carefully to maintain eligibility for parts of large projects. The federal government gives final approval to the projects and distributes the funds directly to the municipalities or nonprofits on a reimbursement basis.

Three primary funding sources – Surface Transportation, Transportation Enhancements, and Congestion Mitigation and Air Quality – follow this process, and could provide funding for a downtown park. These sources are described briefly below. Additional sources – National Scenic Byways, Recreational Trails, and Safe Routes to School – are administered by other agencies, with their own application timing and processes. Links for more information about these programs concludes the transportation funding section.

First, the ***Surface Transportation Program (STP)*** provides flexible funding that may be used by states and localities for projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. Because the maximum project size, at \$10 million, is bigger than Transportation Enhancements' maximum at \$1 million, this source may be more promising if substantial transportation-related improvements are included in a downtown park. An example might be enhancements for commuters, including pedestrians and transit users.

(<http://www.fhwa.dot.gov/safetealu/factsheets/stp.htm>)

Second, each state must reserve at least 10% of its Surface Transportation Program dollars for ***Transportation Enhancements*** activities. These enhancement projects include historic preservation, rails to trails programs, easement and land acquisition, transportation museums, water pollution mitigation, wildlife connectivity, and scenic beautification. All projects must be related, in some way, to transportation. In FY 2006, Minnesota's share of TE funds was \$14.8 million. Among the projects funded in FY 2005 and FY 2006 were several in Minneapolis and St. Paul. They included streetscape projects and pedestrian and bike trail projects. Park development with a clear transportation connection might be competitive for this funding. ([www.enhancements.org](http://www.enhancements.org))

Third, the ***Congestion Mitigation and Air Quality Program (CMAQ)*** provides funds, generally with a 20% match requirement, to areas designated as air-quality non-attainment areas. The funds are to be spent on projects to help reduce ozone, carbon monoxide or particulate matter pollution. CMAQ funds can be used for bicycle and pedestrian facilities as a transportation control measure. Minnesota's anticipated FY 2008 apportionment under CMAQ is approximately \$23.3 million. The Minneapolis Downtown transit management organization has competed successfully for these funds to increase transit use.

(<http://www.fhwa.dot.gov/environment/cmaqpgs/>)

Lastly, if a downtown park might provide connections to schools, the Mississippi River - a national scenic byway, or other recreation trails, funding sources may be available from the following programs: 1) ***National Scenic Byways*** (<http://www.bywaysonline.org/grants/>); 2) ***Recreational Trails Grants Program***; (<http://www.dnr.state.mn.us/grants/recreation>); and 3) the ***Safe Routes to School Program*** (<http://www.dot.state.mn.us/saferoutes/index.html>).

**Federal Natural Resource Funding.** There are two programs, though one remains unfunded, that could conceivably provide support to a park.

**Land and Water Conservation Fund (LWCF).** LWCF provides funding to assist in the acquiring, preserving, developing and assuring accessibility to outdoor recreation resources, including but not limited to open space, parks, trails, wildlife lands and other lands and facilities desirable for individual active participation. Under this program, a portion of the funding goes to the states as matching grants for land protection projects.

A downtown park might be eligible for LWCF support in three ways. Direct funding to a unit of the National Park Service, or the Mississippi National River Recreation Area (MNRRA); indirect funding through a federal grant from MNRRA; or indirect funding through the state side of the program, through the Department of Natural Resources (DNR), which is described in the state grants section of this report. To be eligible for MNRRA funding, as noted above, the site must be within the defined boundaries for MNRRA, which lie just north of downtown's central business district. MNRRA has authority to make cost-share grants to local entities for acquisitions.

**Urban Park and Recreation Recovery Program (UPARR).** The Urban Park and Recreation Recovery Program grants fund: rehabilitation (capital funding for renovation or redesign of existing facilities), innovation (funding aimed to support specific activities that either increase recreation programs or improve the efficiency of the local government to operate recreation programs), and planning (funding for development of recovery action program plans) for recreational services in urban areas. From 1978 to 2002, it distributed approximately \$272 million for 1,461 grants to local jurisdictions across the country. A local match of 30 percent is required. While a downtown park might qualify for funding in this program, the program has not been funded for the past five fiscal years and is not included in the most recent President's budget proposal for fiscal year 2008. The National Park and Recreation Association has launched an initiative with cities nationwide to restore funding to this program. In the past, for example, in 2002, The Trust for Public Land and the City of Newark, NJ, received a \$1 million grant from the National Park Service through UPARR for a park rehabilitation project. <http://www.nps.gov/uprr/>

**Economic Development.** Other cities have tapped two federal economic development-related funding sources for park projects: Community Development Block Grants, and Economic Development Initiative grants. Only brief mention is included here because the city may choose to use these funds for other eligible uses, and this source has not been widely used for other downtown parks, though some cities have used these funds for city park improvements.

**Brownfields.** If a property identified for acquisition or redevelopment is or might be a "brownfields" site, many programs and other benefits at the local, state and federal levels encourage its redevelopment. The U.S. Environmental Protection Agency's Brownfields Program provides direct funding for brownfields assessment, cleanup, revolving loans, and environmental job training. In addition, legislation signed into law in 2001 limits the liability of certain contiguous property

owners and prospective purchasers of brownfields properties, and innocent landowners are also afforded liability benefits to encourage revitalization and reuse of brownfield sites. EPA's brownfields program provides the following types of grants: assessment Grants; remediation grants; and Revolving Loan Fund grants (RLF), which provide funding for a grant recipient to capitalize a revolving loan fund to provide sub grants to carry out cleanup activities at brownfields sites.

In Rhode Island, an EPA Brownfields grant assisted the City of Providence in converting a 1.5-acre property to part of the Woonasquatucket Greenways, with funding for capping a landfill. In St. Paul, the City of St. Paul, cleaning up the Bruce Vento Nature Sanctuary, received two awards totaling \$400,000.

## **G. Private Contributions to Parks**

Cities are increasingly raising funds from the private sector: soliciting direct donations, working with park conservancies to raise funds, and selling advertising, sponsorship and naming rights in return for contributions, gifts and fees. They are most often doing this to raise funds for downtown and other signature parks. Almost every downtown park highlighted for this study included at least some private support for park creation or operations and management, and some parks rely solely on private funds. (See page 33, *Table C, Construction Costs and Funding Sources*, and page 34, *Table D, Forms of Management, Funding Sources, and Cost of Operations*).

### **Direct Donations: Funds and Time**

While cities can be successful in receiving donations directly, cities more frequently work with a nonprofit organization that raises and holds the funds to transfer to the city or to manage the park directly. Cities and park agencies frequently establish volunteer programs or "adopt a park" programs to encourage donation of time and talent, not just cash. These programs can help reduce operations and maintenance costs.

### **Park Conservancies and Trusts**

Non-profit organizations are sometimes created primarily to raise and manage funds for capital and/or operating costs of signature parks.

Some examples:

- Detroit's \$15 million Campus Martius Park was fully funded through Detroit 300, a non-profit that raised funds among the city's philanthropic community. Their annual budget of \$2.47 million is from donations alone.
- The Discovery Green Conservancy, or Houston Downtown Park Conservancy, has raised nearly \$53 million from foundations and individuals for Houston's new downtown park, with contributions ranging from \$250 up to \$10 million.
- For Millennium Park in Chicago, \$20 million was raised for an operations and maintenance endowment, in addition to the much larger park capital fundraising; a nonprofit organization Millennium Park, Inc., holds those funds, and provides funds to the City of Chicago to operate the park.

- Portland's Pioneer Courthouse Square, a city park, is managed by Pioneer Courthouse Square, Inc., which operates through a management agreement with the City of Portland. Of the \$2.0 million raised in one year, 30% was from individual contributions, 20% from government support, and 50% was from program revenues.
- The Prospect Park Alliance raises individual, foundation, and corporate contributions as well as earning revenue (rentals, sales, design and construction contracts), all totaling \$25 million since 1987.
- In Boston, the Friends of Post Office Square manages and operates all of the park facilities from parking revenues.

## **Naming Rights and Sponsorships**

Providing donors with the opportunity to gain public recognition is a common strategy to increase private sector support for downtown parks. In Chicago's Millennium Park, the private sector provided \$275 million in capital, with major portions coming from corporations that are now memorialized with sites such as SBC Plaza and Bank One Promenade. Pioneer Courthouse Square in Portland raised over \$500,000 from selling bricks and about \$254,000 in fiscal year 2007 from sponsorships to support park operations. Other cities invite corporations to support free-to-the-public events; St. Paul offers free-to-the-public skating from November to February, thanks to the Wells Fargo WinterSkate ice rink at Landmark Plaza.



**Table A. Funding for Creating and Maintaining a Park**

| <i>Method</i>  | <i>Description</i>   | <i>Paid by</i>  | <i>Allowed Uses</i>                             | <i>Process</i>  | <i>Examples</i>   |
|--|--|---|---|---|---|
| <b>A. Traditional Tax-Generated Income</b>                                     |  |   |   |   |   |
| <b>Property tax</b>  | Tax on real property   | Commercial and residential property owners                                    | Operations & Maintenance, Capital, Construction | Legislative (city) and/or referendum                            | Wacouta Commons, Jamison Square, Bryant Park, Pioneer Courthouse Square, Millennium Park                                |
| <b>Sales and use tax</b>   | Tax on the sales of goods or services  | Purchasers of goods and services  | Operations & Maintenance, Capital, Construction | Legislative (state and city) and/or referendum                  | Not widely used for downtown signature parks  |
| <b>Income tax</b>  | Tax on individual income   | Individual taxpayers/income earners   | Operations & Maintenance, Capital, Construction | Legislative (state and city) and/or referendum                  | Not widely used for downtown signature parks  |
| <b>B. Borrowing</b>  |  |   |   |   |   |
| <b>Bond - General Obligation: Capital Investment</b>                           | Loan taken out by government agency against the value of taxable property in its jurisdiction  | Government agency via annual property levy and capital investment budget      | Capital; Acquisition, Construction              | Legislative (city; park board and city; county)                 | Discovery Green, Pioneer Courthouse Square, Millennium Park   |
| <b>Bond - General Obligation: Voter Referendum</b>                             | Loan taken out by government agency and approved by voters; restrictions on taxable property   | Government agency via a dedicated property tax levy increase                  | Capital; Acquisition, Construction              | Legislative (city; park board and city) and referendum          | Portions of bonds dedicated to downtown parks in Denver and Oklahoma City; not common to solely fund a downtown project |
| <b>Bond - Revenue</b>  | Loan taken out by government agency against the projected proceeds of a specific tax or fee  | Government agency via revenues from tax or fee                                | Capital; Acquisition, Construction              | Legislative (city)  | Union Square, San Francisco (parking garage revenue)  |
| <b>C. Special Taxing Districts</b>   |  |   |   |   |   |
| <b>Special Assessment District (e.g. watershed organization)</b>               | Separate unit of government that manages specific resources within defined boundaries  | Residents of the district through property tax surcharges, user fees or bonds | Operations & Maintenance, Capital, Construction | Legislative (state and city)                                    | Not widely used for downtown signature parks  |
| <b>Special Services District</b>   | Specific resources used for specific purposes within a specified geographic area.  | Businesses or residents within the geographically defined boundaries          | Operations & Maintenance, Capital, Construction | Legislative (city)  | Nicollet Mall, Chicago Avenue Mall  |
| <b>Special Services District configured as a Business Improvement District</b> | A specific type of special services district structured so that non-profits or separate units of government manage specific resources within defined boundaries. | Businesses within the geographically defined boundaries                       | Operations & Maintenance, Capital, Construction | Legislative (state and city)                                    | Used for all funding for Bryant Park, and used with other sources for Union Square, New York City                       |
| <b>Tax Increment Financing</b>   | Capture the increase in tax revenue due to project   | Property owners, when project results in increased property values            | Capital; Construction                           | Legislative (city, state); park uses may be restricted in Minn. | Jamison Square, Pioneer Courthouse Square, Millennium Park  |
| <b>D. Taxes or Exactions from Development</b>                                  |  |   |   |   |   |
| <b>Real Estate Transfer Tax</b>  | Tax on the sale of property  | Sellers or buyers of property   | Capital   | Legislative (state)   | Not widely used for downtown signature parks  |

|  |  |                        |   |   |   |
|--|--|------------------------|---|---|---|
| <b>Park Dedication Fee</b>                         | One-time fee to off-set costs of infrastructure caused by new development                      | Developers             | Capital                                       | Legislative (city)                            | Not widely used for downtown signature parks  |
| <b>Incentives and Negotiations with Developers</b> | Developer set-aside of land or development and/or maintenance of park features on private land | Developers of projects | Capital; potentially Operations & Maintenance | Legislative (city) - Development negotiations | Lakeshore East Park, Chicago (part of redevelopment of Illinois Center land in East Loop) |

**E. User Fees and Contractual Revenue**

|                                  |   |   |                          |  |   |
|----------------------------------|---|---|--------------------------|--|---|
| <b>User Fee</b>                  | Fee for service (e.g. events, ice rinks)  | Users of services & government goods                                      | Operations & Maintenance | Administrative and/or legislative (city and/or park board) | Pioneer Courthouse Square, Bryant Park, Post Office Square                          |
| <b>Concessionaire Agreements</b> | Putting concessions up for private bidding  | Companies or small business people operating concessions within parks     | Operations & Maintenance | Administrative and/or legislative (city and/or park board) | Pioneer Courthouse Square, Bryant Park  |
| <b>Leasing Arrangements</b>      | Contracting out park buildings or land to private entities for public or private purposes | Private entities pay rent under lease                                     | Operations & Maintenance | Administrative and/or legislative (city and/or park board) | Campus Martius Park, Pioneer Courthouse Square, Post Office Square, Discovery Green |
| <b>Advertising</b>               | Selling advertising in parks  | Organizations and individuals willing to pay for advertising in the parks | Operations & Maintenance | Administrative and/or legislative (city and/or park board) | Millennium Park   |

**F. Revenue From Other Entities: Grants and Contracts**

|  |   |   |   |  |  |
|--|---|---|---|--|--|
| <b>State Capital Investment</b>                              | State borrows money and allocates it to a local government  | State bonding   | Capital                                       | Legislative (state)                                | Santa Fe Railyard Park                       |
| <b>State Lottery Proceeds (ENRTF); Future Resources Fund</b> | State contracts with private or public organizations for natural resource projects  | State lottery proceeds  | Capital; potentially other uses               | Legislative (state); Administrative                | Not widely used for downtown signature parks |
| <b>Proposed State Sales Tax Revenue</b>                      | Constitutionally dedicated to "support parks and trails" of regional and statewide significance; likely on ballot November 2008 | State Sales Tax 3/8% for 25 years   | Capital; potentially Operations & Maintenance | Legislative (state); Voter referendum              | (not yet available)                          |
| <b>State Natural Resource Grants</b>                         | Application to grant program (e.g., Outdoor Recreation)   | State revenue, including bonding, lottery and proposed sales tax); federal grants; local matching funds likely required | Capital                                       | Administrative and/or legislative (city and state) | Not widely used for downtown signature parks |

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| <b>Metropolitan Council Parks and Open Space Grants</b>                         | For "regional" facilities in grants to "Regional Park Implementing Agency" (Minneapolis Park and Recreation Board) | Metropolitan Council funds; local matching funds may be required | Capital  | Administrative and/or legislative                       | Mill Ruins Park, Minneapolis   |
| <b>Met Council Livable Communities Grants</b>                                   | Application to grant program (Livable Communities)   | Metropolitan Council funds; local matching funds may be required | Capital  | Administrative and/or legislative                       | Wacouta Commons  |
| <b>County Grants</b>  | Application to grant program   | County funds and bonding; local matching funds may be required   | Capital; other brownfields cleanup-specific purposes | Administrative and legislative (city and county)        |  |
| <b>Special District Grants</b>  | Application to watershed management organization grant program   | Special district revenue and bonding                             | Capital  | Administrative and legislative (city, special district) |  |
| <b>Federal Grants: Transportation, Parks, Economic Development, Brownfields</b> | Application to grant program   | Federal revenue; local matching funds may be required            | Capital, Operations and Maintenance                  | Administrative and legislative (city and federal)       | Pioneer Courthouse Square (transit), SF Railyard Park (highway funding for bikes/walkways) |

#### **G. Private Contributions to Parks**

|  |   |  |                                   |                                       |   |
|--|---|--|-----------------------------------|---------------------------------------|---|
| <b>Direct Donations</b>                      | Citizens, families, companies, foundations, community groups making charitable donations of money or land, either one time or as an endowment | Citizens, families, companies, foundations, community groups             | Operations & Maintenance, Capital | Donations; Administrative             | Campus Martius, Detroit, Santa Fe Railyard Park, Houston Discovery Green                      |
| <b>General Volunteer Program</b>             | Citizens offering help in the parks   | Citizen "sweat equity" is worth the labor costs needed to hire workers.  | Operations & Maintenance          | Administrative; Volunteer cultivation |   |
| <b>Arranging for "Adopt a Park"</b>          | Citizens, families, companies, community groups agreeing to maintain certain parks  |  | Operations & Maintenance          | Marketing; Administrative             |   |
| <b>Park Conservancies and Trusts</b>         | Non-profit organizations that raise and spend funds and/or maintain a park  | Donors, including corporations, individuals, foundations and governments | Operations & Maintenance, Capital | Memorandum of Understanding/Donations | Houston Discovery Green Conservancy   |
| <b>Naming Rights</b>                         | Private entity paying large percentage of park cost (acquisition or features) and receiving right to name park or feature                     | Private entities or individuals  | Operations & Maintenance, Capital | Administrative and/or legislative     | Millennium Park, Gold Medal Park  |
| <b>Sponsorships (similar to advertising)</b> | Features or maintenance funds sponsored by private entity or individual   | Private entities or individuals  | Operations & Maintenance, Capital | Administrative and/or legislative     | Rice Park (Wells Fargo Ice Rink), Pioneer Courthouse Square, Millennium Park, Discovery Green |

## ***Ownership and Management***

Cities and private interests have been very creative in shaping solutions to ownership and management of downtown parks. As summarized in Table B (see page 30) and further illustrated in Tables C and D (see page 33), ownership and management of downtown parks are rarely exclusively public or private activities. Leadership capacity, experience and commitment, in both the private and public sectors, likely affect local choices. Park features also have an impact, including development of potentially privately operated facilities like parking ramps. Availability and requirements of funding sources shape these decisions as well. A more highly programmed park may require a manager responsible exclusively for that park.

### **Government Agencies**

In other cities, government agencies sometimes own, build and manage downtown parks, as is common with other types of city parks. Jamison Park in Portland is owned and operated by the City of Portland, and the City of St. Paul owns and operates Mears Park and Wacouta Square.

While the Minneapolis Park and Recreation Board (MPRB) is the principal steward of parks in the city, other public agencies and some nonprofit organizations can also own and operate parks, particularly downtown. MPRB owns and operates Gateway Park and Mill Ruins Park; Hennepin County owns and manages the Hennepin County Government Center Plaza; and the City of Minneapolis owns and maintains Peavey Plaza, Cancer Survivors Park, the Loring Greenway and Nicollet Mall.

### **Nonprofit Management Organizations (“501(c) 3” organizations)**

A private non-profit organization, such as a foundation or conservancy, which could be partly or wholly aided by a special services district, is becoming common. This private organization could be a newly created non-profit "501(c)3," such as Portland's Pioneer Courthouse Square, Inc. It also could be an existing organization that is well equipped in capacity and expertise to manage and program a downtown park, among other things, related to public space in the downtown. In Detroit, for instance, a nonprofit established by philanthropic leaders to celebrate the city's 300<sup>th</sup> Anniversary was converted into a legacy organization solely to manage Campus Martius. In Minneapolis, Gold Medal Park is owned by the city and run by the William and Nadine McGuire Foundation.

### **Business Improvement District**

In some cases, a business improvement district manages a park, under contract with the city. Two examples from New York City are Union Square and Bryant Park. Private sector leadership and engagement is vital, and the legal structure needs to be authorized.

## **Private – Public Partnership**

Cities and private interests have created many variations and combinations of the management structures above to meet their particular needs. Private - public partnerships are more common than ownership and management that is exclusively public or private. With many public capital sources available for only public agencies, many cities choose to own the parkland and partner with private organizations to manage and program the downtown park.

At Landmark Plaza, in St. Paul, the St. Paul Riverfront Corporation holds title to the land with a conservation easement held by the city, and fundraised for the \$4.1 million acquisition and construction costs. The city now maintains and repairs the park on a \$20,000 annual budget, with earned income from events and activities in the plaza.

In some cases, the public agency plays a minor role, while the public benefits. In Minneapolis, the Xcel Energy Plaza is owned and managed privately but open to the public.

**Table B. Ownership and Management of a Downtown Park**

| <i>Method</i>   | <i>Description</i>  | <i>Paid by</i>   | <i>Examples</i>  | <i>Considerations</i>   |
|---|---|--|--|---|
| <b>City Park Agency (Minneapolis Park and Recreation Board)</b> | Elected board with employees; budget approved by city.  | Taxes or other agency revenues (e.g., concessions, leases, parking fees, grants, donations)  | Loring Park, Gateway Park, Mill Ruins Park; San Francisco's Union Square | Agency equipped to operate parks, possible limitations in ability to raise private funds  |
| <b>City Department</b>  | Department of Public Works; budget approved by city.  | Taxes or other city revenues   | Loring Greenway, Peavey Plaza; Millennium Park, Chicago                  | Possible lack of park management expertise, possible limitations in ability to raise private funds, separated from park agency can give separate status.  |
| <b>Other Government Agency</b>                                  | County, special purpose agency (e.g. convention center, redevelopment authority); budget approved by entity.  | Taxes or fees  | Hennepin County Government Center plaza; Atlanta Olympic Centennial Park | Dedication of portion of entity's budget to park; may require additional trained staff, possible limitations in ability to raise private funds, separated from city government                  |
| <b>Nonprofit Management Organization "501(c)3"</b>              | A nonprofit organization set up exclusively to run the park through a contractual arrangement with the city.  | Donations, endowments, government agency contributions                                       | Campus Martius Park, Detroit   | Requires creation of new entity, trained staff. Coordination with public agencies, managed outside the limitations of government agency, privatization concerns, ability to raise private funds |
| <b>Business Improvement District</b>                            | A nonprofit that manages and operates a park under contract with the city                                     | Fees from a geographically defined group of businesses in the Business Improvement District. | Bryant Park and Union Square, New York City                              | Requires creation of new entity, trained staff, privatization concerns, dedicated funding   |
| <b>Private-Public Partnership</b>                               | A combination, on varying scales, of one of the above nonprofit partner organizations and a government agency | Combination of nonprofit's revenue and government agency revenue                             | Pioneer Courthouse Square, Portland, Oregon; Discovery Green, Houston    | Requires creation of new entity and trained staff, some privatization concerns, ability to raise private funds  |

# *Costs of Creating, Operating and Maintaining a Downtown Park*

## **Acquisition**

The acquisition costs of other parks vary widely based on the size and prior ownership of the park. Parks highlighted in Table C range from 1 or 2 acres – the equivalent of a city block in downtown Minneapolis – to 12, or even 24 acres. Some parks involve an assemblage of parts of more than one block, involving acquisitions from more than one landowner.

The cost of acquisition depends on the property values in the particular city and location. A property value study for this project indicates that undeveloped land values in downtown Minneapolis average around \$12.6 million per acre, suggesting that one square block or its equivalent area, about 2.3 acres, would cost about \$30 million. The cost of acquisition would be lower if a city-owned parcel were converted to a park or were traded for a more suitable parcel. The cost of acquisition would be higher if more than the equivalent of one block is needed.

## **Development: Programmatic Elements in Downtown Parks**

Park development costs also vary widely based on the planned uses, the type of features, and the complexity of the design. Quality, size and customization also affect the cost of particular features; higher quality and more design customization may be appropriate for a regional-destination, high-visitor, urban downtown park. Proposed uses of the park greatly impact funding strategies for both acquisition and development; for example, features improving water quality and supporting non-motorized transportation are essential for eligibility for particular funding sources. If user fees, leases, or concessions are proposed to help fund the park, park development design needs to reflect those plans. Building an underground parking ramp whose revenues would fund the park requires extensive feasibility assessment.

A look at several recent small downtown parks – Pioneer Courthouse Square in Portland, Oregon; Campus Martius in Detroit; and Post Office Square in Boston – reveals a cost range of \$6 million to \$10 million per acre for park development. (*See Table C: Construction Costs and Funding Sources*) If development for other purposes is included – like Post Office Square’s seven-level underground parking ramp, at \$47 million per acre - total costs can be much higher.

The following reflect estimates of park development costs for features often considered for downtown parks:

### The Basics

|        |        |             |                        |
|--------|--------|-------------|------------------------|
| \$     | Lawn   | \$200,000   | - \$600,000 per acre   |
| \$     | Garden | \$500,000   | - \$800,000 per acre   |
| \$\$\$ | Plaza  | \$2,000,000 | - \$5,000,000 per acre |

(The Basics include elements such as lighting, furnishings and signage)

### Food

|          |                     |             |               |
|----------|---------------------|-------------|---------------|
| \$       | Food vendor / kiosk | \$10,000    | - \$200,000   |
| \$\$     | Cafe                | \$500,000   | - \$2,000,000 |
| \$\$\$\$ | Restaurant          | \$2,000,000 | - \$5,000,000 |

### Retail

|        |                 |           |               |
|--------|-----------------|-----------|---------------|
| \$     | Retail Kiosk    | \$30,000  | - \$100,000   |
| \$\$\$ | Market Pavilion | \$500,000 | - \$2,000,000 |

### Recreation

|          |             |             |               |
|----------|-------------|-------------|---------------|
| \$       | Playground  | \$150,000   | - \$500,000   |
| \$\$     | Splash pad  | \$300,000   | - \$800,000   |
| \$\$\$   | Pond / Rink | \$500,000   | - \$1,500,000 |
| \$\$\$\$ | Carousel    | \$1,000,000 | - \$5,000,000 |

### Entertainment

|            |                    |             |                |
|------------|--------------------|-------------|----------------|
| \$\$\$     | Performance Stage  | \$200,000   | - \$1,000,000  |
| \$\$\$     | Fountain           | \$500,000   | - \$2,000,000  |
| \$\$\$\$   | Small Amphitheater | \$500,000   | - \$3,000,000  |
| \$\$\$\$\$ | Conservatory       | \$4,000,000 | - \$20,000,000 |

## **Operations and Management Costs**

The costs of operating and maintaining downtown parks vary widely depending on the parks' features, programming, and the intensity of use. In 2005, in the nation's sixty largest cities, operations and maintenance cost an average of \$21,178 per designed acre of parkland.<sup>20</sup> Maintaining a signature park costs much more, given its status, programming and heavy use; existing downtown parks have annual operating costs ranging from \$433,000 to \$884,000 per acre. Table D includes annual operations costs as well as estimated cost per acre. While parks with performance venues require more programming funding, they also help attract park visitors.

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<sup>20</sup> City Park Facts. (2007.) Center for City Park Excellence Annual Survey of City Park Systems. The Trust for Public Land. Washington, D.C. [www.tpl.org/cityparkfacts](http://www.tpl.org/cityparkfacts)



**Table C. Construction Costs & Funding Sources**

| <b>Park</b>                               | <b>Construction Cost</b> | <b>Year built</b> | <b>Acres</b> | <b>Cost (2007 dollars)</b> | <b>Cost per Acre (2007 dollars)</b> | <b>Additional Costs</b>   | <b>Funding Sources</b>   |
|---|--------------------------|-------------------|--------------|----------------------------|-------------------------------------|---|--|
| Campus Martius Park, Detroit              | \$15,000,000             | 2005              | 1.6          | \$15,970,000               | \$9,981,250                         | No cost for land  | Almost entirely funded by private donors and corporate sponsors, as a legacy gift of Detroit's 300th birthday  |
| Millennium Park, Chicago                  | \$190,000,000            | 2004              | 24.0         | \$209,000,000              | \$8,708,333                         | \$269 million for parking garage and supporting structure; no cost for land                     | City bonding and Central Loop Tax Increment Financing paid \$269 million, remainder of costs, mostly for high cost features were provided by private donors and sponsors   |
| Post Office Square, Boston                | \$7,200,000              | 1992              | 1.7          | \$10,600,000               | \$6,235,294                         | \$4.7 million for land acquisition, \$44 million for parking garage construction (1992 dollars) | No public funding. Privately sold shares of \$30 million and a private loan of \$48.5 million through Friends of Post Office Square, Inc.  |
| Discovery Green, Houston                  | \$71,000,000             | 2007              | 12.0         | \$71,000,000               | \$5,916,667                         | City acquired 5.4 acres for \$7.9 million   | City gave \$21 million for parking garage and \$7.9 million in land; nonprofit raised \$52+ million for additional land and park development   |
| Pioneer Courthouse Square, Portland, Ore. | \$4,300,000              | 1984              | 1.6          | \$8,980,000                | \$5,756,410                         | City acquired land for \$3 million (1984 dollars)   | Portland Development Commission tax increment bond funds, the City of Portland, an adjacent department store and Pioneer Courthouse Square, Inc. fundraising, matched by approx. \$1.6 million in federal grants for transportation and conservation |
| Jamison Square, Portland, Ore.            | \$2,750,000              | 2004              | 1.0          | \$3,030,000                | \$3,030,000                         | City negotiated land as part of planned development   | Portland Development Commission paid entire cost through tax increment financing   |
| Wacouta Square, St. Paul                  | \$1,200,000              | 2005              | 1.2          | \$1,280,000                | \$1,113,043                         | Park created out of planned North Quadrant development  | Grant received for development from Minn. Livable Communities Act  |
| Railyard Park, Santa Fe                   | \$13,500,000             | 2007              | 13.0         | \$13,500,000               | \$1,038,462                         | 50-acre railyard property purchased for \$21 million, 12 acres planned for park                 | \$2.6 million federal transportation funds, \$1 million State of New Mexico capital funds, remainder private donations   |
| Mears Park (total reconstruction)         | \$1,350,000              | 1992              | 2.0          | \$2,000,000                | \$1,000,000                         | No cost for land  | City capital funds   |
| Gold Medal Park, Minneapolis              | \$3,500,000              | 2006              | 7.5          | \$3,610,000                | \$481,333                           | No cost for land  | Private foundation paid entire cost (and will maintain park)   |
| <b>Average</b>                            |                          |                   | <b>6.6</b>   | <b>\$33,897,000</b>        | <b>\$4,326,079</b>                  |   |  |

**Table D. Forms of Management, Funding Sources and Cost of Operations**

| <b>Parks</b>                        | <b>Features</b>   | <b>Form of Management</b>   | <b>Funding Sources</b>   | <b>Annual Operations Costs</b> | <b>Estimated Cost of Park Operations per Acre</b> |
|-------------------------------------|---|---|--|--------------------------------|---|
| Campus Martius Park                 | Ice rink, holiday tree, wireless, café, fountain, "water wall," Soldiers & Sailors Monument, two stainless steel "corner markers," two performance/event stages that recess into the ground   | Land owned by city, fully operated and managed by non-profit organization   | Private funding - endowment and enterprise revenue   | \$1,100,000                    | \$699,000   |
| Millennium Park, Chicago            | Underground parking, commuter rail station, band shell and large amphitheater lawn, theater, fountain with projected images, pedestrian bridge, the "Cloud Gate" sculpture, a landscaped promenade, gardens with native plants, an ice rink, and restaurant | Operated under City of Chicago, aided by Millennium Park, Inc an endowed nonprofit organization   | Public-private - endowment established for maintenance, enterprise revenue and city appropriation                      | \$7,400,000                    | \$308,333   |
| Post Office Square, Boston          | Café, moveable chairs, underground parking garage, benches, a garden trellis, two "fountain sculptures," a small open lawn, shoe shining, trees, decorative garden, park designed for performances using lawn, " information kiosk                          | Land owned by city, garage and park fully operated and managed by for-profit organization   | Revenue from parking garage and other enterprises  | \$1,333,944                    | \$7,846,734                                       |
| Discovery Green, Houston            | Café, parking garage, promenade, fountains, open lawn, mature trees, restaurant, dog run, amphitheater, pond, "tree house deck," dining terraces, playground, "sprayground," model boat area, gateway features  | Land owned by City of Houston, operated and managed by nonprofit organization, with some city funds City established a "local government corporation" specifically for the parks as the development arm of city | City provides basic maintenance stipend (approx \$750,000) and remainder is through fundraising and enterprise revenue | \$2,750,000                    | \$229,177   |
| Pioneer Courthouse Square, Portland | Indoor theater; a sculpture; bronze chess boards, amphitheater, unique sign posts, former Portland Hotel entry, waterfall, lectern for speaking, a weather machine, information center, coffee shop, ATM, wireless, 5 vending carts                         | Land owned by City of Portland, operated and managed by nonprofit organization, with some city maintenance funds  | City provides basic maintenance stipend (approx \$250,000) and remainder is through fundraising and enterprise revenue | \$1,400,000                    | \$884,000   |

|                                   |   |  |  |             |           |
|-----------------------------------|---|--|--|-------------|-----------|
| Jamison Square, Portland          | Interactive water feature, play area, terraced fountain, mature trees, vendors  | Owned and operated by City of Portland   | City parks department maintains from general appropriation (concessions are located in the park, but revenue goes to general fund) | n.a         | n.a.      |
| Wacouta Square, St. Paul          | Fountain, playground, open lawn, trees  | Owned and operated by City of St Paul, with some tasks (eg flowers) by adjacent building association           | City parks department general appropriation (some contribution by building association)  | n.a         | n.a.      |
| Railyard Park, Santa Fe           | Plaza, water tower fountain, playground, gardens, market area, toddler play area, performance area, bike path, climbing wall, picnic area                         | Not yet determined, looking to create a nonprofit organization to operate and manage the city-owned park       | Not yet determined, looking to create a nonprofit organization to operate and manage the city-owned park                           | n.a         | n.a.      |
| Mears Park (total reconstruction) | Performance pavilion and plaza, terraced natural looking stream, paths, benches, large rocks, lawn  | Owned and operated by the City of St Paul  | City parks department general appropriation  | n.a         | n.a.      |
| Gold Medal Park, Minneapolis      | Central mound with trail, benches with lighting, mature trees, life-size park name sign, grass  | Land owned by City of Minneapolis and operated and maintained by nonprofit organization                        | Private foundation   | \$200,000   | \$26,667  |
| Bryant Park, New York City        | Bryant Park Grill & Café, chess, gardens, a "boule" board, moveable chairs, custom designed book/news carts, "reading room," carousel, four food kiosks, ice rink | Land owned by city, park operated by non-profit organization that is set up as a business improvement district | Business improvement district and enterprise revenue through leasing, fees and concessions   | \$3,400,000 | \$433,000 |

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