FINANCING CITY PARKS IN CANADA: WHAT MIGHT BE DONE?

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HEART OF THE CITY CONFERENCE
Shaping the Future of City Parks in Canada

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This paper is part of a series of three Heart of the City papers published in March 2017 by Park People to spark discussion about the future of city parks in Canada. The papers were part of Park People's 2017 Heart of the City conference, the first national city parks conference in Canada. To read the other papers visit: www.parkpeople.ca/park-people-reports

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Cover Photo: Downtown Vancouver from False Creek – Jake Tobin Garrett

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INTRODUCTION

"You can tell what a city thinks about itself from looking at the way it looks after its parks. Parks, principal among public spaces, are a telling face to the world"[1]

This quote is particularly revealing and noteworthy. Underlying it, as with most public services, is the critical issue of financing. How much should be spent on parks? How should they be financed? Who should pay? This paper is not intended to be a comprehensive examination of all financing issues; rather, it raises the more relevant ones and outlines their major strengths and weaknesses. It makes no recommendations. The reader is left to review the material and draw her/his own conclusion as to what is appropriate or inappropriate.

In this paper, we consider general purpose urban parks only.[2] These are people parks and as such, fit neatly into the category of a 'public good or service'.[3] That means they are available for everyone regardless of whether or not everyone uses them. Furthermore, one person's use does not prevent or diminish another person's use. These features have important implications for financing. Before examining this, however, a few comments could be made on park spending in a selection of cities.

Calgary Park – davebloggs007 – FlickrCC

[1] Quote by Alan Broadbent, one of Canada's leading thinkers on cities - cited in David Harvey, "Fertile Ground for New Thinking: Improving Toronto's Parks", Metcalf Foundation, September 2010, p. 41

[2] For a discussion of the wide-ranging and multi-faceted advantages of urban parks, see Harvey (footnote 1).

[3] For a more detailed discussion, see Harry Kitchen, "Financing City Services: Part I: Operating Expenditures" a report for the Manning Foundation for Democratic Education, Calgary, October 10, 2013. Available at http://www.manningfoundation.org/our-work;

CITY SPENDING ON PARKS

The best data for undertaking an inter-city comparison of park spending appear to be in Ontario where these expenditures are separated from other recreational and cultural activities.[4] Table 1 illustrates spending and property tax patterns over the period from 2009 to 2015.[5] They do not, in any sense, reflect what expenditures on parks and taxes needed to fund them should be—more on this later.

Per capita spending was highest in Sudbury followed by Toronto. The lowest level was in London. Over the seven year period (2009 to 2015), every city increased its spending—this ranged from an increase of $11 per capita in Ottawa to $19 per capita in Toronto. As a percent of all municipal spending over this period, parks accounted for between 1.2 and two percent of a city's operating budget. Over the same period, every city increased the proportion of municipal expenditures devoted to parks, in all likelihood, reflecting increased attention that is now directed at these assets because of a higher concentration of people in urban centres. Not surprisingly then, the proportion of property taxes directed at park funding also increased over this period. This ranged from slightly more than two percent to slightly more than four percent, depending on the city and the year. For all cities, however, the proportion was higher at the end of the period than at the beginning of the period.

Table 1: Spending on Parks in Selected Ontario Cities

	2009	2010	2011	2012	2013	2014	2015
TORONTO							
Per capita spending ($)	42	58	51	51	58	58	61
As a % of city spending	1.2	1.5	1.4	1.4	1.6	1.5	1.6
As a % of property tax	3.3	4.4	3.9	3.7	4.2	4.1	4.3
HAMILTON							
Per capita spending ($)	44	44	48	45	52	56	59
As a % of city spending	1.6	1.6	1.7	1.7	1.9	2.0	2.0
As a % of property tax	3.4	3.3	3.6	3.3	3.7	3.9	4.0
OTTAWA							
Per capita spending ($)	39	36	42	41	44	53	50
As a % of city spending	1.4	1.2	1.4	1.3	1.4	1.6	1.5
As a % of property tax	2.8	2.4	2.7	2.6	2.7	3.2	2.9
LONDON							
Per capita spending ($)	29	32	34	35	36	38	39
As a % of city spending	1.2	1.3	1.3	1.4	1.4	1.4	1.4
As a % of property tax	2.3	2.5	2.6	2.6	2.7	2.8	2.7
SUDBURY							
Per capita spending ($)	47	60	54	60	63	64	64
As a % of city spending	1.4	1.8	1.8	2.0	2.0	2.0	2.0
As a % of property tax	3.8	4.6	4.0	4.4	4.4	4.3	4.4
ONTARIO *(all municipalities)*							
Per capita spending ($)	42	47	48	49	51	61	n.a.
As a % of city spending	1.5	1.6	1.7	1.7	1.7	2.0	n.a.
As a % of property tax	3.4	3.7	3.7	3.7	3.8	4.4	n.a.

n.a. - not available.
Source: Calculated from annual data reported in schedules 26 and 40 of the Financial Information Returns for Ontario; Available from the website of Municipal Affairs and Housing, Toronto.

[4] Data on municipal spending on parks in Canada is limited. This is an area where further study could improve our understanding of service levels across jurisdictions.

[5] Data are taken from the Financial Information Returns for Ontario; available from the website of Municipal Affairs and Housing, Toronto.

FINANCING

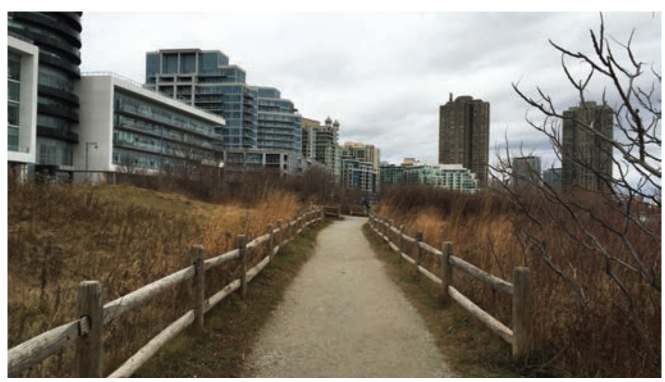
There is no singular or unequivocal business model that addresses the best way to finance capital and operating costs of city parks. There are, however, a number of possibilities; some are used in different cities in Canada and elsewhere; and some may be used in the future. The more notable of these are highlighted here. Before this, however, let us start with a discussion of the general way in which both capital and operating costs for parks are funded currently in Canada.

How are parks financed?

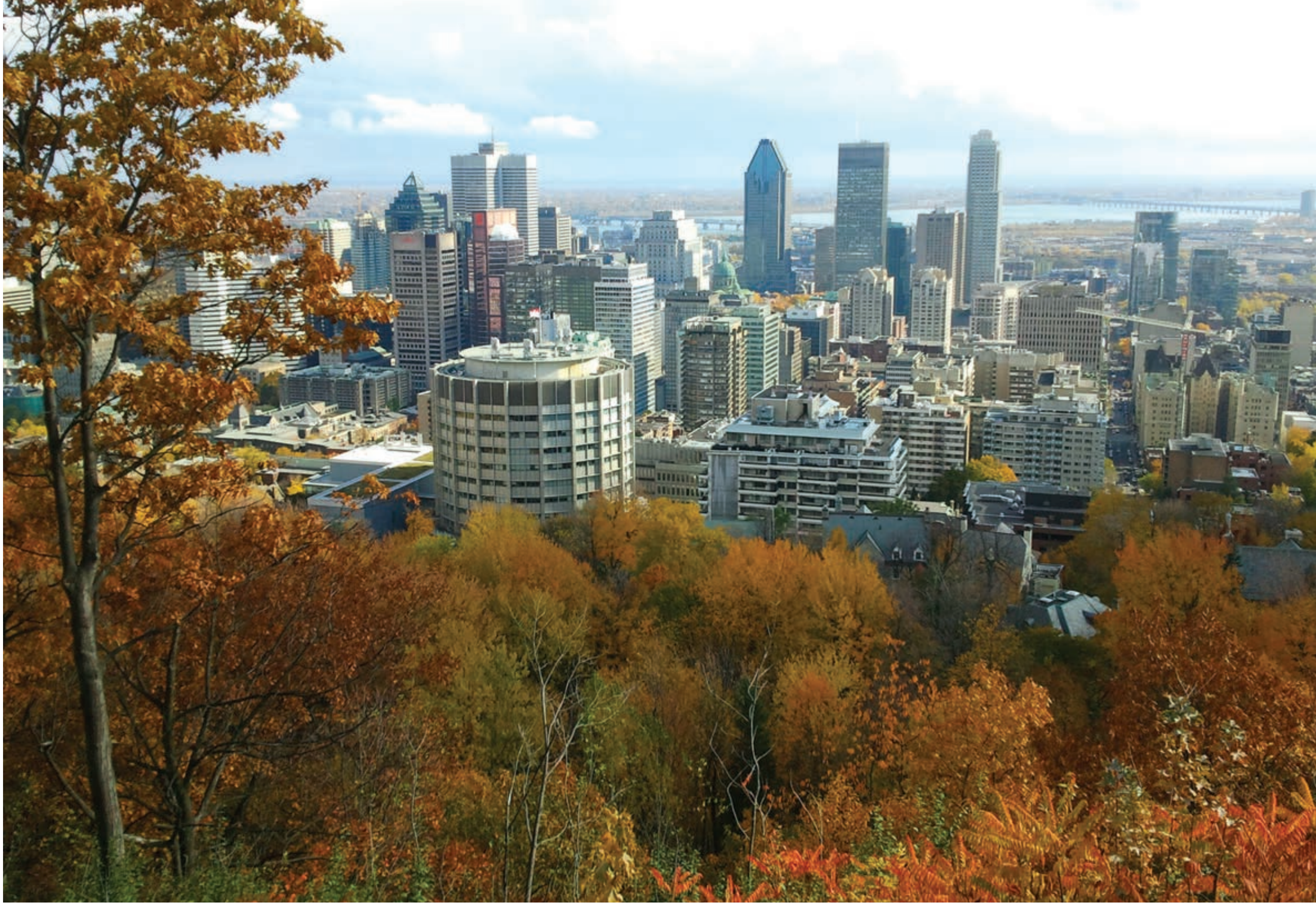
Capital costs of parks are funded in a number of ways. Some contribute relatively small sums of revenue and some contribute relatively large sums. Four of the more prominent are noted. First, most provinces through their Municipal or Planning Acts require that certain amounts of urban land be set aside for local parks in every new development. In Ontario, for example, a statutory allocation of five percent of residential development land must be set aside for parks. For new developments in already highly densified areas where the inclusion of new park space is not possible, the developer provides cash-in-lieu of parkland. This is equal to five percent of the sites assessed value (two percent for commercial properties). Funds collected are deposited in a city's parkland acquisition reserve fund.

Second, in provinces where there are growth-related development levies (called development charges in Ontario and Alberta and development cost levies in British Columbia), regional parkland or other supplementary park space (beyond that which is included in the subdivision approval plan) required to service the new growth may be funded through development-based charges. In addition, recreational and cultural facilities of various kinds are often included in the development charge. Finally, some provinces include land set aside for stormwater management systems and the preservation of marshes, streams, and other natural areas for the protection of wildlife migration and habitat. These latter lands are often transferred to a conservation authority or held as municipal parkland incorporated into ravine systems, linear parks, and the like.

Third, in Ontario, new development may also contribute to capital improvements to new or existing parks under section 37 of the Planning Act. This permits a city to grant increases in permitted height or density in return for 'community benefits' which have included funds for parks. The funds are to be spent in the local area where the development takes place.



Humber Bay Shores Park in Toronto – Jake Tobin Garrett



Montreal – Sean Brathwaite

Fourth, some cities have created foundations or conservancies that solicit funds for parkland acquisition and improvements. Revenues generally come from voluntary contributions, NGOs, occasional grants from other levels of government and sometimes, revenue from city taxes.

Finding money to cover operating costs, by comparison, is often more problematic.[6] Indeed, this concern has increased in the last few years as the cost of most local public services—police and fire in particular especially in the wake of 9/11, social housing, roads and public transit to name the most significant—have escalated and local taxpayers have vocalized their resistance to paying higher property taxes.

In this environment, demands on the local revenue base for park funding lags well behind the demand for most other services. In addition, spending on these other services is often mandated to meet certain standards or required to maintain a level and quality desired by the voters. In short, parks are near the bottom of the queue when it comes to prioritizing property tax funded services. This will be discomforting for those who want more monies allocated to parks, but it is political reality. To top it off, there is no ideal or unequivocal benchmark for determining the amount that should be spent on urban parks and no standards that must be met; hence further vulnerability.

[6] See Peter Harnik and Abby Martin, "Public Spaces/Private Money: The Triumphs and Pitfalls of Urban Park Conservancies", The Trust for Public Land, February 15, 2015.

ISSUES IN PARK FINANCING

City parks are public places. As such, entry fees (user charges) are ruled out. This does not mean, however, that public parks should not get funds from special permits, licences, or fees in return for hosting special events or private parties. Indeed, they should but this is a small percent of overall spending needs. Of more importance is the revenue or potential revenue from the local tax base and voluntary organizations. Critical to any examination of potential revenue options is the importance of ensuring that each provides a stable and predictable revenue stream to avoid undesired and unwanted volatility.

How much should be spent on parks?

The simple answer is that 'we don't know'! At budget time, all local services are considered and ranked in importance—spending on some services is increased and spending on other services is decreased. Throughout these discussions, park spending almost always gets low priority. It certainly falls well behind other necessary municipal services.

The data in Table 1 suggest that somewhere around two, three, or four percent of property taxes are spent on parks in Ontario cities. Is this about right, too low, or too high? We simply don't know because there is no benchmark or standard that should or must be met. Decisions ultimately come from the deliberations and decisions made by the local council.

What about earmarking a local tax or a portion of a local tax for parks?

Quite often, one hears that a special local tax (it is far from obvious what it might be) or a few percentage points of the property tax (a more likely option) should be earmarked or dedicated to parks. Is this reasonable? Does it make sense? Let us look at it.

An earmarked tax is one whose revenue is dedicated to a specific expenditure or project. This is the practice in Seattle where the newly created park district collects thirty-three cents per $1,000 of assessed residential, commercial, and industrial property values for parks. A similar approach is followed in Chicago. The parks and recreation board in Minneapolis gets nine percent of a tax levied on residential property. In a recent referendum in Manatee County in Florida, voters approved an increase in the local sales tax rate with a portion of the extra revenue dedicated to parks. These approaches have not been followed in Canada.

Earmarking is generally supported where there is a close link between the cost of a good or service and the revenue for funding it. This permits a taxpayer to associate more closely the benefits received as reflected in the tax paid with the costs of providing the good or service. The taxpayer can then decide whether the good or service is worth the tax. This approach leads to a greater likelihood that efficiency and accountability in local service responsibility will be achieved.

A major advantage of earmarking is that it is a guaranteed source of revenue, thus facilitating long term planning. It can prevent political abuse of funds and it generally boosts public acceptability. It largely removes park funding from the annual budget setting trade-offs. It might also mean that cities could issue bonds for capital projects for parks (if so desired) because of the dedicated source of revenue.

Earmarking is not foolproof, however. It can reduce a municipal decision maker's flexibility and capacity to raise revenue for both parks and other services because, over time, municipal service needs change in unpredictable ways. For example, problems arise if the revenue earmarked for parks prevents other services, which may have become more important in the eyes of the electorate, from getting their necessary funding. It can also be a problem if it effectively sets the maximum that parks are likely to get—an undesirable outcome when the demand for necessary expenditures on parks exceeds the dedicated amount. In other words, it basically sets both the upper and lower limits for tax funded park spending. Of course, this entire discussion ignores the question of 'what is the appropriate amount to spend on parks in the first place.'

What about voluntary contributions?

Voluntary contributions are always welcome, but they are almost solely used to fund or partially fund capital costs, rather than operating costs. Sometimes, they come from individuals and non-profit organizations, and sometimes from foundations. They are used much more extensively for park projects in the United States than they are in Canada. If the contribution is large enough, the donor might be granted naming rights, although this is far from common for general purpose urban parks. Selling naming rights, however, is not free of problems. First, where it has been used, it has funded or partially funded construction and development costs rather than operating costs, which are a large concern. Second, selling naming rights may skew a city's priorities if the donor stipulates how and where the money is to be spent and this does not conform to the city's list of priorities.

While contributions are important at the margin, they are unlikely to be sufficient to create, develop, and sustain a system of urban parks. Relying on voluntary contributions is risky. First, they are almost certain to crowd out government funding. Second, voluntary contributions to what is essentially a public good suffers from the free rider problem; that is, because everyone is able to enjoy the benefits regardless of whether or not they contribute, people are inclined to let others contribute. This results in a less-than-optimal amount of funding. Third, park funding by a small number of residents has the potential for creating a disconnect between the much larger set of users and those who finance park operations. Because of this and to ensure a stable and predictable stream of revenue, it is generally argued that cities should take major responsibility for creating and funding parks from the municipal revenue base.

What about special assessments?

A special assessment is a specific charge or levy added to the general property tax on residential and/or commercial/industrial properties to pay for new and improved neighbourhood parks. These properties are deemed to benefit from the park, either through usage and/or higher property values,[7] and hence, they could be expected to pay higher taxes to cover some of the park costs. In the U.S., some cities have introduced Business Improvement Districts (BIDs) which are similar to Business Improvement Areas (BIAs) in Canadian cities. BIDs, like BIAs, use the revenue from a special levy to make improvements in the area. In the US, some cities direct a portion of the revenue to improving local parks. This does not seem to be the practice in Canada.

Special assessments generally do not contribute large sums of revenue to local budgets; they are, nevertheless, an important means of financing and maintaining local improvements. They could be important for parks. It is possible to design assessment areas so that the costs of the project are allocated according to some measure of benefits received. Cities and towns may use several types of special assessments in apportioning local charges among benefiting properties. For projects such as city parks whose benefits largely accrue to

[7] For a discussion of the impact of urban parks on property values, see Amy Cortes, "Taking a Stroll Along the High Line" New York Times, November 20, 2008; Peter Harnick, Urban Green: Innovative Parks and Resurgent Cities (Island Press, 2010), page 8; City Parks Blog, "Parks: In a Golden Age, Without Two Nickels?" posted on November 12, 2014; and Harvey, cited in footnote 1, pp. 12-14.

particular areas or blocks within a community, the best approach may be zone assessment under which all properties in the serviced area pay the same share of total costs.

Alternative assessment bases such as lot size or charging each property based on its increase in value, are less satisfactory. Lot size has nothing to do with the benefit that each property receives from a park. Similarly, increases in property values attributed solely to parks would be practically impossible and costly to determine because it would require extensive checking and record keeping.

What about tax credits/ deductions for contributions to parks?

Tax reductions or tax credits for contributions to public parks have occasionally been mentioned as an incentive for increasing park funding. Municipalities in most provinces in Canada have the jurisdictional power to enact property tax relief schemes designed to alleviate the tax burden for poverty stricken taxpayers. These initiatives include reductions, cancellations, or refunds of property taxes.[8] Municipalities do not have the power to offer property relief for contributions to park funding.

The federal and provincial governments, however, have a number of personal income tax deductions or tax credits designed to foster a range of objectives: to assist low income people; to encourage taxpayers to contribute to socially desirable causes through a range of charities; and to elicit specific types of behaviour. None of these, at the moment, support park funding unless it is through a recognized charity that supports parks. Furthermore, these credits are intended to assist provincial and federal initiatives. Since parks are basically and primarily local in their impact, it is highly unlikely that the provincial or federal governments would implement a specific credit for such contributions. Indeed, it is not clear that they should; otherwise, the door would be open to other organizations that support more spending on other municipal services.

What about density bonusing?

Some larger cities in Canada are permitted to secure cash or in-kind contributions from developers in return for allowing them to exceed existing height and density restrictions. This is permitted in Ontario under section 37 of the Planning Act. In general, a city may grant increases in permitted height or density in return for 'community benefits' which can include funds for parks. The funds are to be used in the local area where the development takes place.

Allowing height or density bonuses is not free of problems, however. They can create inequities and inefficiencies. Planning principles that were used in establishing zoning legislation to restrict height and density are presumably designed to control urban development, servicing, and transportation. If these height and density restrictions are exchanged for "facilities, services or matters," one may very well ask why zoning legislation was enacted in the first instance. If a municipal statement with regard to maximum densities is defensible under sound planning rationale, why should the need for 'community benefits' alter that rationale? Trade-offs of this sort may throw all future planning principles into question and lead to further abuses.

Cranes building West Don Lands near Corktown Common in Toronto – Jake Tobin Garrett

[8] Harry Kitchen and Almos Tassonyi (2012) "Municipal taxes and user fees", in Heather Kerr, Ken McKenzie and Jack Mintz (eds.), Tax Policy in Canada, Canadian Tax Foundation, Toronto, ch. 9.

What about value capture levies?

This is somewhat akin to bonusing. Municipal spending on public infrastructure and subsequent zoning decisions increase, in some instances, the commercial value of holdings of private landowners. Where this happens, value capture levies permit the municipality to capture some of the economic rents accruing to the private sector that have been created by this local public infrastructure.

The value may be captured in a variety of ways, including a requirement that the developer provide various facilities and infrastructure for cash in return for being permitted to undertake the development that the new municipal infrastructure facilitates and makes profitable. Value may also be captured through a tax on commercial revenues generated by property abutting the infrastructure. Alternatively and more likely, a special annual tax on property could be levied on value added. This would be relatively easy to implement and administer, although care would be required in estimating the value added to the property as a result of the public infrastructure.[9]

Value-capture levies may be particularly suitable for mega-projects such as subway or rapid transit expansion and, as such, may only be a realistic option for large cities and regions. They are generally levied on specific properties such as a commercial building located beside or above a rapid transit station. They are unlikely to be used for city parks.

What about tax increment financing?

Tax increment financing (TIF)[10] is an economic development tool intended to encourage private investment in urban cores by stimulating downtown revitalization and encouraging brownfield remediation. TIFs cover all properties within a designated area rather than individual properties such as those covered by a value capture levy or a series of properties along a city street on which a special assessment is levied to fund infrastructure that benefits these properties.

TIFs work in the following way. For a specific period of time (long enough to recover all costs of public funds used to redevelop the TIF funded area), property tax revenue from the designated area is divided into two categories. Taxes based on pre-developed assessed property values are retained by the municipality for general use. Taxes on increased assessed values arising from redevelopment are deposited in a special increment fund with revenue from this fund used to repay bonds that have been issued to finance public improvements in the redeveloped area. In other words, increases in property tax revenue from the redevelopment of an area are dedicated to financing public improvements in that area.

TIFs are widely used in the United States but only sparingly in Canada. In Manitoba, cities are permitted to use TIFs, but do not currently do so. Legislation in Alberta permits municipalities to use a form of TIF known as the "community revitalization levy." Ontario municipalities may use tax increment equivalent grants (TIEGs). Under this program, municipalities can designate an area or the entire municipality as a community improvement project area. They can then implement a community improvement plan (CIP) with grants and/or loans which can, if the municipality chooses, be calculated on a tax increment basis. In other words, the municipality can offer developers a grant or loan that is based on the higher property tax that is generated from development. American style TIFs, however, are seldom ever used. Nowhere in Canada have TIFs been used to finance new parks or to rehabilitate old parks. Indeed, it is highly unlikely that provincial permission would be granted to cities to use TIFs for parks because their intent is to fund the costs of hard services in the rehabilitated area, like water and sewer infrastructure.

[9] Olaf Merk, Stéphane Saussier, Carine Starapoli, Enid Slack and Jay-Hyung Kim (2012), "Financing Green Urban Infrastructure", OECD Regional Development Working Papers 2012/10, OECD Publishing (http://dc.doi.org/10.1787/5k92p0c6j6r0-en)

[10] For more detail, see Merk et al, cited in footnote 9.

The Bentway rendering courtesy of Public Work

What about conservancies?

Conservancies are private non-profit agencies that either partner with a city to construct/operate/maintain a park or to operate on its own.[11] It is often funded through voluntary contributions, permit fees, private events, and sponsorships with contributions from the city including the city maintaining ownership of the land. Typically, conservancies are created to fund large capital projects and programming (seldom covering any operating costs). They are generally administered with a small staff and large Board of Directors operating under a Memorandum of Understanding (MOU) with the city. Over the past decade or two, they have increased in popularity in the U.S. and generally for large parks, often of a historic nature, in large urban areas.[12] At the moment, they are not common in Canada; for example, there is only one in Toronto, called the Bentway. Interest in their creation, however, is growing almost everywhere because of concerns with insufficient financial support from city budgets.

Conservancies are intended to involve the private sector through monetary contributions or agreements to develop, program, and sometimes, maintain a park. At the same time, relying on voluntary contributions is risky. They often crowd out government spending. They lead to free rider problems which leads to a less-than-optimal amount of funding. They may not generate a stable and predictable stream of revenue. Seldom do funds contribute to operating costs which are often more difficult to cover when compared with capital costs.

In short, conservancies make sense in certain circumstances, such as major downtown parks, historic parks, and other landmark parks, for capital improvements and programming. They are not a cross-city solution to park needs, nor should they be, for the reasons outlined in the previous paragraph. Because of this and to mention what has been noted before, cities should take major responsibility for creating and funding parks from the municipal revenue base.

[11] Conservancies that operate on their own is much less common than partnering with the city.

[12] See Harnik and Martin, cited in footnote 6.

What about provincial grants?

Provincial grants, over the past few decades, have declined significantly as a source of city revenue. In fact, they have largely disappeared for funding operating costs in every city in Canada. City parks are not the responsibility of either provincial or federal governments. They are local in nature and benefit the local community in at least two ways. Residents are better off because of their availability and amenities. Visitors may be attracted to them, thus generating an economic benefit from their spending while in the city. All in all, the city and its residents are the beneficiaries of urban parks and should, therefore, be responsible for their funding.

What about access to new taxes?

For those who believe that more property tax revenue should be directed to city parks, it could be argued that the restricted municipal tax base is a significant constraint especially when it comes to trade-offs between property tax based funding for a wide range of competing services. The property tax, it must be emphasized, is a good tax for local governments.[13] Property is immovable so it cannot escape the tax, it is fair based on the benefits received from local government services, and revenues are stable and predictable. In fact, recent evidence suggests that, in many cities, there is room to increase the residential property tax without resulting in dire economic consequences. Nevertheless, the property tax is relatively inelastic (does not grow automatically as the economy grows), highly visible, and politically contentious almost everywhere. This high visibility and frequent opposition to increases in property tax revenues means that spending on parks is always vulnerable to cutbacks and restrictions, more so than for most other property tax funded services because there are no mandated service levels.

One possible way of alleviating the pressure on the property tax base is to permit cities to have access to new taxes. Indeed, there are solid arguments for giving cities access to additional taxes.[14] This is not to diminish the strength of the property tax; rather it is to enhance its viability for funding many of the traditional tax funded services.

A mix of taxes[15] would give cities more flexibility to respond to local conditions such as changes in the economy, evolving demographics and expenditure needs, changes in the political climate, and other factors. A mix of taxes would allow cities to achieve revenue growth, revenue stability, and fairness in its impact on taxpayers. A mix of taxes would take pressure off the property tax, an important and significant outcome especially for those people who are asset rich (high property values), but income poor. This would make it easier for some people to remain in their homes without the heavy burden of higher property taxes.

The most justifiable and relatively easy taxes to implement would be those based on benefits received; that is, those who benefit from a service are those who should pay for it. More specifically, this could be a municipal fuel tax, a parking levy, motor vehicle registration fee, and road tolls with revenues earmarked for public transit and transportation. Indeed, Mayor John Tory in Toronto recently announced his support for road tolls on two major highways in the City. The province, however, has vetoed this proposal. Revenues from these taxes which are defended on the grounds that those who use a service should pay for it would take some pressure off the property tax, thus freeing up property tax room for services such as urban parks.

[13] Kitchen and Tassonyi (2012), cited in footnote 8.

[14] Given that municipalities are creatures of the province, these new taxes would require provincial approval.

[15] For a more detailed discussion, see Harry Kitchen and Enid Slack, "New Tax Sources for Canada's Largest Cities", published in MFG Perspectives Series, Number 15, fall 2016, University of Toronto: available at http://munkschool.utoronto.ca/imfg/resources/ ; and Harry Kitchen and Enid Slack, "More Tax Sources for Canada's Largest Cities: Why, What, and How?" Published in the IMFG Papers on Municipal Finance and Governance Series, No. 27, June 2016, University of Toronto: available at http://munkschool.utoronto.ca/imfg/resources/

THREE KEY INSIGHTS

1

Municipal spending on city parks falls at the bottom of the queue when it comes to ranking the relative importance of a city's property tax funded services.

At the same time, there is no decisive or agreed upon benchmark that supports a minimum level of spending necessary to support a system of urban parks. Both of these contribute to revenue shortfalls for funding the operating costs of urban parks

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2

Financing the capital costs of urban parks tends to be less of a problem than financing operating costs.

Capital costs are funded or may be funded in a number of ways including land set aside through provincial planning requirements, development levies, density bonusing, voluntary contributions, conservancies, and other charitable foundations.

3

Financing operating costs, however, is a greater concern.

At the moment, revenue comes almost entirely from general property taxes, although this is often subject to last minute cuts during budget debates. One solution would be to levy a special assessment on properties near urban parks with the extra property tax revenue earmarked for these parks. A more wide ranging possibility could include earmarking a portion (two or three percentage points, for example) of general property tax revenue for financing a city's system of urban parks. When revenues are earmarked for a specific service, taxpayers tend to be more receptive to paying a tax to support it. Options such as density bonusing, tax incremental financing, value capture levies, use of conservancies, availability of tax credits/deductions and voluntary contributions are either not permitted, or may only be appropriate in special circumstances, or are unlikely to provide a stable, sustainable, and predictable revenue stream. As outlined in this paper, the best source of funding for parks as public goods is from the local tax base.

WHAT'S NEEDED

There is no unequivocal benchmark or guideline that defines the amount that should be spent on parks, especially on operating costs. In part, if not in entirety, this is created by the lack of available data and published information about park funding, park use, and park standards in cities in Canada. Clearly, collection and compilation of comparative data would be beneficial in assisting local governments in their budgetary deliberations over park funding. At the same time, one might argue that local councils should earmark or dedicate a stream of tax revenue for financing the operating costs of urban parks.

Toronto skyline from Toronto Islands – Jake Tobin Garrett

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