



*Building Community
Creating Places
Using Common Sense*

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Financing Parks: A Pay-As-You-Go Guide

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Source Characteristics

FINANCING SOURCE	PROVIDES FUNDS	REPAYMENT	ADVANTAGES	DISADVANTAGES
Taxes	Immediately	By all taxpayers immediately	Preserves borrowing capacity; saves interest cost	Funds may be insufficient; may not relate payment to benefits received
Special Assessments and Special Districts	Immediately	By assessed customers at time of construction. If bonded, over 10-30 years	Makes funds available immediately; matches payments and benefit	Requires legislative approval; may seriously impact assessed customers
User Charges	Immediately	By rate payers immediately	Eliminates need for borrowing or reserves	Impractical for large projects; may make rates erratic from year to year
Reserves	In future	By rate payers each year until reserve is adequate	Eliminates need for borrowing; improves financial stability of system	Can be politically difficult; difficult to "protect" reserves for intended use; impractical for large projects
Negotiated Exactions or Impact Fees	Immediately	By developers or customers	Requires new customers to pay for	Political problems (viewed as "anti-development");

(hookups, systems development or capital fees)		immediately	impacts they place on system	ineffective where there is little or no growth; affects housing affordability
Grants	Immediately	No repayment needed	Source of free money	Reporting and administration may be burdensome, may not be in accordance with county priorities
Public-Private Ventures	Varies	By private investors and by taxpayers	Total costs to county government are reduced	Coordination can be complicated and time-consuming

See also [Financing Parks: A Borrowing Guide](#)

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Welcome

Project for Public Spaces (PPS) is a nonprofit organization dedicated to creating and sustaining public places that build communities.

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