

# auri research brief

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## Plans to Reorganize, Manage, and Operate Old Parks through Public-Private Partnership

Since the outbreak of COVID-19, the value of parks is higher than ever as a social infrastructure to overcome urban crises and disasters. Realizing this reality, the central government and the local governments need to establish and implement policies to improve park services in quality and quantity.

Urban parks were intensively built during the period of economic growth in the 1980s and 90s and have entered a stage of physical and functional obsolescence. Parks constructed at least 20 years ago account for about 32% of the total number of urban parks and have shown problems such as poor plant condition, damaged facilities, and vandalism. Measures should be implemented to improve the service quality of aging parks and to continuously manage the parks. While the financial autonomy and financial independence of local governments are decreasing, there is a limit to solve the problem of aging parks with local government efforts. Measures should be actively sought to improve the service quality of aging parks through public-private cooperation.

Japan experienced the problem of aging parks earlier and revised the Urban Park Act in 2017, which introduced the Public Offering Installation and Management System (Park-PFI) as a solution. The Park-PFI system selects private operators through a public offering and allows to install and operate profit facilities that contribute to the conveniences of park users, such as cafes and restau-

rants, and maintain park facilities such as old walking paths and squares. As an alternative solution to improve the quality of service of the aging parks in South Korea (hereafter, Korea) and to continuously manage and operate the parks, this study aims to propose a private park maintenance and management system, or Park-PFI in Korea, and to present specific measures that implement the system based on the Park-PFI in Japan.

The main findings of the study are as follows. First, according to a survey of aging park services, the group of old parks received lower marks than the group of recently constructed parks in terms of the quality of the physical space environment, the level of program operation, and the diversity of the facilities.

**[Table] Park performance t-test result by year of construction**

Category	Average		Standard Deviation		t value	p
	Parks constructed before 2001 (n=11)	Parks constructed after 2001 (n=11)	Parks constructed before 2001 (n=11)	Parks constructed after 2001 (n=11)		
Accessibility	13.79	15.61	1.75	3.54	-1.522	.144
Pleasantness	13.90	15.94	2.37	3.19	-1.700	.105
Safety	14.84	16.37	1.78	1.44	-2.224	.038*
Convenience	9.06	10.06	1.04	1.54	-1.770	.092
Activity	10.94	11.03	1.80	1.82	-.116	.909
Comprehensive Performance Score	62.53	69.00	6.21	7.78	-2.154	.044*

\* .p <0.05

Second, policies introduced by local governments are not effective in accommodating the functions of parks required by society and have a limitation in securing financial resources and organizing the management structure. Therefore, it is necessary to introduce a public-private partnership system for the maintenance, management, and operation of old parks.

Third, when compared with the public-private partnership systems in Korea related to parks (the private consignment system, the use/benefit permit system, and the special private park system), the characteristics of Japan's public offering installation management system (Park-PFI) are the maintenance of the physical space environment using private capital, the installation and program operation of park spaces and facilities with high design quality and content, the long-term benefits of both local and private sectors, and the central government's financial support.

Fourth, the private public park maintenance and management system (Park-PFI in Korea) was defined as a public offering system that selects private operators through a public offering method and allows them to install and operate profit facilities that contribute to the convenience of park users, such as cafes and restaurants, and maintain park facilities such as old walking paths and squares from the profit. As a way to improve related regulations for the introduction of the Park-PFI system in Korea, it suggested to relax regulations of 'the installation area of park facilities', 'the entrance location of park facilities', 'the area ratio of park facilities', 'the occupancy permit', 'the period of permission for installation and management', and the 'outdoor business operation' and 'installation of private childcare facilities'.

Fifth, the Park-PFI project in Korea was applied as a pilot project to three old neighborhood parks (Seyoung Park, Sagun Park, and Bupyeong Park) in Bupyeong-gu. Target parks were selected as targets for the Park-PFI project, which received low marks from the survey on old park services, and were suitable for promoting the Park-PFI project through analysis of scale and location. The results of the survey reflect the perceptions of the local residents and the analysis results of the park's internal and external conditions. A pilot application plan was prepared in conjunction with the design studio of the Department of Landscape Architecture at Hankyung National University.



[Figure 1] The case of the Park-PFI pilot project in Korea : Seyoung Park





[Figure2] The case of the Park-PFI pilot project in Korea : Bupyeong Park

Sixth, the economic feasibility analysis of the Park-PFI pilot project in Korea showed that Seyoung Park and Sageun Park had feasibility for the project from the perspective of private operators, and Bupyeong Park had no feasibility. To apply the system, the Park-PFI system in Korea needs to select parks and set the direction of public offering by comprehensively considering the location of parks, their surrounding local use, and accessibility to public transportation. Local governments could secure some of the funds for the maintenance, management, and operation of old parks by earning rent from the Park-PFI project in Korea and utility fees for the park operation (0.5% of annual sales).

**Keywords :** Aging Park, Public-Private Cooperation, Park-PFI, Park Performance Evaluation

