

Text-only version of *Local Parks, Local Financing Volume Two. Paying for Urban Parks Without Raising Taxes*. Written by TPL's Peter Harnik, this volume of TPL's report on park financing focuses on funding techniques beyond traditional tax allocations. (1998)

## **Introduction**

"YOUR TAX DOLLARS AT WORK" reads the familiar red-white-and-blue sign alongside interstate highway projects. A similar sign in front of a city park, however, might soon have a different message: "YOUR FEES, CONCESSION PURCHASES, ADVERTISING REVENUES AND DONATIONS AT WORK."

From New York City to San Francisco, city park departments are broadening their funding bases beyond the traditional allocations they receive from tax money. In some cases, this new approach has been necessitated by municipal funding crises. In others, it's a fear of impending fiscal shortages. In others, tax-based funding is still growing but the needs and demands are growing even faster.

Even in the economically strong late 1990s, when most cities have sufficient revenue to balance their budgets, there is a residue of fear from earlier tough years when some park departments were slashed, workers laid off, maintenance deferred and land acquisitions delayed or eliminated. The Austin, Texas, Parks and Recreation Department, for instance, has only recently regained the budget level it held before the savings-and-loan collapse rocked the Texas economy in the late 1980s. And New York's Park and Recreation Department has never recaptured the funding level it attained in 1978, before that city's financial crisis.

But the public still loves parks. And if municipal budgets fall short, other funding mechanisms will be found, including user fees, donations and corporate promotions. Funds thus generated from the private side can accomplish everything from building new facilities or providing new services to simply maintaining previous levels of maintenance that would otherwise slip.

## **Should You Have to Pay to Play?**

"The reality is that city budgets are being asked to cover more and more services," says urban analyst Alexander Garvin, a writer, architect, developer and member of the New York City Planning Commission. "Government has taken a larger and larger role in our lives--from hospital services to welfare, a lot of things that government didn't pay for earlier. Park Departments are in competition with items that weren't there before. Our competitors are able to say, 'But we already have parks!' They don't think about the need to keep them up, rehabilitate them or make repairs.

"The city of Boulder values this so highly that they're willing to tax themselves additionally for it," Garvin adds. "For whatever reason, Bostonians are not. New

Yorkers, I think, value their parks, but the residents there are already the most highly taxed in the country, with both state and city income taxes, state and city sales taxes, a variety of business taxes and much more."

But Randy Worls, chief executive officer of the remarkable Wheeling, W.Va., Park Commission sees the same situation and draws the converse conclusion. Instead of lamenting the fickleness of politicians and taxpayers, he's thankful that parks have values worth paying for.

"Park systems are one of the few units of government that can aid themselves," explains Worls. "We think there are tens of millions of dollars available out there for public park agencies if they are structured properly and know how to ask." Worls should know: his system brings in 99 percent of its revenue from non-tax sources.

Except for Wheeling, virtually every urban park agency receives the majority of its dollars from tax revenue, usually as a line item in a budget submitted by a mayor and approved by a city council.\* (In contrast, many of the newer suburban park agencies were set up with a lower level of tax-based funding and a greater dependency on activity fees.)

It is the difference between tax-based revenue and total needed revenue that in recent years has generated a flurry of new fundraising techniques.

## **Fees**

The most common method of raising non-tax revenue is through the imposition of fees.

Virtually all city park agencies charge fees for certain activities, but there is a spectrum of opinion as to the proper role of fees in agency budgets. On one extreme is Leon Younger, former director of parks in Indianapolis and Lake County, Ohio and now a parks consultant who outspokenly advocates for market-oriented public recreation.

"There is nothing wrong with placing a value on a recreation experience," says Younger, "but the managers of most urban park systems set their prices for the 20 percent who can't pay rather than for the 80 percent who can. By not tying price to value, they undervalue what they've got and put a damper on the ability to reform themselves."

At the other end of the spectrum is David L. Fisher, Superintendent of the Minneapolis Park System.

"I think we have to be real careful," Fisher replies. "We serve all people. The imposition of a fee is as bad as the imposition of a tax. We shouldn't just look around for something that's popular and then charge for it. If we charged \$10 each time a policeman or fireman showed up at your door, there might be a lot fewer emergency calls, but is that what we want? Park users have already paid for the parks once, why should we make them pay again? We're not talking about wealthy communities where virtually 100 percent of the people can afford to pay. We're talking about cities. Do we really want to say to these people, 'Only those who can afford to pay can play?'"

Younger responds: "After pricing certain services at a market rate, agencies should then find ways of getting the other 20 percent--those who don't have the ability to pay--to utilize the facility through credits, scholarships, etc. For example, they might consider starting a "workreation" program where kids work in exchange for the use of facilities, such as pools or ballfields. This program would give 'play dough' dollars that are work credits."

Tom Forman is representative of the park professional caught in the middle of this debate. A manager in Baltimore's Bureau of Recreation, he said, "It's a catch-22. If you raise the fees the community people ask, 'What am I going to get in addition to what I've gotten in the past?' It's a public relations battle. On the other hand, at these prices the fields are pretty much booked solid. They're so heavily used that we have to play on them even during what should be a dormant period. It's bad for the fields. We're looking at additional land opportunities that we have control over, but you can't just use every piece of vacant land out there. There are conservation issues, community issues--some communities don't want ballfields in their open space."

Today's politics being what it is, market-based recreation is gaining credence throughout the country, most notably in suburban, higher-income jurisdictions but gradually also in inner-city locations--although the idealistic "workreation" programs have been difficult to design and implement and often seem to have gotten lost in the shuffle.

The situation in the Washington, D.C. suburbs seems typical, as explained by David Hobson, director of the Northern Virginia Regional Park Authority (NVRPA), a \$10.5-million agency which gets only 16 percent of its revenue from tax payments from its six member cities and counties.

"Charging fees is a necessity," said Hobson. "We would not be able to offer the services the public needs and demands if we were not principally a fee-based organization. Our member jurisdictions have wanted to keep their contribution levels flat and it's difficult to squeeze out anything additional. The only way we've been able to maintain a system and to add service is to design it with a substantial revenue base. Generally speaking the public can afford to pay and is

willing to pay, although we recognize that it's an issue for those who can't. Fortunately for us it is less problematic than if we were an inner-city agency." NVRPA has no formal scholarship program for low-income individuals, although the authority has group fee arrangements that are taken advantage of by some area recreation departments, enabling them to pass on lower costs to participants. Hobson noted that NVRPA gets a very low level of complaints about fees--only about half a dozen a year make it into his office.

Some inner-city programs, mostly in the Northeast, such as Baltimore's and Cleveland's, have moved only gingerly to increase the number of fee programs and the level of fees charged. Baltimore Parks and Recreation, for instance, brings in merely \$135,000 in fees, or less than one percent of its \$15-million program. Providence Parks Department relies on fees for only about \$250,000 of its \$7.6-million budget, or about three percent. And Cleveland charges so few fees that the agency doesn't even track the income.

"The mayor of Cleveland, Michael White, is very sensitive to the politics of charging for parks and recreation," noted Oliver Spellman, former parks and recreation director for the city. "That 80 percent number"--Leon Younger's number--"may not hold in Cleveland. Politically the mayor is very sensitive to that."

White, according to Spellman, is deeply committed to parks and recreation, and rather than forcing the parks agency to raise money privately, the mayor has worked to keep the agency sufficiently funded through the city budget. (Cleveland has another reason to avoid fees. Under Ohio's Recreational Use Statute, all agencies which offer recreation for more than a nominal fee are held to a much stricter standard of care, thus opening themselves up to tort lawsuits, higher legal fees and increased insurance premiums. "To be blunt," said one official, "if an incident happens, we are protected, even if our staff is at fault." All states have recreational use statutes, but Ohio's appears to be tougher on fees than most.)

Many other cities, however, have been willing (or forced by circumstances) to put more eggs into the fee basket. Portland, Oregon, for instance, receives only 57 percent of its \$47-million budget from the city and must generate more than \$20 million in other ways. San Francisco Recreation and Park Department gets \$30.3 million from fees--38 percent of its \$78.9-million budget. And then there's Wheeling, the city that's proud to have a park system that's not taxpayer funded. The Wheeling Parks Commission, far and away the most self-supporting urban park system in the country, gets only \$190,000 of its \$20-million budget from the city.

The nation's two largest fee-generating park agencies are those of New York and Chicago. New York Department of Parks and Recreation (NYDPR) (\$167 million annual budget, 22 percent from non-tax revenues) and the Chicago Park District

(CPD) (\$307 million, 30 percent non-tax) are, in effect, two huge urban empires that are rapidly learning how to generate impressive returns on their assets-- which include thousands of acres of landholdings, numerous golf courses, ballfields, recreation centers, mansions, marinas, tennis courts, skating rinks, stadiums, parking lots, beaches and much more.

In both cities, the single biggest source of fee revenue is, ironically, from automobile parking. NYDPR owns Shea Stadium and receives that parking revenue; CPD has Soldier Field plus, under Grant Park, one of the nation's largest parking garages, only minutes from the Loop, from which it grosses a staggering \$18 million. Chicago is doing so well on parking that the Park District is constructing a garage underneath Lincoln Park, near the Chicago Historical Society. In fact, in the right circumstances, downtown parking can be so lucrative that the city of Boston was able to finance Post Office Square, a brand new \$80-million park in the heart of its financial district, solely through revenues generated by the parking garage underneath.

After parking, the largest revenue source for New York is golf, as it is for most park agencies in the country. New York City's 13 golf courses, all of which are run by concessionaires, net about \$3 million for the city.

"Golf courses are the cash cow for many park systems," says Barry Tindall, government affairs director for the National Recreation and Park Association. Northern Virginia's David Hobson agrees. "Golf is virtually a gold mine. We generate substantial excess revenue on the sport, and some of that money is used to cover financial non-generators such as Carlyle House [a historic mansion] and Meadowlark Gardens [a flower garden]."

Other profitable ventures for many cities include tennis (particularly indoors), boat marinas, weddings and other special events at noteworthy mansions or gardens, and restaurants. Enterprises which are generally less lucrative include swimming pools, ice skating rinks, ballfields, playgrounds and bike trails. (The really big-ticket items in many city parks--zoos, stadiums, museums and aquariums--are financially too complex to be analyzed in this study.)

## **Voluntary Fees**

A seeming contradiction in terms, the "voluntary fee" (or "mandatory contribution") is the newest twist in recreation revenue enhancement. The concept, which was originated by New York's Metropolitan Museum of Art and has spread to many museums, was recently adopted by the New York Department of Parks and Recreation in its recreation centers; it's been one of the Department's great financial (and recreational) successes.

In 1995 New York began requesting a donation (suggested to be in the \$10-to-\$25 range) for the use of recreation centers. The annual donation results in a

membership card and entitles members to use all the facilities in the center (except, in some centers, the weight room and nautilus). In those centers which have a state-of-the-art weight room/nautilus, an additional fee (not donation) of \$50 per year is charged for those privileges, resulting in a maximum annual expense of about \$60-75. The city uses the fee/contribution money to upgrade the center and restore other rec centers.

Those persons who claim they cannot afford to pay a donation of any amount are asked to fill out a form and are then granted a free membership card. The Parks Department is considering introducing a sweat-equity program so that low-income persons can do some work in or on the centers in return for recreation. "Virtually everyone is more than willing to pay," says Bob Garafola, deputy commissioner for Management and Recreation. "It's the best bargain in New York City. Compare the hundreds and hundreds of dollars you have to pay at a sports club, most of which have neither a pool nor a basketball court."

Because of the fees, the centers have improved dramatically, particularly their weight rooms which, Garafola found, are the best mechanisms for bringing people in for the first time. In the most densely populated neighborhoods in Manhattan, the city rec centers are now reaching memberships of 10,000-15,000 each. Of the \$12 million the city spends on its 34 rec centers, \$2 million comes from fees and gifts.

## **A Warning About Fees**

There's one big caveat about fees. Many cities have a law or even a city charter requirement that all fees charged by a city agency are allocated to the general fund, not to the specific agency making the charge (much less to the specific park or recreation activity). While this is probably good public policy (since many agencies have no ability to charge fees at all), it severely reduces the incentive of a park agency to charge fees or of a park user to be willing to pay them.

Thus, for fees to have maximum advantage, park directors should attempt to reach an understanding with their mayors and their city councils that the agency will get credit for the revenue it generates (ideally, full credit). Even if the fees technically go into the General Fund, it can be widely publicized that the agency tracks the revenue and receives it back in its budget allocation (along with the normal taxpayer-based allowance). Being able to show the public that fees result in better maintenance of park facilities will go a long way to mitigating any unhappiness about paying.

Naturally, this is not easy. No mayor wants to lose full discretion over budget allocations. In 1995, New York Mayor Rudolph Giuliani agreed to let New York City Parks "keep" any new revenue it generated, but the deal expired after one year so that the resulting explosion in income in later years went largely to other

city uses. Ideally, the effort to keep fee-based income within the park system would be a joint effort between the park agency itself and the park advocates on the outside.

## **Enacting New Fees or Raising Old Ones**

Though higher fees are often justified (or even desirable), the actual moment when fee increases take place is rarely pleasant. "We get very few complaints about fees, but that's when we get them--when new fees are instituted or when old ones increase," said Stuart Strong, division manager for Austin Parks and Recreation Department.

What is the best way park managers can raise fees without producing a political firestorm in response? The experts provide some tips:

Provide high quality. People are willing to pay if they get good value. Best is to upgrade facilities before raising the price.

Explain the fees. Explain your budgetary and cost realities to the public in every way possible--placards, brochures, pie charts, speeches. Make sure to include your long-term capital expenses as well as your ongoing management costs. If you make a "profit" on a particular program you might want to show what money-losing enterprise it subsidizes.

Highlight the value. Make the comparison with other public and private activities, such as movies, video arcades, professional sports events, museums, amusement parks. "When someone complains to me about a \$350 league fee," says Baltimore's Tom Forman, "I point out that that's for a 10-week season for a 10-person team, so it amounts in reality to only \$3.50 per person per game." Provide alternatives. Give low-income persons a way of participating, either through a "sweat-equity" program of exchanging work for recreation time, or by providing certain hours where the fee is waived. When Chicago privatized its ice skating program, sharply upgraded the rinks and raised the fee, it also mandated that 40 percent of the hours--the periods of lower demand--would be available free of charge.

Institute the increases on a rolling basis, at the end of each season, not in the middle. Enacting an across-the-board fee change on January 1 might be great for the baseball program but a real irritant for those playing basketball or indoor tennis.

Pre-inform the politicians. Your elected officials may catch the brunt of the outcry--and they are the folks who could force you to back off the fee increases if they are sufficiently upset. Make sure they fully understand the rationale, need for and use of the increased fees. Ideally, give them fact sheets they can use with their angry constituents.

## **Outsourcing**

Intertwined with any discussion of fees is the issue of outsourcing, also referred to as "privatization" and "concessions"--basically, who is it that gets to charge the fee?

A relatively new concept in the urban park business, outsourcing is now a high-growth industry thanks to the realization that it is often cheaper and more satisfactory to have private concessionaires operate specialized entities such as stadiums, marinas, golf courses, restaurants and skating rinks. Generally speaking, revenue-generating operations are most amenable to outsourcing, although some cities have outsourced items such as fleet management and janitorial services. Chicago, in particular, has taken outsourcing to the limit, reducing the number of divisions in the Park District from 13 (only one of which focused on parks and recreation) to seven (six of them dealing with the agency's core mission and the last providing central support). In commenting on the wholesale reengineering of his agency, which until 1991 had a reputation for extraordinary inefficiency, incompetence and waste, former Superintendent Forrest Claypool said, "We had to flip the entire organization on its head, directing resources, services and employees toward the parks and communities they serve and away from a centralized bureaucracy."

Not every city has embraced the privatization concept to the degree Chicago has. When San Diego Parks and Recreation Department analyzed its 1300-acres-per-week mowing operation, it concluded that "keeping it in-house was by far the best use of tax dollars," according to staff member June Dudas. (However, the department is analyzing outsourcing other functions.) Seattle has had a good experience outsourcing golf, marinas, restaurants and its zoo and aquarium shops, but ran into unions' political opposition to outsourcing park maintenance and has had to move more slowly on that front.

And then there is the converse approach, "publicization." In suburban Prince William County, Va., outside Washington, D.C., the park authority seized upon its status as the largest grounds maintenance entity in the county and won the bid to do grounds maintenance for all the lands owned by the Prince William County government.

The first city to recognize the financial benefit of outsourcing was New York, and it learned the lesson straight from the financial markets downtown: it opened some of its programs and services to competitive bidding and let the market determine the value. The first result, in the early 1980s, was spectacular: the golf program, which was losing \$2 million a year under city management, became a \$3-million-a-year profit center under a private operator. Thereafter, as leases on other operations came up, they weren't automatically renewed. One chagrined concessionaire turned out to be hotel mogul Donald Trump, who was outbid for the lease on the famous Wollman Skating Rink in Central Park; the city now gets \$850,000 a year from the new concessionaire (who still makes money on the



deal). (Aside from Wollman, however, ice skating is generally considered a difficult revenue source, and most rinks barely break even or run at a loss.)

After that, the floodgates opened: the yearly concession for a marina in Queens fetched \$150,000; the National Tennis Center in Forest Hills brought \$1.15 million and an indoor tennis complex in Manhattan \$290,000. In the 18-year period between 1979 to 1997, NYDPR increased its annual concession and fee income from \$2.5 million to \$36 million.

New York, of course, is in a price league of its own. But other cities have also taken notice of the privatization concept, which is now perhaps the hottest topic at park and recreation conferences.

Indianapolis is the site of one of the most unusual concession arrangements in the country. The city's Parks and Recreation Department has signed contracts with seven churches to maintain 24 neighborhood parks. The churches, which generally hire disadvantaged and hard-to-employ individuals from within and around the neighborhood, are responsible for mowing and trash pickup, and they sponsor annual cleanup days in which neighbors and parishioners come and plant flowers, paint benches, etc. In some cases the churches have a direct monetary contract; in others they receive park services of equivalent value, such as free use of parks, summer camps or pools. "By leveraging the interest and commitment that church leaders have in their neighborhoods, the program has been very successful," said IndyParks Director Deb Norman.

While promising, privatization is not an automatic winner. In order for it to succeed, four pieces must be handled right:

The contracts must be bid properly. Considering the risk of turning over public lands and services to a private, profit-making institution, it is crucial that all the details of the work product be meticulously spelled out in advance. Moreover, as with all market transactions, the process must be an open one. The only way quality will be kept up and costs kept down is if there are always multiple bidders competing.

The facilities and programs must be of high quality. City parks and city recreation programs are in competition with numerous other private spaces and providers. Only by being as good as or better than competitors will a program thrive. As Wheeling Park Commission CEO Randy Worls said, "There are two important principles that apply to any system: that first-class facilities will attract paying customers and, secondly, that local park systems can entice out-of-town users if they offer a quality experience."

Fees must be set at an appropriate level. This is probably the easiest of the four factors to get right, since pricing schemes can be tested and fine-tuned. Consultant Leon Younger uses as his rule of thumb the fact that, on average, one hour of private recreation in the U.S. in the late 1990s costs about \$3.50. "A movie, for example, is 2 hours at \$7 a ticket," he says. "Golf is a four- or five-hour

experience which typically costs about \$15-\$18 to play. The skating rink or the bowling alley is usually a \$3-an-hour experience." That number can be modified by location, quality, competition and other factors.

Agency oversight must be maintained. It's not enough for the park agency to sign the contract, collect the concession fees and close the file drawer. Contract performance must be continually monitored and evaluated by the park agency. (If the agency fails at that task, the job will inevitably be assumed by the local media and/or the local citizen park-watcher organization, probably to the embarrassment of the city.)

## **The Downside of Outsourcing**

The majority of observers feel that outsourcing is, on balance, a positive direction for parks. But there is a risk that, along with the services, some crucial park values can also end up being outsourced.

So says Erma Tranter, director of Friends of the Parks, a citizen watchdog group in Chicago, and one of the country's most thoughtful citizen park analysts.

"We're in support of privatization in certain areas, like parking, which they were previously mismanaging," said Tranter. "In fact, we called for contracting out the parking. We also supported outsourcing golf. A lot of things they've done make sense and have been successful. But in the actual outcome others have had their downsides."

"The marina situation is a problem," explained Tranter. "The concessionaire knows harbors, they don't know parks. Under the contract, we thought they would improve the harbors while keeping the same number of boat slips. Instead, they've added about 200 slips and about 400 parking spaces. They are encouraging more boaters. They are treating the marinas as if they were private even though they are all within public parks. This particular outsourcing has been good for boaters but not good for parks. These are not private marinas."

"Or take Soldier Field. The only problem with it is that they are financially dependent on parking fees and having as many people drive as possible. We, on the other hand, want to get people to use public transit. Soldier Field is only a half mile from the Loop--that's walkable. Instead, they're promoting driving and polluting the park."

Tranter is also disappointed with the returns on golf. "New York gets almost 10 times more money out of their arrangement than we get out of ours." Pointing out that the golf contract did not go to public bid, she estimates that the Park District receives barely any revenue beyond the \$250,000 concession fee from six golf courses. "It's a great arrangement for the concessionaire, though not necessarily

for the taxpayer. They maintain the courses well, but there is virtually no revenue production for the department."

"Finally, food concessions--privatizing food has not been successful. Again, the concessionaire knows the restaurant business but not the park business. These must not be thought of as restaurants per se, they are park facilities. For instance, we've had to fight the concept of putting little markets on the lakefront. We got them to scale it back, but they're still selling CD disks and all kinds of other things in our parks--things that should be across the street, not in our greenspace. Food concessions would be better managed within the Park District."

In Tranter's mind, privatized park systems can work but are always potentially vulnerable to commercialism and consumerism. "Someone has to be the park advocate," she said. "Either it's the park district itself or it's got to be the person who manages the contracts with the private entity. If it's the latter, we're very dependent on that person being an advocate for parks."

While Friends of the Parks seeks to monitor the contracts itself, the Park District doesn't make it easy, said Tranter. "Any time we have a question about a contract they make us go through official channels--Freedom of Information request, delays, sometimes paying for xeroxing costs, things like that. All that information should be readily available without jumping through these hoops. In practice, we monitor more by working with community groups than by following the contracts."

The reaction of New York's park-watchers is similar.

"New York is trying to privatize everything they can get their hands on," said Dave Lutz, assistant director of the Neighborhood Open Space Coalition. "There's good privatization and there's bad privatization, and for the most part [Parks] Commissioner [Henry] Stern has been very sensitive, but you have to ask 'When does privatization end up driving the parks?'"

Lutz finds New York's privatization leadership ironic. "When Central Park was built," he wrote in his newsletter, *Urban Outdoors Bulletin*, "the New York model set off a wave of park construction all over America. . . . Now, New York is the model for park budget parsimony and the nation is beating a path to our doorstep to see how."

## **Sponsored Events**

User fees aren't the only way to make money off parks. There is a growing recognition by corporations, associations and others in the private sector that parkland and recreation programs have positive public values worth associating with. And there is a growing boldness on the part of park agencies to ask for

financial payments in return for those associations. This is leading to a wide array of sponsored programs ranging from one-time large group activities such as runs or concerts, to advertising promotions that utilize a park as a backdrop, to the use of logos or brand names in return for donations of money, goods or services.

Under the old way of doing business, park managers generally allowed their facilities to be used by private entities for free. Later, fees were instituted to cover costs associated with the event--traffic enforcement, crowd control, trash removal, etc. Recently park departments have moved to use certain private-sector park events as income generators--and many companies are happy to comply as long as they get positive name and logo recognition.

Thus, in Portland, Oregon, the Portland Trailblazers sponsor a citywide three-on-three basketball competition called "Hoop It Up" that in 1997 generated \$10,000 for Portland Parks and Recreation's Drug Free League. A similar tournament in New York City is sponsored by Nike and the National Basketball Association. In Austin, the \$300,000 cost of the Parks and Recreation Department's annual Yule Fest lighted-trail extravaganza was recently picked up by Dell Computer in return for publicity and recognition. In New York Reebok sponsors a tennis academy, and Rollerblade has a three-year deal whereby it provides equipment and money for clinics and events featuring in-line skating.

While all that money makes some park advocates heady, the commercialism leaves others a bit woozy.

"What would Frederick Law Olmsted have felt about these highly conspicuous partnerships, complete with logos, company names and other commercial trappings?" asks Phyllis Myers, long-time park watcher and reflective editor of GreenSense, a newsletter on park funding. "On the one hand, he designed his parks to be refuges from the commerce of the city; on the other hand, he wrote passionately about his goal of providing activities so that people of all classes and cultures could meet, mix and interact. His parks were emphatically not designed to be wilderness areas, but he did want them to be green, naturalistic havens. To the extent that these public-private enterprises eliminate the differentiation between the commercial city and the naturalistic park, many people feel that something gets irretrievably lost."

Marcia Reiss, deputy director of New York's watchdog Parks Council, agrees that there's reason for caution.

"I'm not as concerned about the one-day events as I am about lasting things like 20-year concession leases, but all of it's a slippery slope. When you're getting something back from the corporations, particularly in poor communities that would otherwise get nothing, and if guidelines can be established, I think it's manageable. One critical element is making sure that it's always the event and not the sponsor that is advertised. In New York, most of the sponsored activities

are in Central Park and that can probably be controlled--no one is going to erect a billboard in Central Park. It's in the outer boroughs that we're more concerned--a lot can happen out of the glare of publicity."

## **Sponsored Facilities**

Raising corporate and philanthropic money to construct, improve or rehabilitate physical structures in parks is often relatively easy. The problem, sometimes, comes in with the name, the signage or the logo that companies want to accompany their gift.

In Chicago, for instance, the H & R Block Foundation donated \$1 million to construct a cancer survivors' garden for which Block requested three signs of recognition. The Park District permitted only one. "We have a special enhancement committee to protect against over-commercialism in the parks," explained Assistant Superintendent Ed Uhlir, "and we relied on their recommendation."

Austin, too, "is being fairly purist right now," according to Planning Division Manager Stuart Strong. Controversy recently erupted when Motorola Corporation offered to buy the community theater a new sign in exchange for placing the company logo on it. "It would be good to find some external money," Strong sighed, "but the question is: what is the appropriate trade-off?"

Other cities may be somewhat less choosy. Portland, Oregon is presently negotiating one deal to name a sports complex after a corporation or entity willing to pay about \$140,000 a year for the privilege, another deal to sell about \$100,000 a year worth of sponsor opportunities on and around a new softball complex, and a third involving a \$10,000-per-year scoreboard sponsorship. Wheeling, too, is willing to allow signage in return for gifts.

"While too many plaques and markers, improperly placed, will mar the beauty of an area," explained Parks CEO Randy Worls, "the Wheeling Park Commission has named many facilities for individuals and families over the years. If a donation leads to the establishment of sufficient funds to get a project underway, that facility will bear the name of the benefactor. This policy has often led to ongoing support from the family who made the original donation, sometimes down through several generations."

While many cities have worked out special financial relationships with their professional sport teams, Chicago may be the most successful. The White Sox gave \$1 million toward the \$10 million cost of replacing all the system's 814 hardball and softball diamonds. The Cubs' "CubsCare" program paid for new batting machines in the parks. And the Bulls donated \$1 million for new and refurbished basketball courts. Portland has a close relationship with both the Trailblazers and the Nike Corporation. In New York, Modell Sporting Goods paid

for new basketball backboards (and also made a \$135,000 gift) in return for a logo on each board.

Closely related to facilities is the concept of branded product sponsors-- companies buying the right to be listed as an "official" product of the park system and the right to be exclusively sold at kiosks and concessions in the park. Pepsi is the official drink of both the Cleveland and Portland park systems; in suburban Cleveland's Metroparks the official drink is Coke and the official chips are Snyders'. (For comparison, Portland gets about \$25,000 annually from Pepsi, while Metroparks receives about \$100,000 a year from Coke.)

There's one type of facility that has only the most minimal impact on public land, raises virtually no qualms or objections and can prove exceptionally lucrative to park agencies: underground cables. Generally, these are fiber optic or telephone lines, but in some cases might also be electric lines. (Sewer and water lines, operated by public agencies, are generally not required to purchase easements from sister park departments.)

In Seattle, the city received a one-time payment from the Sprint Corporation of approximately \$500,000 plus additional in-kind park improvement work totalling about \$350,000 in return for the right to lay a fiber optic cable the length of the Burke-Gilman Trail. (Additional payments are expected when the license comes up for renewal in the near future.) Similarly, the 45-mile-long Washington and Old Dominion Railroad Trail generates \$375,000 annually for the Northern Virginia Regional Park Authority from a fiber optic cable contract with AT&T.

## **Gifts and Donations**

Not every payment to a park agency must be associated with publicity, public recognition or advertising. Many individuals, and even corporations, are happy to make contributions to park agencies and programs solely to improve the community in which they live or operate.

Margaret Frisbie, director of Chicago's Parkways Foundation, certainly notices it. "People are moving back into Chicago from the suburbs and they are excited about the parks," she said. "There is a sense of pride and civic duty--and not just on the lakefront, either. People call us up and say they would like to do something for the parks."

In fact, predicts Wheeling's Randy Worls, contributions will eventually become the dominant financial source for parks in cities.

"The future of park funding is in philanthropy--donations from 'regular' people, people who are not presently giving big money to anything," he says. "Over the next 15 years there will be an intergenerational transfer of about \$16 trillion. It is from this huge pool of money that park funding must take place. The fundraising

that is taking place right now is building the framework for results which will occur 15-25 years into the future. As time goes on this will be the basis for our park systems."

Worls has already built the Oglebay Foundation into an impressive powerhouse which generates between \$1 and \$2 million in interest payments per year-- money which is used for park maintenance. His goal is to increase the endowment to \$75 million, which would generate enough interest to cover all park maintenance costs in Wheeling.

Although Chicago Park District has no intention of moving to shift its huge budget over to philanthropy, even in the Windy City the relatively small Parkways Foundation will be playing an increasing role.

"The General Superintendent made a commitment to not raise the tax levy rate," explained Director Frisbie. "With support from the Foundation the city can still do innovative programing and capital improvements without increasing the tax burden." Among the Foundation's fundraisers are "buy-a-bench" and "green deed" tree-planting programs whereby donors receive certificates, garden tours, and a gala dinner at the Grant Park Music Festival. Its focal program currently is the creation of a \$1.3-million children's garden at the Garfield Park Conservatory, a program conceived by the Park District staff and approved by the Parkways Foundation board.

The largest-scale fundraising is, of course, in New York, where the Central Park Conservancy, City Parks Foundation, Prospect Park Alliance and a half-dozen other park organizations collectively pull in about \$18 million in donations a year. Other cities are scrambling to take advantage of the pro-park constituency, too. San Francisco's Friends of Recreation and Parks raises about \$1.5 million a year for park-related improvements in that city, and a citywide task force is currently looking into establishing a conservancy specifically geared to Golden Gate Park; Clevelanders and Seattlites are exploring the possibility of starting park fundraising organizations for their cities, too.

Despite the growth in the number and size of park foundations, not everyone agrees with Wheeling's Worls that philanthropy is where the future lies.

"Personally, I think our role is not in paying for parks but in building a political constituency for them," says Donna Ernstson, director of San Francisco's Friends of Recreation and Parks. Ernstson says this despite the fact that her 25-year-old organization raises funds for city parks, and despite the fact that San Francisco voters may soon authorize the establishment of a new \$150-million public benefit authority -- a foundation-like entity -- to undertake several huge renovation projects in Golden Gate Park.

"There is an obvious need to get the parks physically healthy again after all our recent problems with drought and rain," Ernstson adds. "But after this needed infusion, private philanthropy should not be constantly required at that level. I feel strongly that the city should be held responsible for the maintenance of its assets."

The evolution of Friends of Recreation and Parks is perhaps emblematic of what is happening in big city park philanthropy these days. The group was formed in 1971 in response to the offer of a philanthropist who wanted to donate \$50,000 to renovate a playground in Golden Gate Park. Since any such donation directly to the city would go into the General Fund with the risk that it would become "lost," a private non-profit entity was created to accept the gift and target its use.

For the next 20 years FRP, which had interlocking board members with the city park department and the park commission, operated essentially as a small office within the park department, receiving unsolicited contributions and turning them over the agency. Then, in the early 1990s, in response to significant reductions in park department funding and the decline of many parks, FRP's board undertook a major reorganization. A new director was hired, aggressive membership and foundation outreach campaigns were instituted, the group's mission statement was changed from "provide support . . ." to "provide leadership and support . . .," and FRP became a significant partner with the park department in planning the use of privately raised funds.

Results were dramatic. Between 1993 and 1997 income increased more than 17-fold and dozens of new projects were undertaken or completed. Moreover, the effort helped many community leaders realize the vast amount of untapped money potentially available for park restoration and creation in San Francisco. But FRP is not following the model of the Central Park Conservancy. "We're not trying to privatize Golden Gate Park," says Ernstson. "For one thing, this is such a strong union town we could never do it. For another, we don't have the kind of property wealth surrounding Golden Gate that they have around Central Park-- we couldn't raise that kind of money."

"We compare ourselves more with New York's Prospect Park Alliance," she says. "We're working jointly to improve and maintain the park with a mixture of public and private money. You need to keep public sector workers but you can also find and create new projects and opportunities that will be of great interest and excitement to private donors."

## **Conclusions**

It is evident that park and recreation programs have tremendous intrinsic worth that many people are willing to pay for. In fact, even over and above their tax dollars, people seem willing to pay for recreation in three distinct ways: through



user fees, through voluntary donations, and through patronage of corporations which themselves promotionally support parks.

In fact, one of the more confusing aspects of the current funding situation for city parks is why many politicians, such as New York Mayor Rudolph Giuliani, feel that there is an insufficient public mandate to adequately fund their park and recreation departments via tax revenue. As *Governing Magazine* said in 1996, "While voters may not list the rec department as a top priority, they are demanding more from it with every passing year."

The current moves toward park privatization seem to reflect conscious calculations on the part of both politicians and park advocates. The politicians are willing to cut park budgets because they believe their actions will be "covered" by private funds that flow into the gap; the park advocates are willing to invest the time and effort into private fundraising because they are worried that they don't have the political clout to win a lobbying battle over parks. Conversely, if wealthy individuals and institutions were not available for park philanthropy, park advocates would be forced to build a stronger political base and battle for money in the public arena--and politicians would feel the heat and (hopefully) respond.

In most communities privatization is slowly gaining, both because it's seen as less risky by park advocates and also because it gradually gives them a greater say in how parks are run. Paying some of the bills, after all, has its advantages! Should this erosion of public support and its replacement by the private sector be allowed to continue? Should other signature parks, like San Francisco's Golden Gate, Philadelphia's Fairmount, Boston's Common and Detroit's Belle Isle, be taken over by private conservancies that raise millions of dollars and undertake gigantic restoration projects? Should other systems move further down the "slippery slope" of higher fees and greater reliance on the vagaries of corporate promotion and beneficence? Where should park advocates draw the line?

Here are the options:

1. Say no to privatization. Following the credo of Minneapolis' David Fisher, park advocates could collectively draw the line against the inequity and undemocracy of privatization and attempt to roll back the market-based changes that have already occurred. Doing this would entail organizing a nationwide citizen pro-park political movement. It would also mean voluntarily abstaining from private-sector fundraising, forcing the drying up of private funds so as to temporarily create a park financial crisis for government to deal with. This is a high-stakes strategy that would force politicians and the society to decide exactly how important park and recreation programs are in the mix of urban needs.
2. Say yes to a limited amount of privatization. This approach would essentially ratify the status quo but decree that the private sector (and fee-paying users) should not shoulder any more of the weight. On a national average basis, this might mean that park advocates and managers would agree to raise about 40

percent of park costs from fees and private sources if mayors agreed that taxes would cover the other 60 percent. (In suburban systems the split might be 60-40.) This strategy would necessitate a two-pronged effort of continued fundraising and political base-building, similar to the position advocated by San Francisco's Ernstson.

3. Following current trends, support and stimulate additional privatization. This option heeds the advice of both Leon Younger (as to fees) and Randy Worls (philanthropy) and, in a way, might represent the path of least resistance. It involves no political organizing (something that park advocates have historically been weak in) and lots of fundraising (a strong suit for many conservationists). It potentially raises troubling questions about park and recreation access for low-income people, and could also lead to compromises with parks' environmental values depending upon the needs and wishes of private funders (although both of these risks also exist under present government programs).

Of the three, the first option seems unrealistic in the present political atmosphere which glorifies market-driven solutions. Also, to be honest, privatization seems to be working extraordinarily well, particularly in Chicago and New York. Should there be a scandal or major policy failure to stimulate second thoughts, the political pendulum may well again swing in the other direction, but at present that is not on the horizon.

As to the second and third options, they seem to merit serious conversation and debate within the urban park community. Virtually all of the movement's tactical decisions will flow from which of these basic strategies is chosen.

### **Community Profile: Chicago**

The Chicago Park District is by far the largest city park agency in the nation, with an operating budget of \$307 million in 1997 (almost twice that of the second-largest, New York). Of its revenues, 70 percent (\$215 million) are generated by a property tax levied on residential and business properties in the city. The rest is brought in from a host of fees on parking, golf, boat moorings, classes, camps, large park gatherings, weddings, food concessions and licensing, the operation of Soldier Field, grants and contributions.

With 552 parks on a total of only 7,284 acres, Chicago actually has one of the smallest urban park systems of any of America's major cities--half the size of Los Angeles', one-third of New York's and one-quarter of Houston's. In fact, only five of every 100 acres of land in Chicago are owned by the Park District, compared to 11.4 in Philadelphia and 13.5 in New York. (However, the District is somewhat backstopped by the huge Cook County Forest Preserve District, with 67,000 acres in the county and 1000 in the city itself.)

The Chicago Park District makes up for its small size with very high levels of expenditures: over \$42,000 per acre (more than four times the average of large cities), or about \$106 per capita (well above the average).

Created in 1934, the park district is operated as an independent authority governed by a seven-member Chicago Park Board appointed by the mayor and confirmed by the city council. Like Minneapolis but unlike almost every other city in the country, the Chicago Park Board has its own taxing authority and is thus assured of a revenue stream independent of the City Council and the mayor's budget. The arrangement generates a lot of money but, perhaps because of the lack of fiscal competition, by the 1980s the Park District had become bloated, inefficient, unresponsive and had lost the trust and respect of much of the community. (To give but one example, a 1993 survey revealed that of all scheduled park activities only 56 percent actually took place.)

In 1993, Mayor Richard Daley, a strong park advocate, appointed his chief of staff, Forrest Claypool, as General Superintendent with instructions to make major changes in the system. Between 1993 and 1996 a vast number of physical, management and financial changes were made, not only strengthening and modernizing the system but also catapulting Chicago into a position of city park leadership toward which many other cities now look.

Under Claypool, a large number of trees, bushes and flowers were planted, lighting was substantially upgraded, sports fields were renovated, new play lots were opened and ornamental fencing was erected. But most notably, Claypool turned big chunks of the park system over to private contractors.

The goal was to outsource "everything not having to do with our core mission of recreation and open spaces," as Claypool put it, meaning capital construction, downtown parking, boat mooring rentals, Soldier Field, the Lincoln Park Zoo, golf, lakefront concessions, information systems, vehicle maintenance, medical coverage and risk management, and internal janitorial services. The massive restructure and revitalization was so successful that it won an award in 1995 from the National Council for Public-Private Partnerships.

Almost every program that Chicago outsourced has been a winner financially, either through increased revenue or decreased cost. Parking was turned over to Standard Parking, an experienced operator, which revamped the old mismanaged system, cleaned the garages (including 24,000 lights under Grant Park that had never been washed), raised rates (which are still below market) while still improving customer satisfaction, and substantially increased revenue to the District. In fact, with downtown parking at such a premium, a new garage is being built under Lincoln Park, near the Chicago Historical Society. For boaters, a \$33-million renovation of the moorings by Westrek Marina, Inc. of California is half-completed, yielding better aesthetics, better access for the handicapped and other benefits. Boaters love it and willingly pay more for their

slips. The lakefront community is also generally supportive because of the visual improvement, although some residents have expressed concern about additional auto traffic and harbor congestion.

Outsourcing Soldier Field, home of the Chicago Bears, to Soldier Field Joint Venture, Inc. in 1994 has been another financial success, with 1994 marking the first time in the 50 years of the stadium's existence that it generated net revenue. (Net losses in 1993, for example, were \$2.6 million.) Thus far, the Joint Venture has doubled the number of events taking place at Soldier Field, and FY98 net revenue from the Field is projected at \$12 million.

The only outsourced program that has thus far resisted turning a profit has been skating, although it may eventually do so once Chicagoans become accustomed to a predictable regimen of electrically chilled ice rather than the old system of waiting for an extended cold snap to convert flooded fields into makeshift rinks. "We didn't anticipate making money," said Kathy Dunlap, manager of skating for the District. "We did it as a service to the community."

In the first year, 1996-97, the District installed nine temporary rinks in neighborhood parks around the city, spending over \$1 million on the program and earning only \$180,000 from it while serving about 50,000 skaters. One problem was the expense of erecting and disassembling the rinks; Dunlap now plans to have some of them installed permanently in proven locations. The revenue shortfall was also due to low skating fees plus extended periods of free skating for those who can't pay. (Under the old, unpredictable system all skating had been free.) One plan under consideration to expand the program is to make skating year-round by adding rollerskating and roller hockey programs in the summer. Another is to line up specific corporate sponsors for the skating rinks and events. Dunlap also wants to market rental of entire rinks to groups for private parties and for private hockey games.

Golf, while not a loss, has been a disappointment. It was contracted to Kemper, a private company, for a concession fee of \$250,000 per year plus one-half of the profits of the operation. Thus far it is netting only \$300,000, possibly because the links don't compare particularly favorably with other available facilities in greater Chicago.

The Park District is also more aggressively renting out its many buildings and other facilities (including gyms and swimming pools) to groups for private functions; Assistant Superintendent Ed Uhlir is of the opinion that there is room for considerably more revenue from the utilization of these many locales by community groups, companies and individuals.

In addition to generating fees, Claypool created a marketing division for the Park District. Based largely on the experience of New York City, which is considered the national model, the division seeks sponsorships and promotions, primarily in

the highly marketable lakefront parks. In 1997, the first year, sponsorships generated about \$918,000 (including revenue from the preexisting Grant Park Classical Music Festival, which is provided free to Chicagoans). Marketing is now trying to find sponsors for existing unsponsored programs, and also to redefine long-time associates and cooperators as official sponsors. (For instance, the Chicago Bulls have for years supported resurfacing basketball courts and the late-night basketball program but they have never been labeled official sponsors.)

Excessive advertising signage along Lake Michigan is not considered a risk because the lakeshore is closely regulated by the city; elsewhere, however, the Park District polices itself through its Enhancements Committee which rules on the number, size and location of signs. Thus far the only principal sponsor on the west side of the city is Nike, which has a sports-mentoring program in parks near public housing projects.

The Park District appears to have a particularly strong and growing relationship with Chicago's professional sports establishment, with major financial partnerships with the Bulls, Cubs and White Sox.

Also, in order to raise more private foundation money, the Park District helped establish a new 501(c)(3) entity, the Parkways Foundation, which has a separate board but is closely allied with the District. Private donations totaled \$345,000 in 1997, including grants from the Joyce and MacArthur Foundations as well as receipts from a formal dinner associated with the Grant Park Music Festival. Generally, the Park District identifies unfunded or underfunded programs and then requests the Foundation to seek grants and individual gifts to pay for them. "Using our parks to raise money is a good direction for them," said Kimberly Rudd, former deputy director of Marketing for the District. "Over the past five years they were able to increase park funding without raising property taxes at all. This way, people who don't use the facilities, like the boat docks or the stadium, are not bearing the burden of those who do."

In January, 1998 Claypool resigned from the Park District to return to his old position as chief of staff for Mayor Daley. He left behind a vastly improved system, and most reaction to his changes has been positive (although some staff grumbled about how hard they had to work). The Park District is running more efficiently and generating more money, and the quality of the experience is significantly better.

### **Community Profile: New York**

Somehow, the most densely populated city in the country still manages to devote a greater percentage of its land to parks than any other metropolis. Thirteen-and-a-half of every 100 acres in New York is operated by the New York City Department of Parks and Recreation (compared to 11.1 acres in San Francisco,

6.8 in Detroit, and only five in both Chicago and Los Angeles). Of course, New Yorkers have a greater need for parks since relatively few of them have yards or other private green space.

Unfortunately, big swatches of that land get little or no attention; the Department's relative level of spending on its resource is only \$4,894 per acre, about average for big cities, and one-half the level of Detroit, one-third that of Cleveland and one-eighth that of Chicago. Measuring park spending on a per-capita basis--\$17.38 per resident--puts the city at nearly the bottom of the list, and measuring the park operating budget as a percentage of the total municipal budget places New York dead last at 0.44 percent.

The park funding crisis in New York has been a relatively longstanding one, dating back to the city's fiscal near-collapse in the late 1970s. After steady budget increases from 1945, the Parks budget reached a zenith in 1978 which it has never since equaled; although the city has regained its fiscal health, Parks hasn't. As a result, New Yorkers both inside and outside the agency have undertaken extensive and ever-larger privatization and promotional efforts. In fact, the New York experience has, in some ways, provided the impetus nationally for much of the emphasis on privatization that is revolutionizing the urban park business today.

Most influential was the establishment of the Central Park Conservancy, the private organization which has been widely credited with turning around a park that 20 years ago was declining in quality and losing patronage. Since its founding in 1980, the conservancy has raised \$180 million in private funds for the nation's most famous greenspace, approximately half for operating expenses and half for capital costs. More noteworthy, the conservancy has contracted with the city to gradually take over much of the day-to-day operation of the park; as of February, 1998, the conservancy employed 150 of the 209 full-time non-management employees in the park. Under the contract the Parks Department pays about \$3 million. The rest of the conservancy's budget is raised privately from sources ranging from concessions to foundations to individuals, with the city pledging 50 cents for every private dollar raised above \$5 million.

"Although park management has been privatized," says Central Park Conservancy's Claire McCarthy, "it's important to recognize that the city still makes all decisions about park policies."

In addition to the Central Park Conservancy, New York has a wide array of other private institutions, including the City Parks Foundation, the Prospect Park Alliance, the Bryant Park Business Improvement District, the Riverside Park Fund, the Staten Island Greenbelt, and others.

In addition, New York Department of Parks and Recreation itself launched a sweeping series of privatization and promotional initiatives to improve services and raise money.

Privatizing the city's 13 golf courses has been a spectacular success. "They used to be a mess," said Joanne Imohiosen, assistant commissioner for revenue. "We ran them, maintained them, collected the greens fees--and lost \$2 million a year on them. We didn't have specialists who know how to run golf courses. Starting in 1983, under Commissioner Gordon Davis, we concessioned them out. The concessionaire invested millions of dollars in capital improvements and today the city nets \$3 million a year. The fees are still very reasonable but the number of rounds has increased dramatically."

The Department is seeking concessionaires to build two more golf facilities, one in Brooklyn, another in the Bronx.

On the other hand, there are some who think there is more to life--and to parks--than just golf. "While the golf business is ready and willing to pay the City for use of public land, it is the role of government to see that balance is preserved in private development of park land," wrote Dave Lutz in the Urban Outdoors Bulletin, the publication of the Neighborhood Open Space Coalition.

"In a city where privately operated, admission-charging golf facilities cover a significant percentage of the land area of its major outer borough parks, and in which there is an acute shortage of both ballfields and passive park areas, many park advocates believe that City Council approval should be necessary before major portions of any park are leased to the private sector," Lutz wrote.

But it is with concessions and corporate promotions that NYDPR really takes park watchers' breaths away.

For instance, the company that sells pretzels and hotdogs on Central Park property in front of the Metropolitan Museum of Art pays a concession fee of \$288,000 a year--for a single pushcart. For the exclusive privilege of selling t-shirts from a few carts in Battery Park, a different company pays \$730,000 a year. Meanwhile, in 1995, when the Disney Co. wanted to launch the movie Pocahontas with a splash, NYDPR said it could use Central Park--for \$1 million.

When BMW and United Artists wanted to unveil a new "James Bond" car in the park, they paid \$600,000 and also donated a BMW for a Parks Department raffle. When a dinner theatre company erected a tent in a public park and put on private performances, it paid \$160,000 for the privilege and also undertook \$20,000 of fence and shrub work in the park. And in return for sponsoring the citywide chess tournament in a park, Simon and Schuster paid for chess instruction in all the recreation centers.

Because of the wording of the city's charter there is no financial incentive for Parks to put time and effort into fundraising; the charter stipulates that all concession fees go to the general fund rather than to a particular agency. However, in 1995 Mayor Rudolph Giuliani made a special deal with Parks Commissioner Henry Stern whereby he promised to increase Parks' budget by whatever dollar amount the agency brought in over and above the \$18.6-million baseline of the previous year. Thanks to the arrangement, NYDPR responded with gusto and its private revenue jumped to \$27.2 million. (Unfortunately, the deal with the mayor was in effect for only one budget year. Moreover, each year's fee-and-concessions success seems to raise expectations and become the "floor" for the following year; in his FY99 budget, Mayor Giuliani raised the bar again, mandating that parks bring in another \$1 million from private sources.) As in Chicago, the citizen park-watcher groups are more ambivalent about the success of privatization.

"For one thing, all that private money coming in is only a fraction of what the mayor has cut out of the city's park operating budget," said Marcia Reiss, deputy director of the Parks Council. "For every dollar of private money brought in to the system, more than a dollar of public money is pulled out. We're losing ground."

"Take those recreation centers," she explained. "Yes, a couple of them are in gorgeous shape because they've been totally renovated, but most are decrepit. The city has leased out some of the centers to community-based organizations, but they don't have the resources to fix them up, either. The recreation budget has been cut by 65 percent over the past 10 years--it's a shadow of what it used to be and far from meeting the demand. Think about it--\$12 million for seven million people? There's no way that's enough for a decent program."

"And all that concession revenue? It's great that the Parks Department is earning so much money for the city, but virtually none of it is going back to the parks. For every \$10 raised by a park concession, only five cents is spent on a park!" Reiss exclaimed.

"As for the long-term leases, we're not opposed to them in principal but we want to make sure that the public gets appropriate value for what it's giving up. The city wants to sign a 20-year lease with a golf concessionaire on a long-undeveloped waterfront parcel in a run-down section of Brooklyn. For an \$800,000-a-year payment, the company plans to create a number of fee facilities for golf and ballgames on 73 acres out of the property's 110 acres. Well, what about the rest? Why can't the deal include some improvements for the general public as well? There's no balance of public and private uses."

Lutz of the Neighborhood Open Space Coalition is even more unhappy. "Take a look at Bronx Park, the Central Park of the Bronx. Bronx Park is very valuable, very important because there's not much green space in the southern part of the borough. But there's almost none of Bronx Park left. About half has



been given over to the Bronx Zoo and the other half to the Bronx Botanical Garden, both of which charge admission. There's only a thin sliver of free parkland left in the middle."

Alexander Garvin, a New York City architect, developer, urban writer and member of the City Planning Commission, points out the real irony: the relative availability of money for capital construction items and the paucity of funds for the day-to-day expense budget.

"The way the politics works, there is a ribbon-cutting when a playground is renovated--it's the trophy which a local elected official gives to his constituents," said Garvin. "There's no ribbon-cutting when someone clips a hedge."

To bolster his contention, Garvin points out that New York's newest park, the Hudson River Park presently under development, is getting \$100 million in capital funding from the state and \$100 million from the city--a total greater than the entire expense budget for New York City Parks and Recreation for a year.

Despite criticism of the Giuliani administration's fiscal austerity and reliance on park privatization to bolster the budget, the mayor did institute one program that has had an extraordinarily positive impact on the city's parks--and particularly its 900 playgrounds. Giuliani made available to the Department 5500 Welfare Employment Workers (WEPs)--people who have been newly required to work in order to get welfare benefits--to remove trash and keep the parks clean. At an average work week of 18 hours each, this translates into 2900 full-time-equivalent workers, more than doubling the regular staff, whose numbers have slid to about 2,000, the lowest level in the history of the Department. For the most part WEP workers only clean parks, and may not perform duties previously performed by paid employees such as repairing park property, operating machinery or supervising recreational activities. Nevertheless, as Commissioner Stern announced buoyantly last year, "Parks are cleaner, and graffiti and vandalism are way down."

## **Community Profile: Wheeling, WV**

One of the country's most remarkable urban park systems is located in Wheeling, West Virginia. Tucked away in a far corner of one of the nation's poorest states, Wheeling (pop. 34,000, metro area 177,000) has nevertheless developed a system that has an astonishing array of facilities, pulls in users from well beyond the region, has become an integral component of the city's overall economic development strategy, and generates 99 percent of its budget privately. Wheeling Park Commission has only two parks--400-acre Wheeling Park, located in the heart of the city, and 1600-acre Oglebay Park, two miles from downtown--but the agency has an annual budget of \$20 million and a staff of 1200, 550 of them full-time. Facilities include a zoo, three golf courses, lakes and

streams for fishing, paddleboats, indoor and outdoor tennis courts, a ski slope with chalet, a 212-room hotel and conference center, 20 deluxe and family cabins, a 10-acre re-creation of a 1915 farm-garden, a swimming pool, waterslide, pavilion, ballroom, ice skating, miniature golf and traditional sports fields. For all that, the citizens of Wheeling pay a grand total of \$190,000 in tax money.

"And we want to eventually go entirely off of local tax money," says G. Randolph Worls, head of both the park commission and the Oglebay Foundation. Of course, most of the income stems from fees, although, according to Barry Tindall, government affairs director of the National Recreation and Park Association, "the park still offers more free activities than any other park system its size in the country." Oglebayfest, for instance, a two-day free celebration, includes a parade, musical entertainment, dancing, an artists' market, a country fair and a huge fireworks display.

One indication of how unusual the Wheeling system is that Randy Worls' title is "chief executive officer." Another is the fact that, of the five park commission board members, two are chosen by the mayor and three by the city's Chamber of Commerce.

In fact, Oglebay is deeply entwined in the commerce of Wheeling. Oglebay Park is so special and offers so much that it functions almost as a resort and constitutes a destination for a significant number of out-of-region users. And the park's mid-winter Festival of Lights--a 300-acre, six-mile-long extravaganza that pulls in one million viewers--has become a high point in the city's economy.

"Because of the Winter Festival of Lights," said Worls, "we have taken a time when, traditionally, park business was at its low point and have made November through January our busiest time at Wilson Lodge, the Mansion Museum and our retail shops. Since the downtown community joined in the event in the late 1980s, the Winter Festival of Lights/City of Lights generates more than \$20 million in business annually."

The Park Commission's entrepreneurial creativity has been extraordinary. For instance:

The wintertime ski slope area doubles as a par-3 golf course in the summer, with the focal building converting from ski chalet to golf clubhouse; between seasons, the Commission rents out the facility for private parties.

To facilitate fishing, rental poles are available; if users do not wish to release the fish they catch, they can buy them at the end of the day at a per-inch cost.

The Commission opened eight shops in Oglebay, including GlassWorks, a venue where local glass artisans--a Wheeling specialty--can sell their work. (One of the

shops is located adjacent to Waddington Garden, the reenacted turn-of-the-century farmstead, allowing the garden to operate free of charge to the public.) Instead of devoting staff time to charging sports teams for use of playing fields, the Commission turned the facilities over to leagues to do the programming. The leagues either pay an overall fee or make a contribution. "Sometimes they do fundraising events for us," noted Worls.

Making use of the park commission's extensive golf program, Oglebay created a "Caddy Camp" where boys between the ages of 12 and 16 spend a summer learning good golf skills and earning back-to-school money. Many of the young men get jobs in the parks after their caddying days end.

For several years the Oglebay Foundation ran the American Institute for Leisure Resources which provided training sessions on successful park funding schemes (for a fee, of course).

Despite the lack of tax money, Wheeling's parks are deeply joined with the city's culture and its citizenry. The land for both parks was donated by wealthy families, and numerous facilities have been provided through gifts and bequests; a walk through the parks can give the user a roster of Wheeling's prominent benefactors.

But a successful park system can't be developed solely through the vagaries of donors' wishes.

"Construction of park facilities should be carefully planned," explained Worls. "The ones with good revenue potential should come first. Then activities that historically need to be subsidized can follow. If a good activity mix is developed, you will be able to meet the needs and desires of most of your citizens. With voter trends in recent years supporting lower taxes, citizens should be willing to contribute toward those recreation facilities they wish to use more than ever before."

"Although most park systems cannot build a facility the magnitude of Wilson Lodge, there are two important principles that apply to any system: that first-class facilities will attract paying customers and, secondly, that local park systems can entice out-of-town users if they offer quality experience."

Instead of complaining about the lack of public funds, Worls looks at shifts in funding from the opposite perspective.

"We eventually want to go entirely off of local tax money," he says.

