Value Capture Strategies for Financially Self-Sustaining Parks
Tuesday, July 23, 2019 | 11:15am

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SPEAKERS

Jesse Brackenbury, Executive Director, Rose Kennedy Greenway Conservancy
Eric Landau, President, Brooklyn Bridge Park
Trent Rondot, Conservation and Maintenance Director, Houston Parks Board
Carol Coletta, President and CEO, Memphis River Parks Partnerships, Moderator
Brooklyn Bridge Park

A Sustainable Funding Model for a Sustainable Park
Brooklyn Bridge Park: Key Facts

• 85 acres; 1.3 miles along the East River
• 450 species of plants; 0 pesticides used
• 5+ million visitors a year
• 60 full time staff members
• $13.5 million annual budget; $15+ million projected annual revenue
• Financially self-sustaining
• Sustainable practices used in all aspects of planning, design, construction, and operation
• 500+ free programs provided annually by program partner Brooklyn Bridge Park Conservancy
Brooklyn Bridge Park: How It Works

<table>
<thead>
<tr>
<th>Development site</th>
<th>Land use</th>
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</thead>
<tbody>
<tr>
<td>One Brooklyn Bridge Park</td>
<td>Residential</td>
</tr>
<tr>
<td>Pier 1</td>
<td>Hotel + Residential</td>
</tr>
<tr>
<td>Empire Stores</td>
<td>Office + Retail</td>
</tr>
<tr>
<td>1 John Street</td>
<td>Residential</td>
</tr>
<tr>
<td>Pier 6</td>
<td>Residential</td>
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</tbody>
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Park Financial Model: Sources

Annual Recurring Revenue

- Permits & Events 5%
- Concessions 5%
- *Real Estate Development 90%
- Pilot 65%
- Ground Lease 35%

* Real Estate Development also includes one-time upfront payments of about $210 million
Park Financial Model: Uses

- Park operation + Maintenance: 50%
- Capital reserve: 20%
- Maritime reserve: 15%
- Administration: 15%
Challenges

"We hope to buy the first one and then object to the other 199 being built"
Bayou Greenways
HOUSTON PARKS BOARD’S PROJECTS SINCE 1976

• Projects in more than 250 parks
• 14,000 acres of new parkland and greenspace
• Raised and leveraged more than $258 million for Houston’s parks
### Capital Campaign: $220 Million

- **$100 million Public Funding**
  - (2012 city bond)

- Houston Parks Board raising $120 million

- **$112.7 million already raised**
- **$7.3 million to raise**
BAYOU GREENWAYS 2020

Provide unprecedented access to more than 3,000 acres of greenspace along the bayous

Connect 150 miles of greenways with hike-and-bike trails

Put six out of 10 Houstonians within 1.5 miles
CITY-WIDE ANNUAL BENEFITS - $90 MILLION

PHYSICAL AND MENTAL HEALTH
$50 million/year
• Provide recreational space
• Health care cost savings

ENVIRONMENTAL HEALTH
$10 million/year
• Ecosystem services
• Air quality and enhanced bike use
• Reduce flood runoff and improve water quality

ECONOMIC HEALTH
$30 million/year
• Enhanced property tax base
• Retiree retention and relocation
• Company and talent retention and relocation

Benefits maximized only if park space is well maintained

“Key to a Healthy Region” - Dr. John Crompton and Marsh Darcy, 2012
CITY-WIDE ECONOMIC HEALTH

Enhanced Property Tax Base  $12-25 million/year
MAINTENANCE FUNDAMENTALS

• Long term with committed funding
• Assurance, especially to donors, that the improvements would be maintained at a high level
  ○ Standard of Care – Identify Quality, Tasks and Frequency
Chapter 380 of the Texas Local Government Code Authorizes MUNICIPALITIES to offer NON-PROFIT ORGANIZATIONS grants designed to promote economic development

Our Benefits Analysis study demonstrated that Bayou Greenways would contribute greatly to:

• Quality of life and city image
• Attracting and retaining knowledge workers and retirees
• Increasing property values to benefit the area’s tax base
ECONOMIC DEVELOPMENT AGREEMENT (380 AGREEMENT)

- 80 year Agreement between the City and the Houston Parks Board
- Maintenance must meet or exceed the Standards
  - “Operating” the maintenance program
  - 20% contingency called the “Maintenance Reserve”
  - “Capital Replacement Reserve”
**Funding “Buckets”**

**Operating**
- Routine maintenance
  - mowing
  - litter/debris removal
  - graffiti
  - forestry and bed maintenance
  - flood cleanup
- Conservation program
  - meadows
  - wildlife habitat
- Staffing and support
- Equipment and supplies

**Maintenance Reserve (20% Contingency)**
- Major flood clean up
- Unexpected repair/replacement of capital assets

**Capital Replacement Reserve**
- “Life Cycle” replacement
  - Trails
  - Bridges
  - Retaining Walls
  - Railings
  - Lights
  - Benches
  - Trash receptacles
  - Drinking fountains
  - Signs
  - Parking areas
OPERATING ACCOUNT

ROUTINE MAINTENANCE
MAINTENANCE RESERVE

FLOOD CLEANUP
CAPITAL REPLACEMENT NEEDS
CAPITAL REPLACEMENT RESERVE

Expenses since 2014
+ $6 million

Future Expenses (Through 2027)
+ $16 million
CONSERVATION PROGRAM

• Wildflower, Native Grass and Wetland Plantings
• Bird and bat nesting boxes
• Invasive Vegetation Removal and Reforestation
• Environmental Education
• Partnerships
PARTNERSHIPS

• Student Conservation Association
• Texas Conservation Corps
• Houston Audubon
• Garden Club of Houston
• Houston Zoo
• Community Groups
Rose Kennedy Greenway Conservancy
ELEVATED HIGHWAY, BEFORE THE “BIG DIG”
THE GREENWAY, AFTER THE “BIG DIG”
KEY FACTS ABOUT THE ROSE KENNEDY GREENWAY

• Built by the “Big Dig,” as a roof-garden over the interstate highway tunnel

• 17 acres & 1.5 miles in the heart of Boston

• Opened ~10 years ago

• Contemporary designs – 7 water features, varied gardens, specialty lighting and paving

• Solely managed by non-profit Greenway Conservancy
Challenging Greenway Environment in the Early Years

- Greenway opens at start of the Great Recession, with the baggage of Big Dig
- Savage opening reviews: “the Greenway is not merely bad, it is dreadful” (*New Republic*, 2010)
- Suspicion of the non-profit operating governance (still only “true” Conservancy in Boston)
- Very short-term operating agreements with State (16 in first 8 years!) and annual negotiation for government funding
450 FREE EVENTS
USE LARGE, SIGNATURE PHOTOS

450 FREE EVENTS
FIRST GOURMET FOOD TRUCK IN BOSTON (NOW 35 VENDORS)
FIRST BEER GARDEN & FIRST WINE GARDEN IN BOSTON
GREENWAY CAROUSEL AT THE TIFFANY & CO. FOUNDATION GROVE
8 AFTA PUBLIC ART AWARDS IN 7 YEARS
The Rose Kennedy Greenway is, for lack of better wording, wicked awesome, dude.
- BostInno
BALANCED CONSERVANCY BUDGET, BUT CAPITAL REPAIR BACKLOG WAS BEGINNING
EARLY BID EFFORTS WERE UNSUCCESSFUL, BUT 2017 PUSH YIELDED RESULTS
NEW AGREEMENT DIVERSIFIED FUNDING AND ADDED MONEY FOR REPAIRS & ENHANCEMENTS

Revenues: 2017
- BID - operations: 2.2
- City - operations: 3.3

Revenues: New Agreement
- BID - enhancements: 0.25
- BID - operations: 0.5
- City - operations: 0.95
- State - capital: 3.3

+$1 million
KEYS TO THE ESTABLISHMENT OF THE BID

• Define the problem early

• Build trust through a track record of success

• Deepen key relationships

• Understand the economic and political landscape

• Don’t waste a good crisis
SPEAKER CONTACT

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