



Parks and Trails: Stewardship Overview

January, 2017



Comments and Questions to:
Jon Commers, Donjek
(651) 645-4644
commers@donjek.com

Parks and Trails Funding Requirements and Strategies

Public parks, open spaces and trails are often recognized as important physical assets in communities. In large and small cities, these spaces often occupy a defining role in a community's identity. At the same time, in recent years civic leaders across the country have struggled to align limited public resources allocated to parks, with growing community expectations for quality space, amenities, and programming. Such challenges are observed in all sizes of cities, and are context for capital and operating funding decisions.

Capital costs are investments in land acquisition and preparation as needed, structures and equipment, and replacement of aging assets for a park space. Resources used to program and maintain a park space are operating costs. A sustainable funding strategy for a park requires planning to provide both for capital and operating costs over time. Categories of capital funding sources commonly invested in parks include:

- City and county general obligation bonding is a primary source for many parks. Several agencies are possible, with the City of Brainerd and Crow Wing County as the most important. Both the City of Brainerd and Crow Wing County maintain an existing bond program to finance capital projects, and park investments are eligible uses for bonds issued by either agency.
- State capital investment can serve as an important source for parks, especially with private match funds committed as a way to strengthen the prospects of funding approval at the Legislature. Given the statewide prominence of the Mississippi River, state bonding may represent a capital funding option.
- Foundation support can play a role in meeting particular capital needs that reflect current philanthropic funding priorities.
- Individual and family contributions in the form of donations, sponsorships and naming rights can demonstrate leadership essential to the success of the park, as well as provide an important capital source.
- Grants from federal sources may support particular capital needs within a park, relating to uses such as non-motorized transportation, water quality enhancements, or other purposes depending on agency and funding program.

Success of park spaces depends on ongoing stewardship, and identifying and securing stable operating sources is an essential step in planning. Operating sources to which communities often turn include:

- General appropriations by one or several public agencies, depending on park management and design, often comprise an important funding source.
- Fees and earned revenues can serve as a significant source of operating funds. Particularly, parking, advertising, and concession revenues can be managed to provide revenue for park operations and maintenance.
- Private contributions, such as those from individuals, families and potentially business sponsors, are likely to remain important over time. Establishment of an operating endowment during a capital fundraising phase is a strategy other cities have used.

Approaches to Management

To manage capital and operating funding needs, park stakeholders typically respond with a strategy that charges the municipality with oversight and funding, or delegates authority to a third party such as a conservancy or “Friends of” organization. Some cities have moved forward with hybrid models, as well. Each approach delivers advantages and disadvantages.

City ownership and operation of park space remains the most common stewardship arrangement for public parks in Minnesota, to the extent that citizens presume this is a uniform standard. The “City Approach” as described below, provides fairness and consistency and a widely understood structure of accountability for park management, in the form of elected city governance.

The “Conservancy Approach” has been implemented in Minnesota cities by forming a nonprofit or public-private partnership entity, to facilitate private support and/or programming and management of park space. In some cases, a conservancy approach organizes non-city fundraising and volunteer involvement, and in other cases a conservancy may own and operate an open space that is also owned privately – but used as a public amenity. These structures can allow more nimble response to park user interests, and lend insulation of park management from the diverse range of competing city funding priorities. Conservancies can also be vulnerable to fluctuations in leadership or funding support, making their impact inconsistent.

A general comparison of trade offs for decision making is presented below.

	<i>City Approach</i>	<i>Conservancy Approach</i>
Fairness	All City residents support an amenity that improves quality of life and strengthens property value and identity of community. However, this includes both heavier users and nonusers alike.	Individuals and organizations that value the park space most highly are its most invested sponsors, in the form of time and/or funding. Users of the park may benefit substantially from the park without substantially funding it, however.
Consistency	Once the process of adopting a city park funding policy is complete for a park, operating and programming decisions can be made with a multiyear time horizon due to the consistency of public support.	Individual, corporate and philanthropic contributions will vary year to year, creating some level of uncertainty in the development and execution of operating and capital budgets.
Efficiency	While annual appropriation reduces the resources required to secure park funding, public procurement process and city execution can be viewed as cumbersome.	Conservancies can establish a stronger identity and gateway for private support, creating a more efficient method of collecting resources for park operations and programming.
Effectiveness	Cities are accountable for a diverse portfolio of community functions, and park initiatives beyond a basic level of service can be difficult to	Involving a conservancy or related nonprofit in operation and programming decisions can establish a stronger connection between park administration

	<i>City Approach</i>	<i>Conservancy Approach</i>
	fund. In periods of budget stress, parks budgets can be vulnerable targets, as well.	and the community of users. Conservancies can be well positioned to forge new partnerships or introduce new programming ideas.
Politics	In a democratic process, parks funding needs compete directly with all other city priorities and stakeholders. The politics of decision making can lead to different funding priorities than a more data-driven approach.	Conservancies are governed by boards of directors, which enforce accountability and insert community control into parks funding decisions. However, these decisions by conservancies are debated within a more specific frame limited to parks programming and investment, instead of the much broader list of city needs.
Scale	With some exceptions, smaller cities and parks systems typically use city ownership, management and programming due to scale.	Conservancies are primarily formed and serve the community well in situations to govern larger parks with high visitorship and diverse program demands.

Project Examples

Each community strikes a unique balance among these factors when planning development or improvement of parks and trails. In addition, communities aggregate and invest resources for these amenities based on custom, funding availability, level of political consensus, and engagement of individual or private sector contributors. A sample of cases offers an illustration.

Levee Park, Winona

The City of Winona, Minnesota in 2016 finalized plans to renovate and redevelop Levee Park on the Mississippi River, as well as the connection of the City’s Main Street to the park and riverfront. The estimated \$2.2 million to \$2.6 million project is segmented into five phases that City leaders hope will establish a stronger connection between downtown and the Mississippi River and convert a half block of Main Street to a pedestrian mall.

The project dates to 2012, when current Mayor Mark Peterson campaigned on a platform that included revitalization of Levee Park. In 2013, Mayor Peterson commissioned a committee to explore and recommend steps to elevate the park and the City’s riverfront for public use. In 2015, the committee released recommendations that included the pedestrian and bicycle use for a portion of Main Street, a performance space and a splash pad water feature. An emphasis of the committee has been to create a node for bicyclists to access both downtown businesses and amenities.



City leaders and committee members have not recommended establishment of a conservancy or “Friends of” structure, but are advancing funding directly through the City for the project. The first phase of Main Street improvements, valued at \$650,000-\$800,000, is expected to be included in the City’s 2017 capital budget; remaining funding is anticipated to be included in coming years. City officials have expressed hope and expectation that individual and private sector funding will play a role in the project, but have not articulated specific sources or a target in terms of the private proportion of total project cost.

Pack Square Park and Conservancy, Asheville, NC

Pack Square Park has been described as the crown jewel of downtown Asheville, North Carolina by a local booster. Just over six acres, Pack Square Park was the focus of a \$15 million redevelopment effort between 2005-12 involving the public, private and philanthropic sectors, coordinated by an effective conservancy. When construction concluded in 2012, the conservancy conveyed the park and its stewardship to the City of Asheville, and disbanded.



The ownership of the park has been described as a “patchwork of separate and joint ownership” by the City of Asheville and Buncombe County. In 2000, during early discussion of the renovation, the Pack Square Conservancy was formed to support the park’s role as a public square and park. The Conservancy was charged with raising both capital and endowment resources for the park, at which it has been notably successful: Of a \$20 million construction budget, the Conservancy raised \$16.5 million.

The Conservancy itself was represented by a board with members in the private, public and nonprofit sectors. The board was required to include a representative from each of the following organizations: Asheville City Council, Buncombe County Commissioners, Asheville Parks & Recreation Advisory Board, Asheville Downtown Commission, North Carolina Arboretum and Buncombe County Tourism Development Authority. Numerous private-sector members also served on the Conservancy board.

In 2012, the Pack Square Park Conservancy disbanded, having completed construction and having launched programming for the urban space. The City of Asheville and Buncombe County manage ongoing park maintenance and programming. Earnings from the Conservancy endowment will finance capital repairs in the park and square.

Minneapolis Commons

Efforts over multiple years to establish more park space downtown Minneapolis, and strengthen the connection between downtown and the adjacent Mississippi Riverfront, led in recent years to development of the Commons park on land previously used as surface parking. The Commons is a 4.2 acre space in the eastern area of downtown, surrounded by new office and residential development, the Minneapolis Armory, and the Vikings’ football stadium, US Bank field. Land acquisition cost \$19.8 million for the space, and improvements

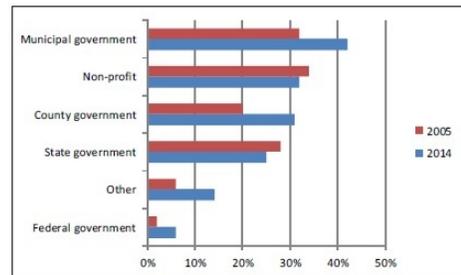


to date have required investment of an additional \$10.7 million. Public and private events are hosted at the Commons, in addition to public use in areas and times not occupied by events.

The Commons is owned by the Minneapolis Park and Recreation Board (MPRB), and the City and MPRB have a fifty-year lease for the City to operate the space. To fulfill this role, the City has contracted with the Minneapolis Downtown Improvement District (DID) for the inaugural year in 2016. Beginning in 2017, the City has contracted with the park conservancy Greening Downtown Minneapolis to manage operations and programming for the Commons. The conservancy has been in a leadership role for capital and operating fundraising for the space.

Operations and Maintenance Considerations

The approaches outlined above reflect a trend city agencies and park advocates have established, toward public/private partnerships for parks. The long-term success of parks and trails relies substantially on the adequacy and consistency of operating and maintenance support. In the case of trails, the funding of operations and maintenance has shifted in recent years toward funding by city and county entities, while the role of state governments has declined.



An informal survey of parks operating agencies and associations yielded a fairly consistent level of funding allocated to trail operations and maintenance, as summarized in the table below.

Estimated O&M Per Trail Mile, by Organization	
Center for Transportation Studies (University of Minnesota)	\$5,280
City of Bloomington	4,300
Milwaukee County Park System	2,525
Three Rivers Park District	2,514
Wisconsin Department of Natural Resources	2,042
City of St. Cloud	2,000
Rails-to-Trails Conservancy	1,971
Stearns County	1,756
Iowa Department of Transportation	1,500

Using similar standards for operating and maintenance costs per mile or per square yard of trail area, when applied to a 2.0 mile segment for the Three Bridges Trail, the annual cost may approximate an average of these levels, which is \$2,654 per mile or approximately \$5,300 per year. The estimated property tax impact of additional city levy for these needs, is estimated as follows:

Description	Brainerd Median Value			
	Homestead	Homestead	Apartment	Commercial
Estimated Market Value	\$130,000	\$350,000	\$500,000	\$750,000
Projected Impact of Add'l City Levy of \$5,300	\$1.00	\$2.69	\$4.80	\$10.93

###

Images: Courtesy of City of Winona; Flickr/anoldent; City of Minneapolis. Trails operations and maintenance graphic courtesy of the Rails to Trails Conservancy, 2015.