School of International and Public Affairs
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Partnerships for Parks

Executive Summary

New York has some of the most highly visited and iconic public parks in the world. But what few of the millions of visitors realize is that many of the most famous green areas, such as Central Park and the High Line, are privately run and largely financed by private donations. It is a model that has been seen as both an example to be copied, and a perhaps dangerous precedent that creates a two-tier system of well-funded parks in high income areas, and underfunded parks in poorer ones.

This Lemann Foundation funded Columbia University audiovisual case study traces the history of these "Public Private Partnerships" and studies the challenges faced by managers both in city hall and in their private partner organizations. It focuses on the Central Park Conservancy – from its creation in 1980, through the consolidation of its management agreement in 1998 – and the formation of High Line Park between 2004 2012 under the Bloomberg administration. It includes original interviews with CPC founders Gordon Davis and Betsy Rogers, CPC CEO Doug Blonsky, Deputy Parks Commissioner Robert Garafola, and Friends of the High Line Chairman John Alschuler, among others.

The case includes the following elements;

a) Video Intro and Discussions – Available Online

b) Written Case Study (This Document)

c) Annex A – Original Documents

d) Annex B – Interviewee Bios and Interview Transcripts (Not Needed for Core Case, Presented for Research Purposes)

This Lemann Foundation funded audiovisual case study was written by Ted Smalley Bowen and Adam Stepan for the Case Consortium @ Columbia and the Picker Center for Executive Education, SIPA. The faculty sponsor is Professor of Professional Practice in International and Public Affairs William B. Eimicke, SIPA and Steve Cohen, Executive Director of the Earth Institute. (0514)

Central Park—history

Central Park opened in 1858 as a response to the need for public green spaces within New York City. The Board of Commissioners of the Central Park had held a design competition for a park on an undeveloped plot of land that ran up the spine of Manhattan from 59th to 110th streets.[1] The winners, Central Park's superintendent Frederick Law Olmsted and English architect Calvert Vaux, incorporated in their Greensward plan an innovative system of footpaths, bridle paths, and carriage roads separated by bridges and four sunken transverse roads, which accommodated city traffic while maintaining scenic views. This provided the city's inhabitants with a rustic enclave, punctuated by formal elements, in an urban setting. Construction began in 1858 and was completed in 1873.

In 1934, Mayor Fiorello La Guardia chose Robert Moses as parks commissioner and head of a newly consolidated Department of Parks and Recreation. Like many other green spaces in the city, Central Park had fallen into decay. Moses and his team replanted trees, flowers, and bushes, and rebuilt broken bridges. Over the next decades—Moses served until 1960—dozens of playgrounds, ball fields, and courts were constructed as part of his vision to reinvent Central Park as a recreational space. He also supervised the landscaping of the famous "Great Lawn."

The facelift did not last. Though the park was designated a National Historic Landmark in 1965, it suffered serious neglect over the following two decades. In 1975, the city nearly went bankrupt, thanks to the erosion of its manufacturing base, urban flight, and a national recession. The city budget tended to favor public safety, education, housing and welfare over parks at the best of times. The crisis left the Parks Department severely short of money and personnel.

Central Park was first among the casualties. The elegant mall, carefully composed naturalistic landscapes and charming secluded areas had degenerated into untended, ugly and dangerous places. Its public events were chaotic; its fields strewn with trash. While intended as a recreational space, the park's reputation for drug abuse and crime, particularly at night, drove citizens and tourists away.

Citizens. Concerned about its condition, civic minded neighbors organized to reverse the decline of the park through fundraising, youth programs and organizing volunteers. In 1975, a Central Park Task Force was formed. The same year, finance mogul George Soros and investor Richard Gilder co-founded the Central Park Community Fund, which commissioned chemist turned urban administrator and Columbia University management Professor E.S. Savas to study the park and make recommendations.

The Savas report, published in 1976, called for centralized control of the park. At the time, 12 foremen in 12 districts managed varying aspects of Central Park. Different crews handled maintenance, landscaping and equipment repair. Some were based in the park, others had responsibilities throughout the city or all five boroughs. It was nearly impossible to coordinate personnel, schedule work efficiently, or track costs.

The report recommended a single Central Park administrator, overseeing a separate unit within the city park system. "Central Park should be managed by a Park Executive, as should each of the other major parks in New York City," it said[2]. The report also called for a "Board of Guardians" for strategic planning and policy to replace the ad hoc system in operation. Finally, it recommended a return to the 19-century model of civic engagement that had created Central

[1] The northern boundary was initially 106th street. The park was extended to 110th street in 1863.
[2] E. S. Savas, et al., "A Study of Central Park," Columbia University, 1976, pp. 3-20 and 3-28.

Park—a citizen led organization that would devise a master plan and raise the funds to realize it.[3]

Reorg 78 79. In 1978, incoming Mayor Edward Koch tapped Gordon Davis, a Harvard trained attorney, as his Parks Commissioner. The Parks and Recreation department was down to 2,500 fulltime employees from a high of 8,000. Morale was at rock bottom. As for Central Park, notes Davis:

> Most people forget that Central Park is manmade. It requires constant maintenance, capital improvements and restorations. And none of that had been going on for basically a decade. As a physical piece of infrastructure, as a managed piece of public space, it was a mess. It had very low levels of staffing [and] almost no capital budget to speak of.[4]

Davis knew the city and, from his days in the administration of Mayor John Lindsay (1966-73), had a grasp of conditions throughout the five boroughs. As parks commissioner, he set about decentralizing the bureaucracy that his legendary predecessor Moses had created. As Davis recalls:

> Moses created a park system that required 5,000 civil service employees year in, year out, 3,000 seasonal. No way I was going to have that. So you had to find other ways to manage the place.

Davis found ways. He created the position of borough parks commissioner. These new executives brought business management, public policy, and municipal operations experience to parks administration. He also appointed an administrator and a superintendent for each major park. Faced with severe budget constraints, Davis augmented his workforce using a federal job training program—18-month positions created under the Comprehensive Employment and Training Act (CETA).

He also created an Urban Park Rangers program of young, uniformed park workers to provide a visible presence, respond to visitors and monitor conditions. (A number of the original ranger cohort rose to senior positions in the Parks Department, including Adrian Benepe, commissioner from 2002 12). As a bureaucratic, personnel tactic, it caused some friction. Davis recalls," it was a way of circumventing the usual civil service categories—and yeah, there were clashes."

As Savas had recommended, Davis embraced a more active role for community groups and philanthropies. He worked to harness community support and private sector resources to bolster limited public funds and inadequate staff. It was "survival instinct," says Davis. He was receptive to the idea of parks conservancies and trusts and encouraged the well-connected Central Park activists to merge and form a board, not unlike Savas' Guardians.

Enter the Conservancy

In 1979, Davis tapped Yale trained city planner, writer and Olmsted expert Elizabeth Barlow (later Rogers) as the first Central Park administrator. Barlow soon saw what David was up against. As she recalls: "Parks was a traditional dumping ground for political hacks... When

[3] Ibid, pp.3-44 and 3-45.

[4] Ted Bowen and Adam Stepan's interview with Gordon Davis on February 12, 2014 in New York City. All further quotes from Davis, unless otherwise attributed, are from this interview.

Gordon came, he began to ship out some of the dead wood and began slowly to build up an administration."[5]

Although a city appointee, part of Barlow's job was to raise private funds to support her office. Beginning with less than $100,000 (donated by the Vincent Astor Foundation[6]), she hired an environmentalist and a horticulturalist, and brought in summer interns with horticultural training. In the first year, she initiated small scale restoration projects, both to signal to New Yorkers that the park was a valued civic amenity on the mend and to demonstrate to potential donors that their philanthropy would be well placed.

The next year, (Barlow) Rogers was named president of the newly created Central Park Conservancy, formed through the merger of the Central Park Community Fund and the Central Park Task Force. Rogers was in an unusual position. She was to fundraise from the private sector, designate effective ways to use those private dollars for public good, and maintain good relations between donors and the city. She recalls:

> Some of my fellow advocacy people said the private should always be private. [They said] you can't criticize the city if you are connected somehow, if you are part of city government... I said, 'I don't want to be critical. I want to work with the city.'

William Beineke was named the Conservancy's first chairman. Mayor Koch assured him that, as the nonprofit raised funds from private sources, the city would not reduce its financial commitment to the park. The city provided most of the funds for the park during the Conservancy's first years. The Conservancy initiated numerous projects: restoration of the Bethesda and Cherry Hill fountains, re sodding the Sheep Meadow, renovation of the Wollman ice rink and the Belvedere Castle, and rescuing ball fields and playgrounds. It also commissioned a comprehensive study of the park. The resulting report, *Rebuilding Central Park: A Management and Restoration Plan*, became the playbook for the park's rejuvenation.

Davis could not be sure that restructuring the Parks Department's administrative staff would be effective. Rather, he saw it as something of an experiment. He says:

> I learned that there was something, not quite magical but very dramatic, that began to happen when you decentralized authority. Instead of everything having to come to the commissioner, you start pushing it down and creating people in charge of pieces of it who have a sense of their own, the breadth of authority youre willing... to delegate to them. You begin to have more efficient things begin to happen, more innovation. So Central Park for me was a test case for that.

Partners. Commissioner Davis and Administrator Rogers were aware of the delicacy required to create a public private partnership. Davis, for one, was adamant about keeping the city's relationship with the Conservancy fluid, eschewing formal contracts or announcements that might suggest the city was ceding control of the property to the private sector. As he recalls: "There was no lease. There was no license agreement. There wasn't anything."

[5] Ted Bowen and Adam Stepan's interview with Elizabeth Barlow Rogers on February 12, 2014, in New York City. All further quotes from Rogers, unless otherwise attributed, are from this interview.

[6] The 1981Central Park Conservancy Annual Report lists a $30,000 gift from the Vincent Astor Foundation for the design of Phase II of the Dairy restoration, along with other five- and six-figure donations for restoration design projects.

Initially, relations between the specialized Conservancy staff and longtime city parks workers were tense. The existing staff needed retraining, new uniforms, proper equipment and support. Over time, through budget cuts and attrition, the city workforce dwindled and the Conservancy's grew. By the mid 1990s, Central Park was staffed about equally by public and private employees. As Central Park administrator and head of the Conservancy, Rogers saw the civil service workforce as mostly unproductive and unaccountable; she preferred the flexibility of a nonunion, private workforce. AFSCME DC 37 tried unsuccessfully to organize the Conservancy rank and file in the 1990s.

Landscape architect Doug Blonsksy joined the Conservancy in 1985 as director of capital projects. In 1995, he became chief of operations for the park and took charge of both Conservancy and Parks Department staff. "That was actually the first time a Conservancy person was doing that,"[7] he remembers. "It was a real culture shock for people, because we quickly came out with a new way of managing the park." Over the next few years, he organized it into 49 geographic zones, coordinated maintenance under a master restoration and management plan, and reorganized the workforce into units accountable for the condition of their zones.

By the late 1990s, the conservancy had an impressive track record of improvements and Central Park was widely seen as having made a comeback. Part of the turnaround was due to the conservancy's strategic planning and adept management. In addition to its fundraising prowess, the conservancy was well positioned to garner city funds for capital projects. Recalls Blonsky:

> We were very good at having projects truly shovel ready and prepared. We would do the designs, have the plans complete, and then at the end of the fiscal year, City Hall would go to the Parks Department and say we have this pot of money, do you have any projects ready to go? It was a great way for us to get city money into the park, as well as a way of leveraging private dollars, because we'd pay for those designs with private dollars.

Management. In 1998, the Central Park Conservancy signed a formal management agreement with the city. The Conservancy would report to the Parks Department, then under Commissioner Henry Stern. Under the eight-year deal, the Conservancy would receive an annual fee of up to $4 million from the city to manage the park and would be responsible for raising funds for capital projects and maintenance.[8] At the time of the agreement, Central Park was receiving roughly $3 million from the Department of Parks and Recreation budget.[9] The Conservancy operated accounted for expenses differently from the city, using just one consolidated budget. Blonsky explains:

> We don't even look at it... as capital [versus] maintenance... We don't even separate the two. Because we don't own anything at the end of the day anyway, so we don't have a real capital project. It's all maintenance... When we look at the budget, we look at it as one large budget.

There were some objections. The private nonprofit might not be as responsive to park users as the city. The dependence on private funds might lead to a two-tiered system, with fewer

[7] Ted Bowen and Adam Stepan's interview with Doug Blonsky on February 12, 2014, at the Central Park Conservancy in New York City. All further quotes from Blonsky, unless otherwise attributed, are from this interview.

[8] The city's payments would average $3.7 million.

[9] Douglas Martin, "Private Group Signs Central Park Deal to be its Manager," *New York Times*, February 12, 1998.

resources and political backing for parks in poorer areas. For example, the chairman of the Prospect Park Alliance, a nonprofit patterned on the CPC, worried that the agreement might cause well-heeled Central Park supporters to cease contributions to the city parks system as a whole. Some saw the move as a way for the city to work around the unions. But the bottom line for Deputy Commissioner Robert Garafola was that the Parks Department retained the final say in any relationship with the private sector. He notes:

> You don't want to lose control of the facility. If we have a concession, we will regulate that. There are contracts. There are compliance issues. There's auditing issues. We have representation on that. We monitor the prices... Also, we make sure they're doing a capital investment in those particular parks.[10]

The NYC CPC contract was renewed for another eight years in 2006, and again in 2013.[11] In 2011, the Central Park Conservancy had revenue of about $47 million and spent about $40 million. By 2013, the Conservancy had raised about $700 million toward restoring and running the park; it was footing about 75 percent of the park's $58 million annual budget. Its endowment stood at $183 million. Through its Institute for Urban Parks, the Conservancy spread the word on PPPs and the running of urban parks. The park's renaissance was also paying dividends for the local economy. A 2009 analysis by Appleseed Inc. estimated that, in 2007, the "Central Park effect" added $17.7 billion to the value of properties around the park. Those park side/area properties were valued that year at $114 billion, more than half the $218 billion for all of Manhattan.

Unequal. However, not all New York parks had fared as well. The city's parklands, including state and federal, made up a higher percentage of total acreage—19.7 percent—than in other large US cities, but that worked out to a relatively low 4.6 acres per capita. More than a decade into the Central Park Conservancy's operation, the majority of city parks and playgrounds continued in dire shape. During the 1990s, the overstretched Parks Department made heavy use of workfare labor—putting welfare recipients to work—employing as many as 6,700 in 1998 when the fulltime Parks Department roster was down to just over 2,000. But it was still insufficient.

As early as the 1990s, there were calls for changes in parks funding, whether through additional private involvement, increased use of workfare, or new taxes. The Parks Department and the Conservancy jointly proposed "park enhancement districts": special property tax assessment zones around certain parks. The concept was similar to the "business improvement district" model used since the 1980s for New York's Bryant Park. One advocacy group, the Parks Council, called for a citywide dedicated parks tax, an approach already in use in other US cities.[12]

But at least one new park project found a model in the CPC.

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[10] Ted Bowen and Adam Stepan's interview with Robert Garafola on February 28, 2014 in New York City. All further quotes from Garafola, unless otherwise attributed, are from this interview.

[11] Under the 1998 management agreement between the Central Park Conservancy and the city, Mayor Rudolph Giuliani's administration agreed to dedicate half of park concession revenues between $6 and $10 million to the Conservancy (for a maximum of $2 million); revenues up to $6 million would continue to go to the city's general fund. In 2006, the city lifted the $10 million cap ($2 million maximum) on splitting Central Park concession revenues with the Conservancy.

[12] Douglas Martin, "Trying New Ways to Save Decaying Parks," *New York Times*, November 15, 1994.

High Line

In 1999, the city prepared to sign off on the demolition of a disused elevated freight line that ran from Gansevoort Street north to the 34th Street rail yards through the Chelsea and West Village neighborhoods. Area residents had another idea. Determined to save the massive section of urban infrastructure, then owned by rail giant CSX Transportation Inc., neighborhood residents Joshua David and Robert Hammond stepped up. The politically connected and media savvy preservationists established Friends of the High Line as a 501(c)(3) nonprofit.

They hoped to emulate the Central Park Conservancy to save the elevated railroad and convert it to a linear park. This would mean halting demolition, transferring the property from CSX to the city, "rail banking" the tracks under a federal program that allowed rails to trails conversions, and changing neighborhood zoning from primarily manufacturing to mixed use, including commercial and residential. In many ways, the duo was ideally suited to the task. West Village resident Hammond counted fellow San Antonio, Texas native, Elizabeth Barlow Rogers, as a family friend.

Central Park Conservancy managers advised the two that they would need to plan not only for construction of a new park, but for its future operations and maintenance. John Alschuler, chairman of real estate consultancy HR&A Advisors, echoed this advice when David and Hammond in 2002 asked how best to make their case to city officials. Alschuler was former city manager of Santa Monica, California, and his firm specialized in urban development and public/private partnerships. HR&A's analysis showed that increased revenue from property, sales and income taxes from a conversion would exceed the city's costs to preserve the viaduct. As he recalls:

> Our firm did a very rigorous, very careful study and we argued, absolutely correctly, as it turned out, to the government, that an investment in park and open space will return more cash value back to the government in terms of increased property tax revenue, increased sales tax revenue, increased income tax revenue, that would pay three, four times what the cost of the park was.[13]

Alschuler served as chairman of the board of Friends of the High Line for five years, and advised the group for seven years. He was able to articulate a larger civic purpose for the venture and for public/private partnerships in general. He says:

> The idea of a public, private partnership, the notion of private investment working with the government to lay out the tracks of a great city, it's what we've done since the beginning of our country and since all great cities were founded. The New York City subway system was originally built with private capital. The railroads that service this region, originally built with private capital. The notion that government plays a role, working in collaboration with a private investment, is as old as the republic and inherent in the pattern of city building.

Bloomberg support. When Mayor Bloomberg took office in 2002, prospects for the High Line improved. Unlike his predecessor Mayor Giuliani, Bloomberg saw the project as integral to lower Manhattan's recovery from the September 2001 terror attacks and as a complement to

[13] Adam Stepan's interview with John Alschuler on March 20, 2014 in New York City. All further quotes from Alschuler, unless otherwise attributed, are from this interview.

economic development plans for the area near the former World Trade Center. The mayor's office decided to pursue the idea of an overhead park.

In 2003, Friends of the High Line spurred community interest in the potential of the viaduct by sponsoring a competition for whimsical design ideas. The winning submission was a 1.7-mile lap pool, the runner up a roller coaster. A serious design competition followed in 2004. The winners were landscape architects and urban designers James Corner Field Operations and Diller Scofidio+Renfro architects. James Corner became project lead and the landscape architect.

There were few precedents for an overhead park. The design team visited one, the *Promenade Plantee* in Paris, a 1980s conversion of an elevated rail line into a park. True, the Parisian rail line was a vaulted masonry structure, as opposed to the High Line's lighter steel construction. Moreover, a neighborhood/urban development corporation carried out the French operation. It involved less private property. But, recalls Lisa Switkin, principal at James Corner, the French project demonstrated what was possible.

> The ideas competition was a great sort of brief that basically challenged people to come up with an idea for the High Line that was as unique as the structure itself. It was kind of the only brief. It was a one board type of a thing and you had a range of different responses from roller coasters on the High Line to housing on the High Line to the winner, which was a mile and a half long lap pool. The idea was really to just get people's imaginations going and make them think out of the box about what the potential of this could be in the City, and the exhibition was done in Grand Central. So, the idea was to try and just really get it out there to as many people as possible.[14]

Special district. Meanwhile, the city took steps to make the park possible. In 2005, it rezoned the area to create the Special West Chelsea district. This area on the lower West Side, from 16th Street to 30th Street between 10th and 11th Avenues, had been zoned mostly for light industry. Its southern end was known as the Meatpacking District. The rezoning permitted a mix of residential, commercial and some manufacturing (for art galleries). The scheme hinged on a provision for the transfer of development rights from properties located directly under or flanking the High Line's easement to parcels along 10th and 11th Avenues. The transfer meant that the mostly private owners under the viaduct, who previously favored demolition so they could build on their property, could now benefit by selling their development rights to developers on 10th and 11th who wanted to build higher than originally permitted.

The rezoning included a bonus: any developer in the district could, for a fee, build higher than the zoning allowed. The additional monies would go to a High Line Improvement Fund. The fee, at $50 per square foot, was well below the market rate in the neighborhood, which could reach hundreds of dollars per square foot.[15] Many developers took advantage to expand. Chelsea Market, for example, controversially even persuaded authorities to shift the district's border north so that it could leverage the bonus incentive to enlarge. The City Planning Commission approved the expansion on the condition that Chelsea Market direct roughly a third of the $19

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[14] Ted Bowen and Adam Stepan's interview with Lisa Switkin on February 28, 2014, at James Corner Field Operations in New York City. All further quotes from Switkin, unless otherwise attributed, are from this interview.

[15] Manhattan Borough President Recommendation on ULURP Application Nos. N 120142 ZRM and C 120143 ZMM Chelsea Market Expansion by Jamestown Premier Chelsea Market, LP, July 18, 2012; Felix Salmon, "Why privately-financed public parks are a bad idea," *Reuters*, November 21, 2013.

million in bonus fees to an affordable housing fund and educational programs in nearby public housing.[16]

Together, these measures opened the way for development that all hoped would generate sufficient additional tax revenue to offset the city's cost to renovate the elevated freight line.

High Line Construction

Construction began in 2006. Design and construction were complicated and at times exasperating—there were five entities involved: Friends of the High Line, the city's Economic Development Corporation, the Department of City Planning, the Parks Department and the mayor's office. Switkin recalls:

> All of those groups had representatives who you would meet with on a regular basis. On the one hand it helped expedite certain things through the city process, but on the other hand, it meant that you had to work with five different agencies that had very different priorities.

The need for multiple sign offs was cumbersome. For example, at one point the designers argued for a waiver from an 18-inch width requirement for park benches in order to install 12-inch-wide seating more in keeping with the park's aesthetic. They made their point, but only after a time-consuming campaign. Says Switkin:

> We must have had every commissioner in the city sit on the bench to figure out if it was comfortable. You had to sort of bring them along, but in the end they were actually very supportive.

In 2009, the city and Friends of the Highline signed a formal public-private agreement.[17] The city became owner of the viaduct and invested in the infrastructure of the three-phase restoration and conversion. The resulting public park would become part of the city Parks system. But rather than add to the department's chronic maintenance shortfall, Friends of the High Line would operate and manage the park. Under the formal management agreement, Friends of the High Line would provide about 90 percent of the park's annual operating budget. It would also contribute to construction costs. The notion "that it could create value in an underutilized place in the city was what got everybody on board," says Switkin.

The first of the High Line's three half mile sections opened in 2009 and the second section in 2011. The first two sections of the park cost $152.3 million, of which the city provided $112.2 million, the federal government $20million and New York State $400,000.[18] The park's annual operating budget averaged around $3 million a year[19]. In 2011, Friends of the High Line brought in about $30 million and spent about $20 million, much of that for construction. Construction of the third and final section began in 2012 and was projected to cost $90 million, toward which the city committed $10 million.[20] By 2013, the city's analysis put the cumulative economic benefit of

[16] Matt Chaban, "Good News and Bad News for the High Line as Chelsea Market Expansion Approved by City Planning," *New York Observer*, September 5, 2012.

[17] Joshua David and Robert Hammond, *High Line Inside Story*, pp. 116-117.

[18] NYC Mayor's Office press release, "Mayor Bloomberg, Speaker Quinn and Friends of the High Line Break Ground on the Third and Final Section of the High Line at the Rail Yards," September 20, 2012.

[19] Lisa Foderaro, "Record $20 Million Gift to Help Finish the High Line Park," *New York Times*, Oct. 26, 2011. See: http://www.nytimes.com/2011/10/27/nyregion/20-million-gift-to-high-line-park.html?_r=0

[20] Ibid. Developers of the Hudson Yards project were paying about 1/3 of the cost, and Friends of the High Line were also raising funds.

the park at close to a billion dollars, well over the roughly $200 million HR&A had originally projected. Overall, both city and nonprofit were satisfied.

The High Line attracted interest from other cities, both in the US and abroad, hoping to repurpose disused or outmoded infrastructure. Its mix of innovative design, public place making, and real estate development looked to many like urban alchemy. Switkin explains: "Many different people... are looking at the High Line as a model and a precedent for many reasons, whether it's literally converting transportation methods to something green or to look at the model of the public/private partnership." Alschuler argues that the key to creating new parks like the High Line or Brooklyn Bridge Park, which he also worked on, is community involvement:

> The most important partnership here is between engaged and passionate citizens and their government. These partnerships are economic. They're legal. They're civic. They are ways for the passion of citizens to be engaged in the democracy that reflects their values.

The High Line did create a real estate boom. For some, that was a negative. The pace, scale and price range of much of the development adjacent to the High Line raised questions about equity and influence in city planning.[21] High Line advisor and board member Alschuler, however, remains more sanguine:

> Has West Chelsea gotten wealthier? Yes. Has the role of the High Line been to exacerbate those trends? No doubt, but this is New York. One of the great things about New York is, we all coexist as part of a diverse neighborhood. It's one of the reasons why public housing is so essential, [so] that when neighborhoods such as West Chelsea do transition, there are important blocks of housing that will be perpetually devoted to low and moderate-income people and their future in a diverse neighborhood.

But not all the city's public private park projects were equally popular.

Cracks in the Model?

A stone's throw from the High Line, an older PPP managed the Hudson River Park, a stretch of waterfront running from Pier 99 and West 59th St to the southern tip of Manhattan. In 1998, then Governor George Pataki signed the Hudson River Park Act, which designated the area as parkland and established the Hudson River Park Trust, a quasi-governmental "public benefit" corporation, with a board of directors appointed by the governor, mayor and Manhattan borough president. The Trust was authorized both to develop and maintain the park as a self-sustaining entity by fundraising and generating revenue within the park. However, the legislation provided for state and city funding.[22]

But by 2013, the Trust was running an annual budget deficit of more than $7 million and faced daunting infrastructure costs, including an estimated $100 million to fix Pier 40, the park's largest pier. After a failed bid to create a neighborhood improvement district with powers to tax

[21] Alex Ulam, "The Murky Ethics and Uncertain Longevity of Privately Financed Public Parks" *The Atlantic*, May 13, 2013; Annie Zak and Mei-Yu Liu, "Low-Income Chelsea Residents Fear Threats to Public Housing," *The Midtown Gazette* Dec. 11, 2012.

[22] "Additional funding by the state and the city may be allocated as necessary to meet the costs of operating and maintaining the park," Hudson River Park Act, 1998.

area businesses and residents, the Trust in a desperation move successfully lobbied for the right to sell air rights along the park's periphery.[23] The Trust also proposed developing land within the park. Critics questioned the wisdom of a strategy that stood to benefit private developers more than park goers. Elsewhere in the city, PPPs for parks created controversy over such issues as licensing and concessions deals, parks closures or restrictions for private events.

Spending cuts. Meanwhile, the city was cutting back on parks spending. The 2010 parks budget, $1.6 billion (including operations and capital projects), came to a middling $189 per resident, 11th among the country's 100 most populous cities. Moreover, already scarce city resources were subject to political influence at the city council and borough level.[24] The city employed just 5.9 parks workers per 10,000 residents, compared to 15 in Seattle, 12.2 in Miami, and 10.8 in Chicago.[25] Yet it planned to cut staff in Parks and Recreation from 6,092 in 2012 to 4,784 by mid-2014.[26]

But many parks fortunate enough to draw significant private contributions were thriving. The Prospect Park Alliance in Brooklyn, for example, had 2011 revenue of about $11 million.[27] Public/private partnerships brought a major influx of funding to a number of New York's marquee parks. In 2012, hedge fund billionaire John Paulson gave $100 million to the Central Park Conservancy.

Such donations, however, also provoked controversy. Some critics argued that large gifts claimed as tax deductions cost the public purse needed tax revenues, and benefited already wealthy parks while depriving the general public. According to this argument, a better public investment would be direct support of the parks.[28] Others noted that large gifts created inequality; not all parks had wealthy neighbors. They suggested a form of wealth redistribution: in 2013, New York State Senator Daniel Squadron pushed to redirect some of the funds and expertise of wealthy parks nonprofits to their poorer brethren. Calling attention to the dire condition of many of the city's parks and playgrounds, especially those in poor and outer borough neighborhoods, Squadron argued:

> One solution is to provide more financing for parks in the annual city and state budgets. This can and should be done, but it should be supplemented by an ambitious new program: the creation of a Neighborhood Parks Alliance, which would form partnerships between a well-financed conservancy, a "contributing park" and "member parks" in need of more money and support.[29]

Former High Line Chair Alschuler agreed that unequal distribution of resources was an urgent problem, both for New York City parks and nationally. But he cautioned against reducing the role of public private partnerships. Rather, he put the onus on the city to use public resources freed up by privately raised funds to increase the public dollars spent on parks. He argues:

> The lack of investment in these parks, the lack of operating funds, is unacceptable. We have to work as a community to address that. We need

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[23] Laura Kusisto and Eliot Brown, "Hudson River Park Plan Is Questioned," *Wall Street Journal,* July 22, 2013.
[24] Lisa Foderaro, "A Little-Known Reason for Disparities in New York's Parks," *New York Times,* June 16, 2013.
[25] Trust for Public Land, City Park Facts 2014.
[26] New York State Comptroller Review of the Financial Plan of the City of New York, Report 2-2014, June 2013, p.36.
[27] 2011 IRS form 990 filings.
[28] Felix Salmon, "Philanthropic donation of the day, John Paulson edition," *Reuters*, October 23, 2012.
[29] Daniel Squadron, "Can a Tree Grow in the Bronx," *New York Times*, May 24, 2013.

> to do it in a way that promotes the conservancy model, because to eliminate it would only compound the problem.

The Central Park Conservancy's Blonsky warned that an assessment on conservancy budgets would chill charitable giving, but agreed that more prosperous nonprofits should assist other parks. CPC was doing so already. "We actually work in 12 different parks outside of Central Park right now," he says.

> That's something that we've been doing for probably about 10 years. In fact we just signed a new management agreement with the city in June [2013], and those properties are now included in our management agreement.

Still, skeptics cautioned against considering the PPP a panacea for public parks. They pointed to disadvantages such as inconsistent and unreliable levels of donations. There was also the already visible risk that government would take advantage of private donors to cut funding to parks. Few public parks, they argued, could attract enough private support for the PPP model to work.

As the public private partnership model attracted global attention and potential imitators, it became important to determine: what made for a winning PPP, and when was it less effective? What advantages could a PPP bring to a park, and what were its drawbacks? The model clearly brought enormous benefit when used in a propitious environment. When was a PPP likely to succeed, and when might another model be preferable?