



SPRING  
2015

# Part III: Funding an Equitable Park System: Recommendations for New York City

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## ABOUT NYLCVEF

The New York League of Conservation Voters Education Fund educates, engages, and empowers New Yorkers to be effective advocates on behalf of the environment -- from clean energy and funding for parks, to solid waste and green buildings.

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## ABOUT NY4P

For over 100 years, New Yorkers for Parks has built, protected and promoted parks and open spaces in New York City. Today, NY4P is the citywide independent organization championing quality parks and open spaces for all New Yorkers in all neighborhoods.

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# Introduction

New York City's Department of Parks and Recreation (DPR) manages almost 30,000 acres of parks and natural areas, including 27 percent of the city's shoreline and 1,700 parks and playgrounds across five boroughs. Despite the increased capital investment in the park system under the Bloomberg Administration and Mayor de Blasio's commitment to improve the park system, DPR's operations and maintenance budget has not kept pace with the increasing need and demand for quality parks and public space in all five boroughs. DPR's staff is now 37% smaller than in 1961 and about half of the maintenance workforces are participants in short-term, welfare-to-work programs that limit meaningful employment and prevent long-term upward mobility within the department.

While the City has steadily increased the amount of parkland to be maintained, it has failed to increase DPR's maintenance and operations budget at the same rate of growth. In October 2014, Mayor de Blasio launched the "Community Parks Initiative" (CPI) which aims to invest in under-resourced public parks located in densely populated and growing neighborhoods with

higher-than-average concentrations of poverty. CPI's first phase will target 35 community parks through a \$163.3 million in capital funding and \$7.2 million in expense funding for Fiscal Year 2015.

However, there are over 200 community parks that DPR has internally identified during the first phase as meeting base requirements for under-investment; these and other parks across the city need considerable monies. The CPI program is a great start, but the City will have to dramatically expand annual capital, maintenance, and operations funds to provide a fully-funded park system.

While alternative revenues will never be a substitute for greater public funding of parks, it is unrealistic to rely on public funding alone to shore up the Parks Department's operations and maintenance budget. Based on the findings of the Dig Deeper series, NYLCVEF and NY4P believe the time has come for the City to think outside the box and pursue more creative and aggressive strategies to support the capital, maintenance, and operations funding needed for a great urban parks system.

## Strategies That are Wise and Necessary Under Any Scenario

**Establish a citywide Parks Equity Fund with a private revenue stream to be managed and administered by a new or existing nonprofit.** This Fund will provide monies for capital, maintenance and operations expenses citywide, particularly in under-resourced communities. The City Parks Foundation, which currently raises private dollars for citywide parks programming, could expand to fit this nonprofit role or provide a model for how such an entity may operate.

**The City of New York should identify a specific method to fund the maintenance and operations of new parks and facilities at the time that the project capital budgets are developed.**

**NYC Parks should create more opportunities for new concessions in parks.** Of these new concessions, twenty percent of the revenues should be directed to the citywide Park Equity Fund. Concessions create revenue in well-visited parks, and should be used to benefit the parks system as a whole, instead of going into the City's general fund.

**NYC Parks should continue to forge partnerships with other agencies and non-profit organizations to leverage funding or services.** With more federal dollars aimed at mitigating damage and creating resilient infrastructure systems, parks will play a vital role in collecting stormwater runoff and buffering coastlines. For example, \$36.3 million of capital investment from the "Community Parks Initiative" comes from the Department of Environmental Protection (DEP) for green infrastructure improvements on the park site. The Trust for Public Land is partnering with DPR, DEP, local officials, the Department of Education, and the School Construction Authority to convert part-time schoolyards into full-time playgrounds that capture storm water. This initiative has already resulted in more than 150 acres of additional playground space serving the millions of New Yorkers who live within a 10-minute walk of one of these sites.

**The City and parks organizations should push for greater funding from the NYS Environmental Protection Fund (EPF) and U.S. Land and Water Conservation Fund (LWCF),** both of which were intended to be fully funded by a state real estate transfer tax and offshore oil and gas license fees, respectively. The transfer tax generates about one billion dollars a year and the license fees almost \$10 billion dollars a year.

But the state legislature allocates less than \$200 million annually to the EPF and Congress does worse, allocating only \$300 million annually to LCWF. The existing revenues get lost in the massive state and federal budgets and ultimately reallocated to other spending categories. These funds would make a big difference to urban parks: by population share, New York City would stand to gain a significant share of LCWF revenue annually. The City must take a stronger role in advocating for full funding every year.



P.S. 261 in Brooklyn before and after a playground renovation (Source: NYC DPR)

## Strategies that Could Work for Specific Park Sites

**The City could create specific districts to fund new park developments and/or improve existing parks.**

**Business Improvement Districts (BIDs) & Park Improvement Districts (PIDs)** - BIDs allow municipalities to collect a supplemental property tax from property owners within the district and dedicate it to a specific public benefit, like street cleaning and security. When used to benefit parks, they are called Park Improvement Districts (PIDs). New York State and City law readily allow the City to develop new districts that fund the maintenance of parks. Traditionally, however, the districts have not taxed residential properties. To benefit most neighborhood parks, residential property owners would need to be included. While there may be some political resistance to the idea, it has potential to reap benefits for commercial and residential properties alike. Small surcharges on property taxes of \$50-\$100 annually per household could yield important revenue for a local park conservancy.



Pier 1 in Brooklyn Bridge Park (Source: Michael Van Valkenburgh Associates)

**Tax Increment Finance** - Like most states, New York allows municipalities to issue bonds for new capital projects that are expected to become the catalyst for new real estate development. In return, the municipalities are required to use the incremental increase in property taxes to repay bondholders. The practice gives municipalities a new source of capital funds but prospective bond buyers must be convinced that the project will succeed--they only get repaid to the extent that real estate taxes increase. To date, few New York municipalities have used TIF. In other states, however, TIF bonds have been used for spectacular new public open space projects. For example, in Missoula, Montana, a TIF was used to create a riverfront park that is credited with reinvigorating the city's downtown.

**Zoning and Development Rights** - The City should use zoning incentives and bonuses to leverage private dollars for on-going maintenance of parks. The City has experimented with transfer of development rights (TDRs) and incentive zoning to improve and fund The High Line. The City has also enjoyed many success stories involving the "waterfront zoning text" that has led to the creation and ongoing maintenance of many waterfront parks. The City should build on these successes and use these tools around existing parks where real estate development, park maintenance and affordable housing can be tied together.



Maintenance workers in Fort Greene Park (Source: New York Times)

## Strategies that Have the Potential to Secure Significant Resources for the System as a Whole

**The City should dedicate certain capital monies to capital reserves to pay for maintenance of park projects.** At present, federal and state legislative appropriations and bond revenues cannot be set aside for the operations and maintenance of improvements. This leads to strange results where money is made available to plant new trees but not to maintain them in the first few years when they are most vulnerable.

**As the City uses more capital funds in parks to capture stormwater and build climate change resiliency, it should explore ways to set aside some funds for DPR to use in maintaining the improvements in their first few years.**

**New York City should create a citywide park district.** A citywide park district is an independent taxing authority that can levy property taxes to fund, maintain and operate all parks within the city's boundaries. It provides new resources that are noncompetitive with other City departments for general fund resources, and that may be equitably distributed citywide. The City must baseline the current NYC Parks budget and could then use a new .5% tax on all filers making over \$75,000 in New York City to provide for a commensurate increase in maintenance and operations funding to create a well-resourced citywide park district. Other major cities, including Minneapolis, Chicago, and recently, Seattle, rely on a citywide park district to fund their parks.

Together, NYLCVEF and NY4P have identified these funding alternatives as a portfolio of strategies that can help New York City achieve a robustly-funded parks system with a more equitable allocation of resources. Although some of the tools are particularly suited to creating capital funds, the primary focus of new park funding must address the lack of maintenance and operations monies that has created clear inequities in the parks across the city.



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