



Great Public Spaces: Creating Paths to Financial Sustainability

Laura Trudeau, The Kresge Foundation
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Context and Key Research Questions

THE CONTEXT

- In Detroit, a wonderful array of new, beautiful, award-winning, magnetic public spaces has been developed since 2000.
- They have driven economic growth, real estate development, and more connectivity for people in Downtown, Midtown, the East Riverfront, Eastern Market.

THE QUESTIONS

- How to ensure the newly-built spaces can remain high-quality and continue to be safe, beautiful gathering places over the decades?
- What are the paths to reliable models for operational stability?
- How does capital for new construction layer on to existing needs?
- As the City rebounds, how to spread this impact to neighborhoods?

The Process of Inquiry

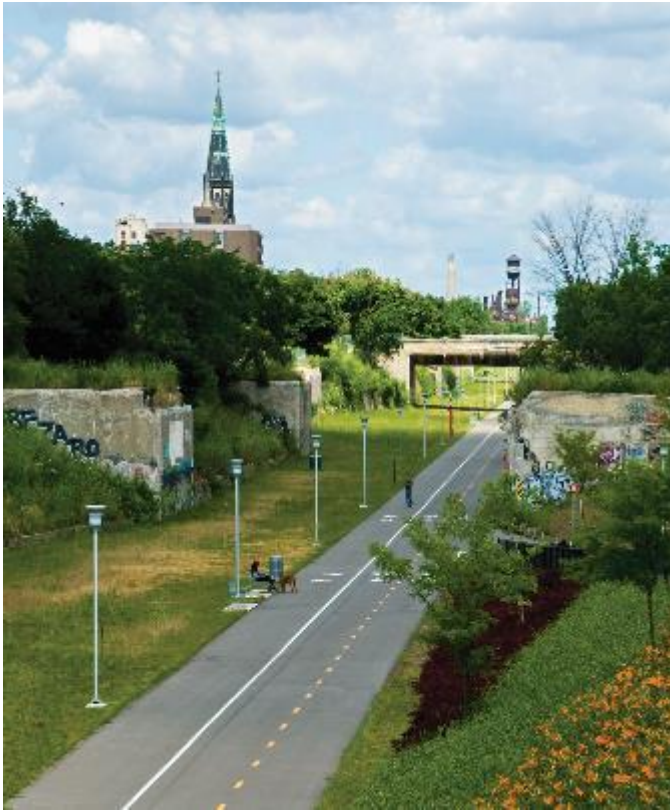
After reviewing much of the available literature, we are interviewing people throughout the sector to understand operational models, funding challenges and innovative approaches.

Interviewees fall into three groups:

- Detroit-based public space management groups – Board, CEOs and key staff, civic leaders and park supporters
- National umbrella organizations i.e. TPL, PPS, ULI, NYRP
- Nonprofit park and public space stewards in other cities

As the interviews near completion, we are identifying knowledge-sharing networks and recommending new strategies, potential sources and best practices that can be replicated.

The Good News



- Great public spaces are highly valued in virtually every city in America
- The models and structures to support them are growing, and lots of creative people are developing new approaches
- Mechanisms to capture value and return it to public spaces are widely used in many cities and the knowledge is accessible
- It is well demonstrated that property values are higher adjacent to great public spaces

The Challenges for Detroit

- Municipal funding in Detroit remains scarce both for privately-run parks and open space as well as city-owned parks
- In Detroit, assessment (BID/BIZ) and value-capture (TIF) mechanisms are not widely in use
- Private contributions to new conservancies are not yet part of the charitable water system
- Competition exists with many other serious needs e.g. regional transit, K-12 education
- TIGER and Enhancements funding have been critical but are now uncertain.



An Emerging Approach to Sustainability



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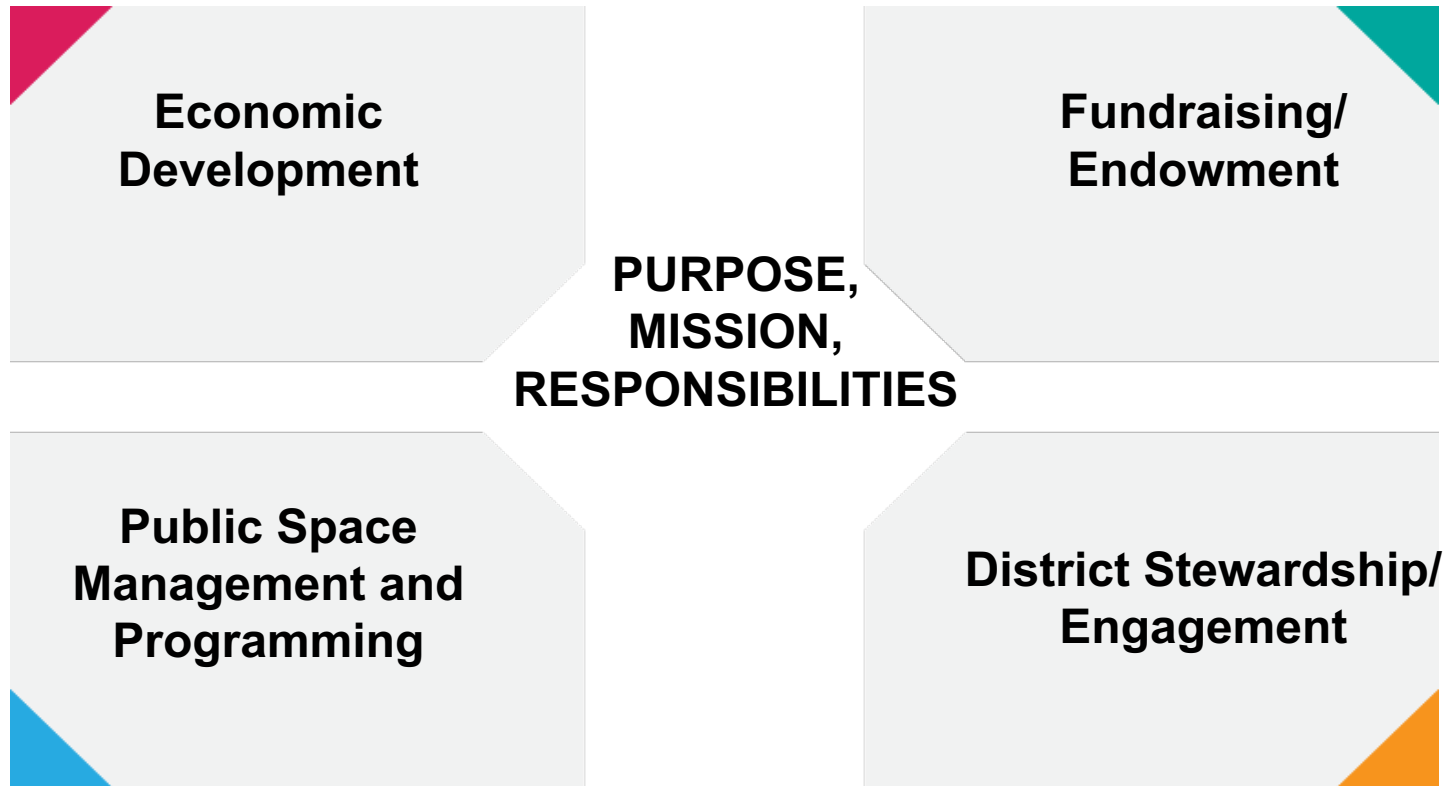
1. Think of resources broadly instead of just a “fundraising” plan, but take advantage of proven principals of fundraising in the nonprofit sector
2. Look at your organizational structure and adapt if needed – i.e. add a conservancy to a BID or vice versa
3. The case for support and total value proposition are critical and must be supported with data and connected to community priorities
4. Learn from the experiences of others and identify ways to innovate
5. Work over time with a flexible resource development plan. Goal is to achieve a broad, multi-year base of support from a range of sources: public, corporate, small business, individual, foundations, sponsorships and earned revenue.

Elements of the Long-Term Resource Development Plan

- A. Investment in resource development staff, technology, research
- B. Partnerships! Seek public sector services and volunteers that reduce your costs and sharing of services with like organizations to stay lean
- C. Board members committed to contribute, raise and advocate for resources
- D. Mechanisms for planned and endowment gifts
- E. Sponsored programs and events, with expectations that are clear and codified in writing
- F. Multi-year support wherever possible

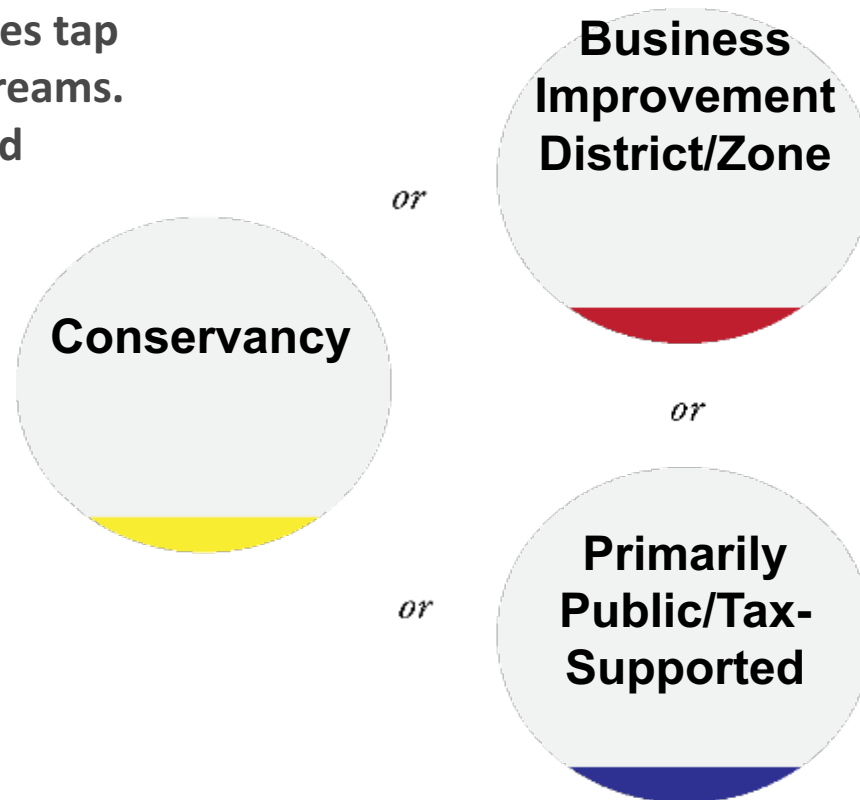
Structure and mission – what do you lead with?

Four objectives guide groups that run public spaces often in different proportions -- how do you rank them in your organization?

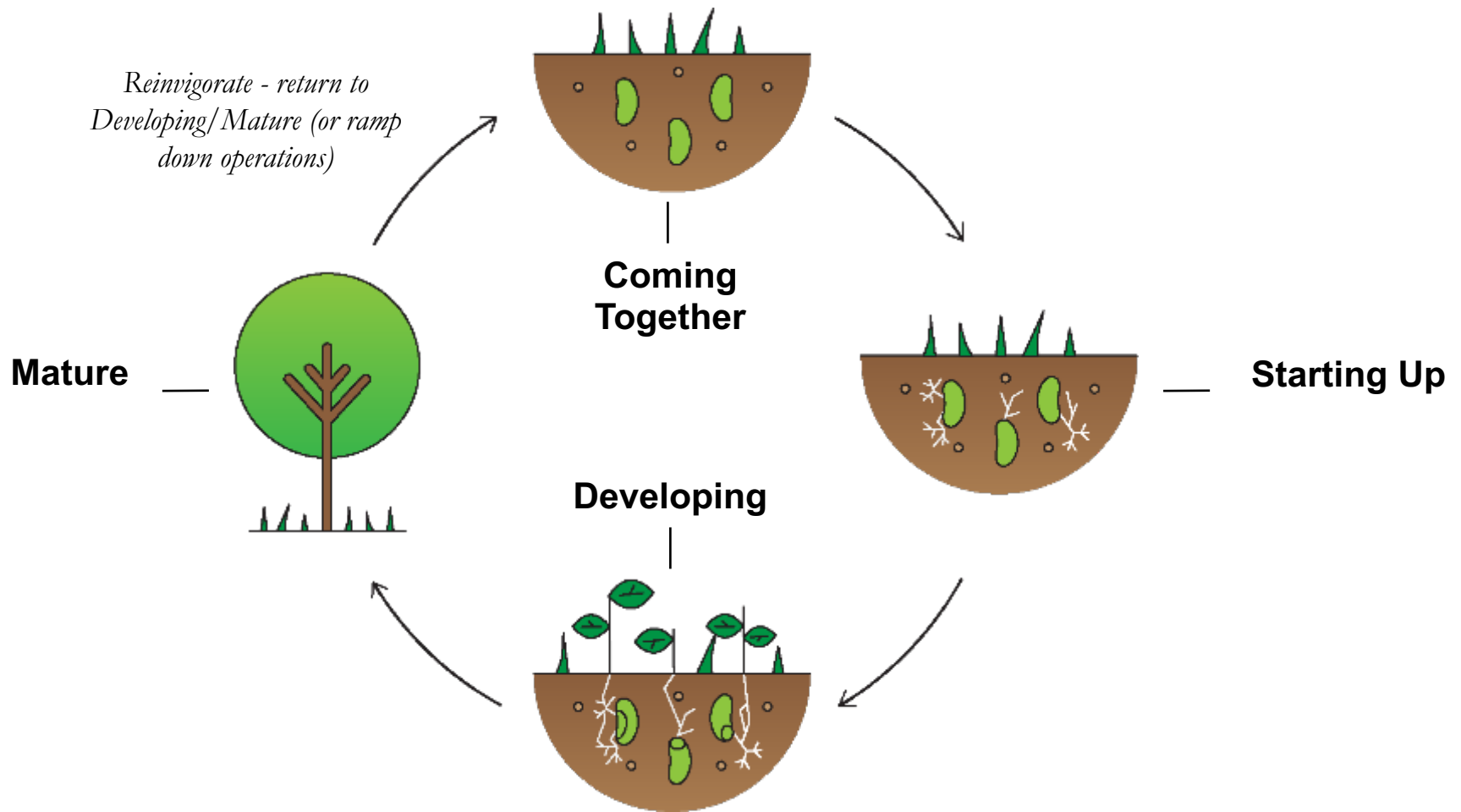


Structure and mission – are there tools that are missing?

Three structural types tap different funding streams. Consider a combined model?



Structure and mission - where do you fall in the nonprofit life cycle?



Value proposition is compelling and can be supported with data

Different emphasis for different sectors:

- Municipal: Data to show increased tax base attributed to your investments, better health outcomes for residents
- Individuals: Outcomes from youth and educational programs, cultural opportunities, improved quality of life
- Corporations and small businesses: Improved economy, real estate development, new job opportunities, reduced crime
- Foundations: Combination of all of the above

Networks provide strategies for innovation

- Urban Land Institute, Project for Public Spaces, Trust for Public Land, Next City all have knowledgeable people and extensive publications and are lifting up new funding mechanisms
- Center for Urban Park Management at Central Park Conservancy offers training on cost-effective practices
- Reimagining the Civic Commons studios provide many opportunities for knowledge sharing
- New parks in the west are devising new comprehensive approaches (Houston, Los Angeles, San Francisco)
- All of these are identifying funding vehicles to explore:
 - Corporate funds for environmental mitigation
 - Bonds/dedicated property and sales taxes
 - Social media and crowdfunding
 - Dedicated concession revenues
 - Land transfers for revenue-generation
 - Fitness events that generate revenue

Next Steps for the Project



- Seek feedback from Civic Commons group
- Continue interviews to elevate innovation and strategies for neighborhood translation
- Highlight local and national case studies
- Work with PwC on quantifying growth of tax base and reducing operational costs
- Bibliography, glossary and resource list
- Review of draft by partners and contributors
- Write final version and work with Kresge Communications Team on publication