



Creating Vibrant Urban Parks and Open Spaces through Public-Private Partnerships

Lessons for Downtown Los Angeles

DTWX

DOWNTOWN WORKS
LOS ANGELES

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About DTWX

Founded in 2011, Downtown Works (DTWX) is the 501(c)(3) non-profit arm of Central City Association (CCA), created to advance CCA's mission of enhancing the region's vibrancy for residents, employees and visitors.

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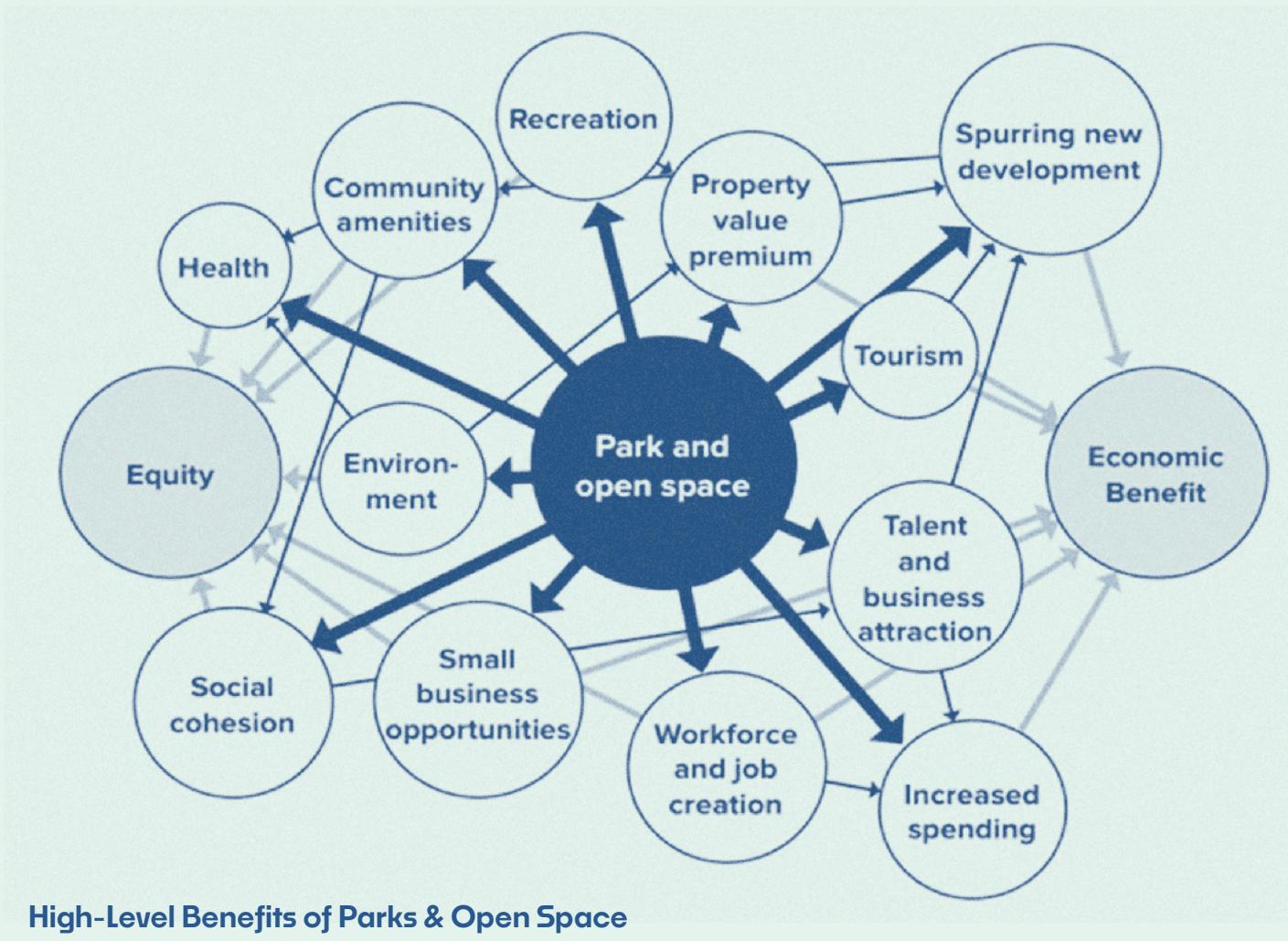
Cover image source: Mandy Maddela Hoskinson, courtesy of RIOS

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1. Introduction

High-quality, publicly accessible parks and open spaces are essential for strong, healthy cities. Parks and open spaces are centers for community, social and civic life, hubs for climate resilience and public health, economic drivers and can be defining features of neighborhoods and cities. The most iconic cities are known for their signature open spaces, like New York City's Central Park and Chicago's Millennium Park.



High-Level Benefits of Parks & Open Space

Source: SPUR

The City of Los Angeles, the second largest city in the country, is home to four million people and draws more than 50 million tourists annually. Yet, it lacks a consistent and widespread high-quality public realm befitting its status as a global city.

Analyzing five key characteristics: access, investment, acreage, amenities and equity – the Trust for Public Land ranks Los Angeles 71 out of 100 cities on its 2021 park score. In contrast, other California cities like San Francisco came in at 6th, Irvine 7th, San Diego 27th and Sacramento and Long Beach tied for 31st.¹ Unfortunately, only about 64% of Los Angeles residents have park access within a 10-minute walk from their home compared with about 99% of New York City residents and 98% of Chicago residents.²

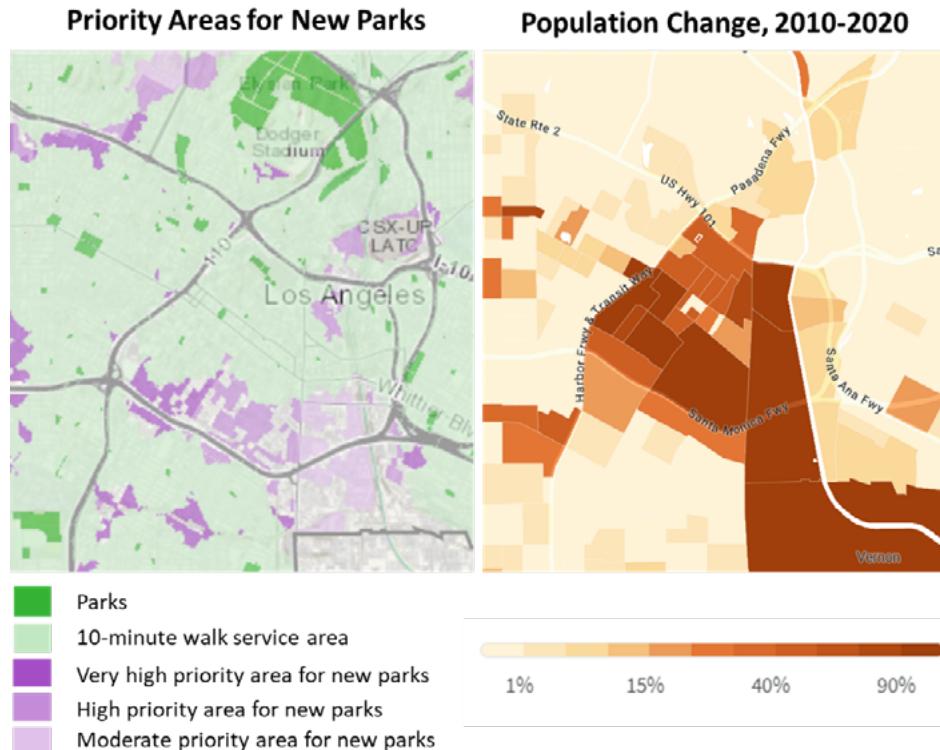
The dearth of public open space is acutely felt in the heart of the city and its fastest growing neighborhood, Downtown Los Angeles (DTLA). According

to LA County's Comprehensive Park and Recreation Needs Assessment, the two areas that make up DTLA, Central City and Central City North, were found to be in high need and very high need of parks, respectively.^{3 4}

The need for park space in DTLA is compounded by its rapid population growth; the number of housing units in DTLA has more than quadrupled since 1999 and the current population of over 80,000 residents is projected to swell to approximately 250,000 people by 2040. While virtually all of DTLA is outpacing the rest of the city's population growth, the neighborhoods that are growing the fastest in DTLA – South Park, the Fashion District and Arts District – are also where park needs are highest.

Unfortunately, only about **64%** of **Los Angeles residents** have park access within a 10-minute walk from their home compared with about 99% of New York City residents and 98% of Chicago residents.

The dearth of public open space is acutely felt in the heart of the city and DTLA's fastest growing neighborhoods.



Concrete, uninviting elements and little shade or tree canopy contribute to Pershing Square's underutilization in DTLA. Image courtesy of CCA.

Despite the documented need for new park space and operational investments to maintain and program DTLA's existing park space, the City of Los Angeles' local government and departments (City) have struggled to fund and implement the projects under its purview.

Moreover, some existing DTLA parks lack programming and activation, are poorly designed and are often perceived as unwelcoming, particularly to families and children. This includes parks like Pershing Square, which is mostly hardscape with large surrounding walls and parking ramps that make the park's interior hard to see and inaccessible, and Spring Street Park which has struggled with regular maintenance and upkeep, particularly as it is heavily used by pet owners. The City's Recreation and Parks Department has made efforts to improve Pershing Square with a new playground and has some other incremental efforts underway; however, the improvements are slow to be delivered and are being done in a piecemeal fashion.



Jerry Moss Plaza at The Music Center, funded with a mix of public and private funds, and run by The Music Center, a non-profit cultural organization. Rendering source: Tim Street-Porter, courtesy of RIOS.

Meanwhile, public-private partnerships (P3s) have been effective at creating new, quality open spaces elsewhere in DTLA, including Grand Park which was funded by Related Companies as a contribution to the County of Los Angeles as part of its plan to develop an adjacent land parcel, and is operated by The Music Center, a non-profit performing arts organization; South Park Commons led by Mack Real Estate as part of its AVEN development; and Jerry Moss Plaza at The Music Center, which was funded through a mix of public and private funds and activated with programming curated and presented by The Music Center. Through a partnership with AEG and Plenary Group, the City's Tourism Department is also working to redesign and renovate Gilbert Lindsay Plaza to serve as a well-programmed public green space as part of the broader Convention Center modernization and expansion project. Environmental review for Sixth Street PARC, planned for underneath the recently completed Sixth Street Viaduct, is also underway and will provide open spaces linking the Arts District and Boyle Heights, funded with a mix of city and state

funds, as well as with a philanthropic contribution from Arts District stakeholder, the late Leonard Hill.

In addition to these local examples, DTWX analyzed 10 case studies of successful parks and open spaces in cities elsewhere in the United States to understand lessons and strategies the City of Los Angeles might employ to deliver more vibrant urban parks and open spaces in DTLA. Our case study analysis found that:

- While the City of Los Angeles largely relies on public funding for the capital and operating costs of its parks, other cities have leveraged private and philanthropic funding to implement world-class public spaces.
- The City of Los Angeles controls park operations, maintenance and programming, but other cities have utilized dedicated non-profit entities and community partners to manage their signature parks and provide robust and compelling activation.



Leonard Hill Arts Plaza, a section of the proposed Sixth Street PARC funded by an Arts District stakeholder donation from the late Leonard Hill. Rendering courtesy of Hargreaves Jones.

Considering recent projects in DTLA and successful examples elsewhere in the country, P3s can play an integral role in implementing and programming parks and open spaces to provide a high-quality public realm. This report outlines the challenges and opportunities of delivering high-quality parks and open space projects in Los Angeles and highlights

insights from case studies of successful parks and open space projects elsewhere in the United States. Finally, we provide a list of lessons learned and conclusions for the City to help foster more publicly accessible parks and open spaces in DTLA and across the city.



2. Challenges to Delivering and Running World-Class Parks and Open Space Projects in Los Angeles

Several important and potentially transformational parks and open space projects in DTLA have stalled, including the redesign of Pershing Square, First and Broadway (FAB) Park and the Park 101 Freeway cap park. The reasons why these proposed parks have not progressed are project-specific, but altogether, speak to a lack of resources to execute complex and capital-intensive projects when the City seeks to fund and implement projects alone and without external partnership. This is also evident with the long time it takes to deliver even comparatively small projects, like the recently completed Ord and Yale Street Park in the Chinatown neighborhood of DTLA. Although just a half-acre park, planning began in 2010 with the goal of opening in 2016, but it took 11 years to complete, including nearly three years of construction. It was entirely funded through state, county and local funds.

LA City government struggles to deliver vibrant parks and open spaces due to:

Overreliance on Constrained Public Resources

The City overwhelmingly relies solely on limited, constrained local government and other public funding sources to fund park construction, operations and maintenance. Parks' budgets become subject to General Fund fluctuations and negotiations, and dependent on state and federal grant availability and cycles. Building, operating and programming top-tier public realm projects is expensive and it is not reasonable to expect cities to shoulder the costs of these projects alone or to wait to win highly competitive state and federal grants. This is particularly true for the City of Los Angeles, which has competing priorities and limited fiscal resources.

It should be noted that the State of California also faced similar challenges with the development of Los Angeles State Historic Park near Chinatown in DTLA. California's state government relied solely on its own funding to deliver the park, which caused delays due to budget deficits and resulted in scaling down the project from its original proposal.⁵ However, even though the park's design is less intricate than originally conceived, a focus on large-scale programming, concessions and partnerships with local organizations have activated the park.

Pershing Square Redesign. Rendering courtesy of LA City Recreation and Parks Department



Insufficient Project Delivery Expertise and Capacity

Public realm projects are complex and require staff that have technical expertise in raising funds from various sources, managing large-scale projects and programming successful urban parks. Oversight of these projects is inconsistent, and sometimes dealt to people who may not have the expertise or capacity to execute them – often a mix of LA City Council offices, city departments and community organizations.

Lack of Coordination & Long-Term Commitment

LA projects suffer from a lack of strategic coordination, such that they often compete against other projects for the same resources. For example, LA Streetcar and Pershing Square were regularly allocated equal funding amounts from TFAR funds without a strategic plan that considered the actual amount of funding each needed or the best funding source. Lastly, these projects are sometimes propelled and stalled by political timelines, which makes it difficult to best execute major projects that have delivery dates beyond public office term limits.



Old and Yale Street Park's playground and shade structure in the Chinatown Neighborhood of Downtown Los Angeles. Image courtesy of CCA.

Although just a half-acre park, planning began in 2010 with the goal of opening in 2016 for Ord and Yale Street Park in Chinatown but it took **11 years to complete**, including nearly three years of construction. It was entirely funded through state, county and local funds.

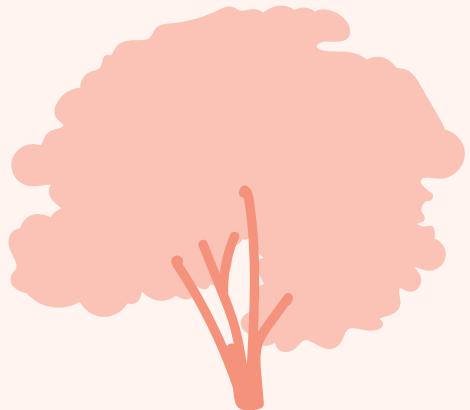
First and Broadway Park. Rendering courtesy of Studio MLA.



A Brief History of Stalled DTLA Park Projects

Pershing Square Redesign

A design competition was launched in 2015 with plans to secure funding and complete the renovation of the five-acre park in 2019. A non-profit entity was formed, Pershing Square Renew, tasked with fundraising for the redesign but failed to secure city government support for a Community Facilities District that would have used a property tax assessment to fund a large share of the project's costs. City government has since pursued capital funding for the project through sources like Quimby Funds and Transfer of Floor Area Rights proceeds, greatly scaling back the project and phasing it over the course of 10 years.



FAB Park

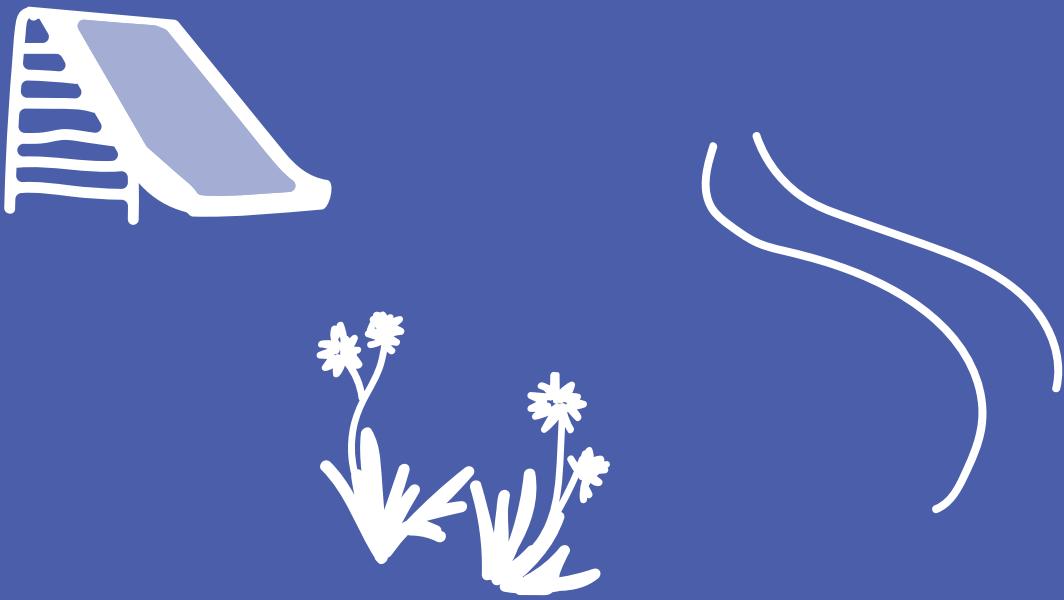
The City selected a winning design for the approximately two-acre park across from City Hall in 2016 and planned to break ground in 2019. They planned to fund the project with Quimby Funds and make up the balance with grant funding through the state's Proposition 68 program, but the state did not select LA for the award. City government decided in 2020 to cancel construction bids for the park and rebid at an unspecified later date. It remains a fenced-off vacant dirt lot amid the Civic Center.



Park 101

City Council voted in 2013 to partner with non-profit Friends of Park 101 to fundraise for a four-block park that would cap the 101 Freeway where it divides El Pueblo, Union Station and the Civic Center. The non-profit developed a design concept and funding plan that would involve redevelopment of surrounding parcels. There has not been any news of the project since 2018 and the project website no longer exists.





3. Insights from Successful Park and Open Space Projects

Through our analysis, we found that various P3 models can be invaluable in helping cities fund park construction as well as high-quality operations, maintenance and programming. To assist City decisionmakers and DTLA stakeholders with efforts to advance DTLA parks and open space projects and enhance public space programming and activation, DTW examined: 1) successful elements of recent DTLA parks and open space projects and 2) 10 exemplar case studies from across the United States.

1. P3s for building and operating parks can be structured based on each park's unique needs, contexts and partnership opportunities, as well as availability of funding.

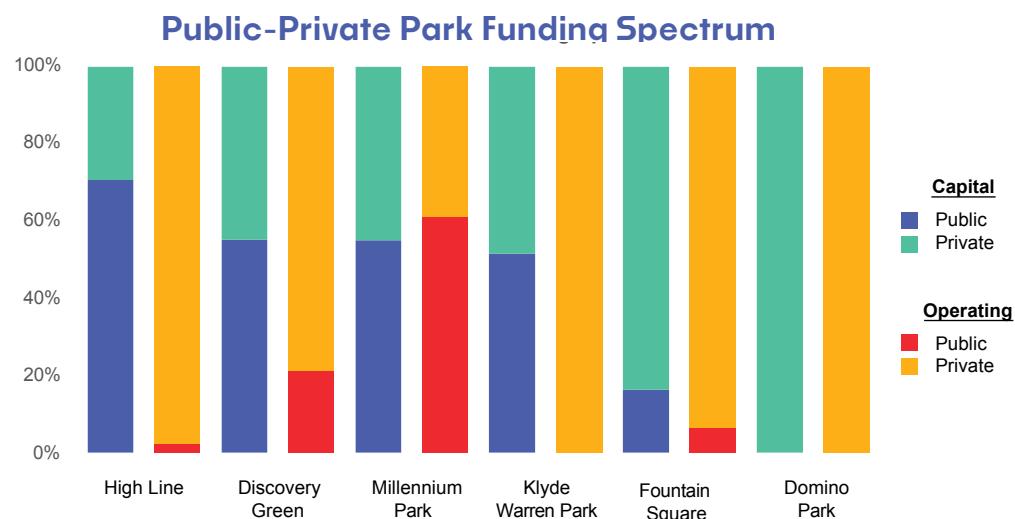
The below chart shows a spectrum of public and private capital and operating funding approaches of successful, world-class parks, demonstrating the importance of leveraging diverse funding to execute and operate top-tier public spaces, potentially requiring little to no public funding. The construction of each of these iconic parks was approached differently based on available public capital funding and the capacity for the private sector to fundraise to fill funding gaps in their respective contexts (with the exception of Domino Park, which was initiated by private developers and built as part of a private development). These parks also utilize a variety of operating models, ranging from those that are primarily run by public agencies but with private funding support, like Millennium Park, to entirely privately funded and managed under agreements with local governments, like Klyde Warren Park and Domino Park.

2. City governments can often be most impactful by bringing together the components for park construction. This could look like serving as a "seed investor" that helps provide a large share of one-time capital funding, assembling land or creating regulatory frameworks necessary for implementation.

As "seed investors," municipal governments can source large pools of capital funding through issuing local bonds and competing for state and federal grants to provide initial dollars for park construction that signal a meaningful public sector commitment to implementation and create momentum for private fundraising. This was the model used to successfully implement the High Line, Discovery Green, Millennium Park and Klyde Warren Park. Following baseline commitments of public funds, the private sector filled capital funding gaps through private donations and fundraising strategies like selling naming rights for park facilities.

Cities are also uniquely positioned to bring property owners together where local government can coordinate a community development approach through site assembly that uses parks as their anchors. This capacity is best utilized when cities have private sector facing agencies and partner entities, as demonstrated by the land swap approach that made Romare Bearden Park possible and the Upper Kirby Redevelopment Authority's strategic site assemblage that paved the way for Levy Park.

Additionally, cities can support park development through creative regulatory approaches. With the High Line, the City of New York established a complex, multi-dimensional zoning system that ultimately allowed it to acquire the elevated railway that would become the park while also catalyzing substantial development in its surrounding areas. Although Domino Park is part of a private development, the City of New York recognized the importance of the park to the overall mixed-use development in granting its land use and development approvals.



For full list of sources, see "DTWx Examining Public-Private Partnerships to Create Vibrant Urban Parks and Open Spaces: National Case Studies."

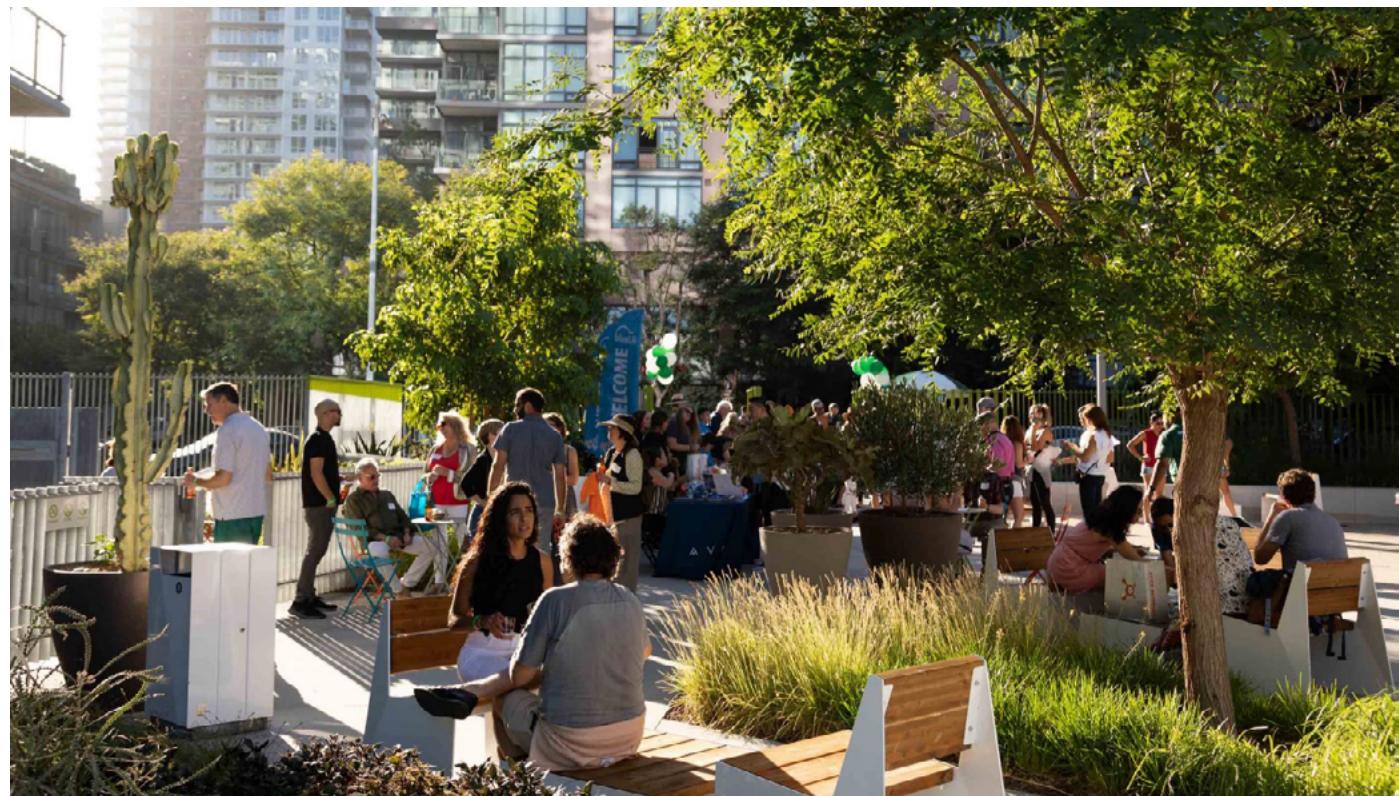
3. The most popular and well-run signature urban parks utilize dedicated non-profit entities like conservancies and foundations, partner with local Business Improvement Districts (BIDs) and Community Development Corporations (CDCs), or work with private developers to manage park operations, maintenance and programming.

Here in DTLA, well-activated and maintained public parks and open spaces like Grand Park and Jerry Moss Plaza at The Music Center have dedicated teams that act as partners to government and oversee operations, maintenance and programming to a greater extent than could be performed by the local jurisdiction alone. This is the case elsewhere across the country, like Friends of the High Line and the Bryant Park Corporation in New York, the

Woodall Rodgers Park Foundation in Dallas, Levy Park Conservancy and Discovery Green Conservancy in Houston, and the Millennium Park Foundation in Chicago, among others.

Partnerships with private developers that set aside portions of large-scale developments for public open space can also be effective. In DTLA, Mack Real Estate built and manages South Park Commons as part of their AVEN development. New York's Domino Park is another example in which Two Trees Development built the public waterfront park as a component of their larger multi-building, mixed-use development project. Downtown and LA City government have a promising opportunity with the DTLA 2040 Community Plan, which may unlock more opportunities for this sort of partnership through incentivizing the provision of public parks in private developments under the currently proposed Community Benefits Program.

Community members enjoy South Park Commons in Downtown Los Angeles. Image source: Mandy Maddela Hoskinson, courtesy of RIOS.



4. In central business districts of major cities, legacy corporations, property owners, large employers, established foundations and cultural institutions can be powerful partners to support the execution of park projects and serve as stewards of park operations.

The 1990s redesign of Pershing Square in DTLA was executed through a P3 between the City's Community Redevelopment Agency and surrounding property owners who voted to fund a portion of the park's construction through a Community Facilities District (CFD). Since the dissolution of the private sector facing and real estate-minded Community Redevelopment Agency in 2012, the City of Los Angeles has largely turned away from this sort of P3 model to deliver and program parks. However, these strategies continue to be used effectively to build and activate parks in downtowns throughout the country.

For example, Klyde Warren Park's \$110 million construction was funded through a combination of \$20 million in bond funds from the City of Dallas, \$20 million in highway funds from the State of Texas and \$16.7 million in federal stimulus funds with the balance from individual donors through the Woodall Rodgers Park Foundation. The park's operations and maintenance are funded through a property tax assessment on surrounding properties similar to that of a BID or CFD.

In Cincinnati, 3CDC (its economic development corporation) continues to spearhead the revitalization of its downtown under the leadership of Procter & Gamble and other local corporations. The organization's first project in the early 2000s was bringing together partners and funding to renovate Fountain Square, a public space at the heart of the central business district, which 3CDC also successfully manages today.

As another example, the Bryant Park Corporation taps into the abundance of companies in New York City to sponsor high-quality programming, like the Bank of America Winter Village and various movie nights by companies like Netflix, HBO and Verizon.

Finally, parks with dedicated management entities typically have Boards of Directors composed of representatives from major employers, property owners and cultural institutions who are committed stakeholders to the park's success. This structure furthers the partnership between cities and the private sector, fostering civic engagement and strong connections among community leaders to coalesce around the health of cities' public spaces.

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5. Parks that are managed by dedicated, nimble entities can bring together diverse funding streams to pay for high-level service and yield a more resilient operating budget.

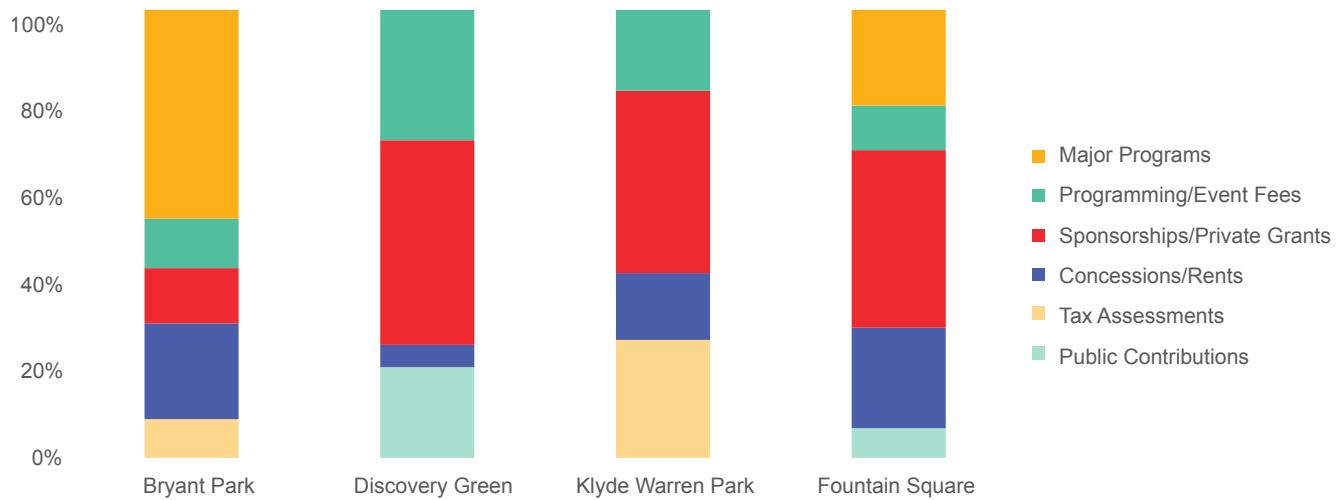
While the City of Los Angeles depends largely on General Fund and Special Fund revenues to pay for park services – which can often be shifted from one park to the next and renegotiated with each annual budget cycle – other successful public-private parks use an array of funding sources to maintain a high level of services. The approach used by successful parks results in a more sustainable budget that is more resilient to year-to-year fiscal changes.

Consider the primary revenue sources of select public-private parks in the chart below. These parks tap into funding from a wide array of streams, including:

- Some contributions from local government
- Philanthropic donations
- Membership and sponsorship
- Earned income through events, programming, parking and rentals
- Sales income through concessions
- Value capture such as property and business tax assessments on surrounding areas

Taken together, these funding streams provide greater stability for parks to deliver quality service from year to year, as well as increase overall park budget capacity and potential.

Public-Private Park Primary Revenue Sources



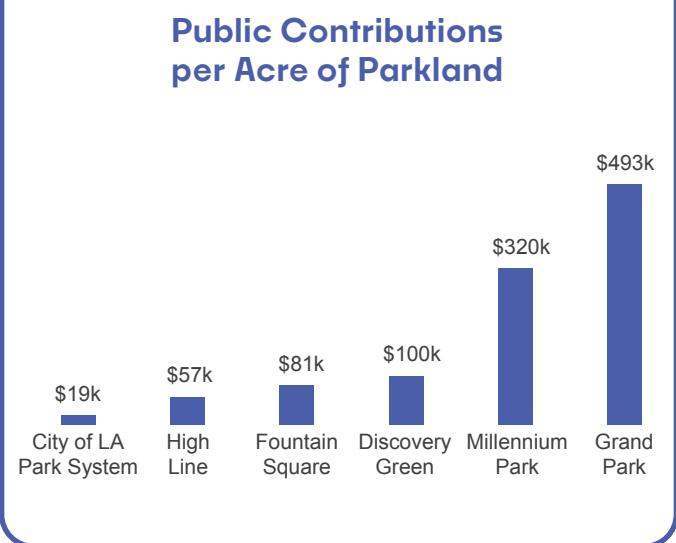
Sources: Form 990s for Bryant Park Corporation, Discovery Green Conservancy, and Woodall Rogers Park, and from 3CDC presentation to ULI.



Liquid shard temporary public art installation in Pershing Square, by Patrick Shearn and produced by NOW Art LA. In partnership with a local cultural organization, this brief activation brought attention and visitors to Pershing Square, enlivening the public space. Image courtesy of NOW Art.

6. Local government contributions to park operations can provide a sustainable baseline of annual funding that parks can layer on top of to support their budgets.

Several public-private parks sustain their operations without relying on any public funding, like Bryant Park, Klyde Warren Park and Domino Park, but some receive annual public contributions that serve as a reliable baseline on which their managing entities can build their budgets. Each of the parks DTWX analyzed that receive some share of public funding all exceed the amount the City of Los Angeles spends on a per acre basis across its 16,000+ acre park system.⁶ This is true even of the studied parks for which public contributions make up small shares of their overall budgets, like the High Line wherein the City of New York funding makes up approximately 2% of the park's budget and the balance is privately funded.



Sources: City of LA FY 22-23 Budget, LA County FY 22-23 Budget, Form 990s for Friends of the High Line and Discovery Green Conservancy, and Rudy Bruner Award profile of Millennium Park.

7. Signature open spaces are catalytic and yield substantial return on investment for local governments and cities, both fiscally and in public benefits like enhanced civic and social engagement, overall improved quality of life and public health.

Successful downtown parks exemplify high-quality placemaking. These parks drive public excitement and draw visitors, locally, regionally and even globally. The case studies we examined are all top visitor destinations in their respective cities. This allure boosts investment and economic activity that

supports greater property tax revenues from more desirable surrounding properties, and hotel and sales taxes from increased visitation.

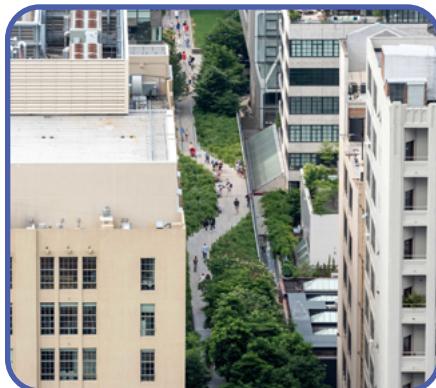
Beyond tax revenue and jobs-creating benefits of iconic downtown parks, they also have less tangible but important public benefits like creating more opportunities for community building and gathering, exercise and outdoor activities. They provide venues for vital civic activity like protests, rallies and marches. Outstanding parks become part of downtowns and cities' unique brands that are recognizable even on a global scale.



Klyde Warren Park has had a \$2.5 billion impact on economic activity in Dallas.

Discovery Green has generated \$1.25 billion in new office, hotel and residential developments.

Millennium Park supported an increase of approximately \$100 million in hotel and retail revenues.



The **High Line** attracts more than 8 million annual visitors and is one of NYC's top tourist destinations.

Crime rates fell by 92% in **Bryant Park** and park visitors doubled in the seven years after BPC's creation.

Since opening, **Fountain Square** has spurred \$400+ million of private investment near the park.

For full list of sources, see "DTWx Examining Public-Private Partnerships to Create Vibrant Urban Parks and Open Spaces: National Case Studies."



4. Lessons Learned for the City of LA and DTLA Parks and Open Spaces

Through our review of proposed DTLA projects and case study analyses of successful parks and open spaces across the United States, DTWX believes there are key lessons that can strengthen LA City's ability to successfully deliver parks and open spaces in DTLA and elsewhere.

Ultimately, LA City government is and should remain an essential partner in delivering community amenities like parks and open spaces. The following lessons can guide that future collaboration:

- 1. Opportunity exists for greater partnership between city government and DTLA's private sector to deliver park projects and to activate DTLA's public realm to a world-class quality.**
- 2. A quasi-public Downtown Development Corporation can be a powerful tool to interface with the private sector to comprehensively deliver parks and economic development projects by leveraging a variety of public and private funding sources, including New Market Tax Credits, parking revenues, permit fees, and tax increment financing through mechanisms like Enhanced Infrastructure Financing Districts.**
- 3. Focused entities like foundations, cultural organizations and conservancies can greatly enhance park management and programming in DTLA while fostering collaboration with private sector and non-profit partners.**
- 4. Working with DTLA's well-established BIDs to operate, maintain and program could help conserve city resources and improve the quality of service in parks given that DTLA's BIDs have capacity, deep community networks and economies of scale upon which to draw.**
- 5. DTLA's exciting cultural and culinary institutions can help activate DTLA's parks with compelling programming and drive park revenues through concessions and events, while also strengthening connections within the DTLA community.**
- 6. Investing in high-quality downtown public spaces drives significant return on investment, often justifying the costs of park development. This is particularly important as DTLA recovers from the impacts of the COVID-19 pandemic and as public outdoor spaces are increasingly valued for safe gatherings.**
- 7. The City of LA can expand its park funding approach for signature DTLA park projects by tapping into a wider variety of private and philanthropic opportunities.**
- 8. The DTLA 2040 Community Plan can be a pathway for creating more public parks and open spaces in tandem with new private development through the incentives in the proposed Community Benefits System.**
- 9. Despite considerable development of DTLA over the past several decades, some existing surface parking and vacant lots could be converted to public spaces, particularly in areas like South Park, the Arts District and Fashion District that are rapidly growing and have a high need.**

Endnotes

1 <https://www.tpl.org/parkscore> Ibid.

2 Ibid.

3 https://lacountyparkneeds.org/wp-content/root/FinalReportAppendixA/StudyArea_118.pdf

4 https://lacountyparkneeds.org/wp-content/root/FinalReportAppendixA/StudyArea_059.pdf

5 <https://la.curbed.com/2012/2/27/10393512/full-cornfield-park-project-finally-moving-forward>

6 <https://cao.lacity.org/budget22-23/2022-23BlueBookVol2.pdf>