

THE FUTURE OF FAIRMOUNT PARK

Advisory Committee Report

April 2006

The Advisory Committee developed three different management scenarios for the Park. Other organizational structures also are possible. The consultants hired by the transition team should evaluate the Park’s revenue-raising potential under these three management alternatives. The best alternative will depend in large part on the dedicated funding mechanism selected for the Park.

OPTION 1

Management reports to the Board and to the City. The Board of Trustees would appoint the Park’s executive director and the Mayor would have veto power over his or her selection (as is currently the case in practice). Alternatively, the Mayor could appoint and the Board could hold veto power. The directors of the three Park divisions listed below would report to the Park’s executive director, who, in turn, would report both to the Board of Trustees and to the City’s Managing Director (as is currently the case).

The Park handles the revenue function. The Board would oversee an organization with three main divisions:

Parks Department

- Land management
- Programs (environmental education, rowing camp)
- Archives

Property Management

- Leasing
- Architectural conservation services
- Historic properties. The Park needs to hire experts to show it how to benefit from tax credits and other mechanisms to transform its deteriorating historic properties. The individual groups that operate the historic houses need to be coordinated, Park house leases standardized, and the houses marketed more effectively as a group. This division needs to form alliances with City tourism interests.
- The staff of the Historic Preservation Trust would effectively merge into this division. The Trust should retain its separate 501(c)(3) designation if this is legally required to allow long-term leasing of Park buildings.

Revenue

- Development
- Marketing and public relations
- Revenue generation and concessions management
- Special events and permitting

Benefits of Option 1

The pros of this model are that it addresses the relationship between the Fairmount Park Historic Preservation Trust and the Park. The Trust currently has to perform its own public relations, marketing and fundraising to support its staff of park conservators. It would be much better for it to be free to focus on its core technical mission of providing conservation services to Park properties, and to leave fundraising to the specialists. This model also adds a Revenue Division, which could stimulate much-needed funding for the Park. As noted in Section III(B)(1)(c) of this report, under the City's proposed realignment of certain Recreation Department and Park functions, dedicated staff may be added to focus on revenue generation and fund-raising for both departments (although where these personnel will be housed is as yet undetermined).

Negatives of Option 1

The cons of this option are that creating a Park Revenue Division places private sector fundraising responsibilities both with the Park **and** with the Fairmount Park Conservancy. The Fairmount Park Conservancy board of directors believes this duplication would compromise fundraising from individuals and the corporate sector. Furthermore, this model continues the current difficulties inherent in having the park executive director “serve two masters” (the Board and the Managing Director).

OPTION 2

Same as above except that Revenue Division functions are performed by the Conservancy. The Park and the Board of Trustees would retain the responsibility for fundraising from public sources under this option.

The Conservancy would remain a separate corporation that would not report directly to the Fairmount Park Board of Trustees, but the **Conservancy’s bylaws would be modified to build in more overlap** between the two entities, as follows:

- The treasurer of the Board of Trustees would be made an *ex officio* member of the Conservancy board. At least ¼ of the Conservancy board would be (non-governmental) trustees.
- A Joint Planning Committee composed of Trustees and Conservancy board members would agree on fundraising priorities and plans.
- An additional step that would maximize coordination between Park staff, the Conservancy and the Board of Trustees to an even greater degree would be to have the Park executive director serve as head of the Conservancy. This is the Free Library of Philadelphia model, in which the same City employee heads the public Library, reports to the Managing Director, and also heads the private Free Library Foundation. However, the Conservancy is opposed to this step, fearing it would jeopardize its private fundraising capabilities.

Benefits of Option 2

This approach provides more clearly defined roles for the Board of Trustees and the Conservancy and avoids duplication of fundraising efforts. A higher degree of “nimbleness,” responsiveness, and hiring ease can be achieved by having a private, non-profit such as the Conservancy handle many or most of the revenue functions. The Strategic Plan recommends this structure for revenue generation and fundraising, stating that “with improved coordination and clarification of roles, the Fairmount Park Conservancy is well positioned to further evolve into this position” (*see Financial Resources/Partnership Evaluation Report, p. 20*).

Negatives of Option 2

A large degree of power (and visibility) would be delegated to the private Conservancy under this option. Whether a new Administration would be willing to allow an entity that has no governmental representation to manage revenue zones, for instance, is unknown. Whether this arrangement would diminish, compete with or otherwise negatively affect the role of the new Fairmount Park Board of Trustees is unclear. The Conservancy currently does not have financial and project management staff, so it would need to staff up to run the Revenue Division just as the Park would.

OPTION 3

Create a Park Authority utilizing the 1945 Municipality Authorities Act.

- The organization would contain the park, property and revenue divisions noted above.
- The Board would appoint the Park Authority’s executive director, who would **report only to the Board of Trustees** (and not to the Managing Director).
- This option would be a creative way to bridge the hybrid nature of the Park as both a creature of the Commonwealth and the City. (Under Pennsylvania’s Municipality Authorities Act of 1945, local government may authorize the creation of municipal authorities under state law but retain the right to approve the board and budget of the authority.)

- Legislation creating a Park Authority could be written to preclude a state takeover.
- Another option would be the creation of a regional authority to manage and maintain the park systems in southeastern Pennsylvania.

Benefits of Option 3

Under this model, **the Conservancy would merge and become the Revenue Division**, thus eliminating role confusion but retaining the ability to raise funds that remain independent of City control. This approach would avoid the current difficulties inherent in having the Park executive director “serve two masters” (the Board and the Managing Director).

This option encourages an entrepreneurial focus that is more common to the private and non-profit world than the governmental world. It could give the Park the powerful tool of assessing properties in “special districts” based on location, frontage and/or benefit. Park assessment revenues then could be used for annual operations or to pay debt service on tax-exempt capital improvement bonds issued by the Park authority.

Negatives of Option 3

The concern with this model is that removing the Park as a City operating department might well attenuate the City’s investment in the Park over time. Also, although the City would retain a level of control over Park governance via designated *ex officio* board seats, mayoral veto power over Trustees, and required City Council approval of major land transactions, the City might be reluctant to delegate land use power to an entity it did not directly control.