



**New York City Council Parks & Recreation Committee  
Oversight Hearing on Parks Capital Projects  
November 19, 2013**

Good morning, I'm Holly Leicht, Executive Director of New Yorkers for Parks, an independent research and advocacy organization championing quality parks and open spaces for all New Yorkers in all neighborhoods.

New Yorkers for Parks understands the frustration that Council Members often feel in the face of creeping timelines and escalating costs for completing capital projects in city parks. In response, we are currently undertaking an in-depth study of the capital project process – from preliminary cost estimation through design and construction – for a number of City agencies, including Parks, EDC, DOT, DEP, DDC and SCA. We are also consulting with staff at OMB and the Mayor's Office of Contracts to develop a full understanding of how the capital project process compares among these agencies. We have almost completed detailed interviews with key staff at the aforementioned agencies, and in the coming month we will compile our findings, identify best practices as well as pitfalls and constraints, and write a report to be shared with the Council and the participating agencies, making recommendations for improving the Parks Department's – and perhaps other agencies' – capital project process.

Though our final report won't be in hand until early 2014, I'd like to highlight today what we believe is the single biggest impediment to efficiency in Parks Department capital projects: that is, the fact that most "bread and butter" parks projects – projects in the, say, \$1-5 million range to refurbish aging neighborhood parks and playgrounds across the city – are funded through capital allocations from Council Members and Borough Presidents, rather than receiving Mayoral funding. Since the Giuliani administration, the Parks Department has not had a capital budget to allocate at its discretion. Mayor Bloomberg has provided generous funding to large parks projects, but most smaller projects – like a playground renovation or a new dog run – are funded by the local Council Member or Borough President, with their annual discretionary capital funds. As one government veteran described it to us, "The capital budget dance between the Administration and the Council occurs almost entirely around parks, libraries and cultural institutions. And all three pay a price."

One way to avoid this dance – which is the first recommendation of NY4P's Parks Platform 2013, a set of 10 parks and open space goals for the next administration that we formulated with parks advocates and experts citywide – would be for the Mayor-elect to reinstate a robust discretionary

capital budget for the Parks Department. The Bloomberg Administration has invested heavily in parks, but those funds have primarily been allocated to the Parks Department for specific projects. Without increasing the department's overall capital budget, the next administration could allocate the same amount of capital funds annually to Parks but make the funding more flexible so that department staff with first-hand knowledge about parks in all five boroughs can plan their pipeline of projects based on greatest need and target their budget accordingly. We believe giving the Parks Department a discretionary capital budget would go a long way toward addressing disparate conditions among parks citywide.

But let me return to why the current approach to funding most park capital projects is problematic. First, relying on Council Members and Borough Presidents for park funding politicizes the process. Staff from Parks' borough offices have to negotiate with community boards and elected officials to get needed projects on their priority lists and to convince them to provide funding for projects that may not always align with their interests. Should a playground not be renovated because it happens to fall in the district of a Council Member for whom parks aren't a top priority, or who has a slew of other important competing demands? A former Council Member who represented the Upper East Side told me that he could allocate funds to upgrade the parks in his district every year if he wanted because he didn't represent a high-need area. But his colleagues in the South Bronx and Brownsville didn't have that luxury, since every dollar of their discretionary budgets was in demand just to augment basic services.

Even if a project has a Council sponsor, however, the process is fraught. Because Council Members' annual discretionary budgets are relatively small, they understandably want to spread funding among multiple deserving projects, so it generally takes several budget cycles before all the funding for a single park project is allocated. So, if a project is estimated to cost \$2 million, a Council Member may allocate \$500,000 toward it over the course of four years. But that project cannot even begin design until *all* the funds to complete it are in place – so right there, you've lost four years. And by the time you do start design four years hence, chances are good the cost of the project has increased, necessitating a quest for additional funds.

What's more, because every single project is individually funded, each project has its own funding line and requires its own review by OMB, MOCS, the Public Design Commission, and multiple other agencies, depending on the project. By comparison, consider how DEP's "bread and butter" projects are funded. DEP submits a Certificate to Proceed to OMB for a multi-million dollar contract for, say, sewer work in Queens. The money for that work comes from the Mayor's budget and is allocated to DEP in one fell swoop upon approval by OMB. DEP can then draw down on that full amount as needed, project by project, usually without additional financial review for each individual project within the approved contract amount. This saves a tremendous amount of time, not to mention inter-agency headaches.

The current mechanism for funding park projects is certainly not the only area for improvement in the capital process, but I'm highlighting it because it is an area that the City Council can directly influence. NY4P would like to work with the Council and the Administration to explore ways to alleviate some of the administrative hurdles currently inherent in the capital process. Some preliminary thoughts to consider: could the Council give Parks a single, larger allocation that pools funds for multiple projects into one funding line, rather than having each member allocate funds to projects under individual lines? Could Council allocations be "last money in" to bring an almost-funded project over the finish line, rather than the sole source of funding that has to accrue over

multiple budget cycles? I can't promise either of these ideas is the answer, but our research to date indicates there are better, more efficient ways to fund park projects.

Changing the way anything is done in government – particularly when it involves money – is not easy, but there is widespread consensus that placing the responsibility for funding entire capital projects on Council Members and Borough Presidents is not producing cost-effective or timely capital projects. We look forward to coming back to you in early 2014 with a more thorough analysis of the Parks Department's capital process and potential ways to improve it, but for now, we hope you will support our call upon the Mayor-elect to give the Parks Department its own discretionary capital budget, and commit to working with the department and NY4P to streamline existing inefficiencies that are within the Council's control.