



# Preparing For Balboa Park's Next 100 Years

**COMMISSIONED BY THE**

Burnham Center for Community Advancement (BCCA)

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## About The Burnham Center for Community Advancement

**The Burnham Center for Community Advancement (BCCA)** is a 501(c)(3), nonpartisan, think-and-do tank designed to help make the San Diego region a better place to live, work, and play for all. The organization serves as a nexus point where community stakeholders and multisector partners come together to identify regional needs, find innovative solutions, and tackle some of our most pressing issues. BCCA was created in 2021 by its founder Malin Burnham, who wanted to build an organization that would bring people together around visionary ideas to advance the quality of life for the region. You can learn more at [burnhamcenter.org](https://burnhamcenter.org).

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## Executive Summary

Balboa Park is one of the most iconic urban parks in the United States and the historic center for economic, recreational, and vibrant social life in the City of San Diego. It is unique both in terms of the function it serves, and the convergence of major cultural institutions and community use within the park. However, a decentralized decision-making framework has led to over two decades of underfunding, which has resulted in an estimated \$444.2 million needed for park systems and elements that would either reach the end of their expected life cycles or would require significant maintenance by 2036.

In this study, the Burnham Center for Community Advancement (BCCA) summarizes past studies related to Balboa Park, events, and lessons from the past decade. It examines, from a third-party perspective, future governance and finance options to assist City of San Diego and Balboa Park decision-makers in solving chronic challenges. The recent history of managing Balboa Park makes clear that no single solution exists that will solve institutional governance and finance issues. Rather, city and county governments, organizations that operate within Balboa Park, the communities surrounding the park, and the larger San Diego community need to consider a variety of options in combination with one another to reimagine, restore, and maintain the park in perpetuity.

Balboa Park's governance and fiscal models are outdated and need a refresh for the current context. Our region has grown substantially, and what once was primarily a central city asset is now a vibrant cultural destination for residents and visitors throughout our binational community.

So many park stakeholders have put their heart and soul into the park and contributed mightily over the years, but previous efforts to rethink how the park works have mostly ended in frustration and friction between stakeholders, without meaningful progress toward a revised fiscal or governance approach. It is not for lack of trying.

In this paper, BCCA does not advocate for one specific solution over another, nor does BCCA seek to be the implementer of any such solution. However, BCCA does advocate that an effort be taken up with energy, urgency, and a commitment to creating and implementing a new approach. Ideally, this renewed effort could coincide with San Diego-Tijuana's designation as World Design Capital in 2024 when we showcase to the world what we can do when we commit to improving our region and providing dedicated community space for all to come together.

BCCA recognizes that this initiative must be a whole community effort, and some of the notions below may not generate universal agreement. We intend only to put them on the table as worth considering and seek to get the conversation started in earnest with a commitment to getting to the result. Additional good ideas and innovations are welcome with a clear goal to get something done rather than go through another decade of discussions while deferred maintenance and other problems grow even more challenging. We have sponsored this work to understand the history, current innovations, and best practices around large urban park management, and we suggest that a new approach to park finance and governance include consideration of the concepts discussed below. Since Balboa Park is unique, it may take novel and innovative thinking to solve future issues, and not just more of the same solutions or replicating best practices from around the country. We need to be open and inventive to accomplish our goal of resurrecting this one-of-a-kind community asset. These are the following recommendations we are putting forward for careful consideration:

1. ***A revenue measure for deferred maintenance.*** Such a revenue measure could take several forms, including:

***A. A time-limited tax measure for deferred maintenance.*** The city and/or county could consider a three or five-year tax measure, which could be a sales or parcel tax designed to generate \$100 million or more to deal with deferred maintenance and capital improvement projects. The measure could include a specific list of capital projects to be completed.

***B. A bond issue by the City of San Diego.*** Such a measure would require voter approval for a parcel or property tax increase over the life of the bonds (20 to 30 years).

***C. A bond issue by a Joint Powers Authority including both the city and the county.*** Such a bond issue would also presumably require voter approval, but a combined city-county effort could increase the size of the bond issue to cover more deferred maintenance.

2. ***A commitment by the City of San Diego to dedicate a certain portion of Transient Occupancy Tax (TOT) revenue to Balboa Park maintenance and infrastructure annually.*** Despite having a cultural and economic impact on par with the City's largest tourism, arts, and cultural entities—including the Convention Center and Petco Park—Balboa Park itself does not receive dedicated TOT funding outside of programmatic funding made available to individual park entities through the Commission for Arts and Culture and bond repayments that will be completed in 2024. Any dedicated TOT revenue plan should be formalized and include a long-term plan to utilize the funds.





**3. A commitment by a lead organization and other nonprofit organizations within the park to raise significant funds annually for ongoing park maintenance.**

Virtually all other major parks and cultural centers in the United States rely on major fundraising from a heavyweight conservancy—usually in the range of \$10-15 million annually for a park like Balboa Park. Forever Balboa Park and/or other nonprofits with an interest in the park could commit to a fundraising goal of this magnitude to support not only the park as a whole, but also the stakeholders within it.

**4. A Property and Business Improvement District (PBID) for the Balboa Park area to focus on issues associated with park adjacency.**

Given the significant number of issues associated with adjacency to Balboa Park—traffic and parking, crowd management, and cleanliness and safety issues—the city and surrounding neighborhoods could consider creating a Balboa Park PBID to proactively manage these issues.

**5. Additional commercial activity in and near the park, generating additional revenue for park maintenance and upgrades without compromising the quality of the visitor experience.**

Balboa Park already has many commercial activities, including restaurants and other revenue-generating activities. The city, as the owner of Balboa Park, and other stakeholders could explore the possibility of additional commercial activity, which would free up two sources of revenue: rent or concession revenue and sales tax, both of which could be set aside by the city for the benefit of Balboa Park.

**6. Creation of a stakeholder oversight committee.** Given the multiple stakeholders responsible for the stewardship of the park, the various potential funding sources, and the nature of the park as a public asset, a diverse and broadly inclusive stakeholder oversight committee, including ample park and public stakeholder representation, could be created to coordinate and monitor the implementation of all the different funding sources, capital projects, and maintenance requirements for the park. The city and the county could explore whether to bestow legal status on such an oversight committee.

**7. A separate cabinet-level city department.** Such a department could streamline the park-city interface and functions to avoid delay, unnecessary bureaucratic entanglement, and cost.



## Introduction

Balboa Park is one of the most iconic urban parks in the United States. It is the epicenter for economic, recreational, and social life in the city of San Diego. With its 1,200 acres filled with historic buildings, ornamental Spanish architecture, cultural events, exhibitions, walking paths, theaters, and restaurants, it is truly a “crown jewel” of San Diego. It is also home to world-class museums dedicated to science, history, culture, veterans, and the arts, in addition to the Botanical Building and numerous other gardens, multiple attractions, recreational activities for children and adults, and the world-famous San Diego Zoo. It is unquestionably a place for all San Diegans to enjoy and a must-see destination for visitors. There is no other park in the United States quite like it.

Balboa Park was originally called *City Park*, which was established by local civic leaders in 1868. In 1910, the name officially changed to Balboa Park. The park was largely developed for the 1915 Panama-California Exposition, which celebrated the opening of the Panama Canal and advertised San Diego as the first port of call for ships traveling northward. In 1977, Balboa Park was declared a National Historic Landmark and placed on the National Register of Historic Places. This history would not be complete without noting that Balboa Park had previously been inhabited by Kumeyaay people who were first displaced through colonization and then later as part of development of the park.

According to the 2017 *Balboa Park Benefits Study*, commissioned by the Balboa Park Conservancy, Balboa Park's annual economic impact for San Diego is \$356 million, which includes spending by tourists in and around Balboa Park on food, lodging, and restaurants. Tourists spent 311,650 nights in hotel rooms totaling \$6.7 million in hotel taxes and \$3.2 million in local sales taxes. In addition, an estimated 2 million visitors from outside San Diego and 2.6 million residents use Balboa Park each year, with locals using the park a median of 10 times per year. The park's biggest attraction, the San Diego Zoo, adds roughly another \$1.7 billion towards the local economy, employing over 3,000 people, and indirectly contributing to over 14,000 additional jobs. Together, all the park economic benefits adds up to over \$2 billion and the park serves more than 4.5 million people annually.

Although Balboa Park is a “crown jewel” in San Diego, an economic engine, and a frequent cultural and outdoor destination for locals and tourists alike, over the last several decades, it has suffered because it has lacked:

1. A centralized decision-making framework to manage park governance
2. Adequate funding

These two problems have led to deferred maintenance and a capital improvement backlog. Currently, Balboa Park's roadways, parking lots, pedestrian walkways, signs, fences, playgrounds, underground utilities, and aboveground stormwater drains require approximately \$11.7 million in deferred maintenance and capital backlogs. **However, there is an estimated \$444.2 million total needed for the park's systems and facilities that would either reach the end of their expected life cycles or would require significant maintenance by 2036.** Moreover, that cost could be higher due to inflation, increased construction costs, and various capital improvements to meet American Disabilities Act (ADA) code compliance and the State of California's seismic retrofitting requirements.

Over the last decade, the City of San Diego and Balboa Park tenants and operators leveraged local, state, federal, and private resources to address portions of the deferred maintenance backlog and modernize many of the park's features. These improvements include the rehabilitation of the Cabrillo Bridge, seismic retrofit and opening of the California Tower, renovation of the pedestrian promenade at the Old Globe, the opening of the new Comic-Con Museum, Mingei International Museum renovation, and the historic renovation of the Botanical Building, among many other projects. There have also been repairs to restroom facilities and roadways. City officials estimate that over the past 10 years, the park has seen an investment of over \$200 million.

Despite these efforts, a significant backlog remains that may be compounded by future capital infrastructure projects unless a new approach for dedicated funding and governance is established to ensure the long-term sustainability of the park and its cultural resources. Balboa Park can become more than our "crown jewel;" it can be a driver for social, economic, and environmental benefits for our region and all our residents.



## How We Got Here: A Summary of Recent Studies to Improve Balboa Park, Past Funding Efforts, and the Current State of Play for Nonprofit Governance

### *Previous Studies or Reports on Balboa Park Governance and Funding*

Since 2004, there have been at least seven major studies or reports examining solutions to Balboa Park's governance and funding challenges. These include, but are not limited to, the following:

- [Balboa Park Land Use, Circulation, and Parking Study](#)
- [Keeping Balboa Park Magnificent in its Second Century: A Look at Management, Fundraising and Private Partnerships at Five Other Major U.S. City Parks](#)
- [The Soul of San Diego: Keeping Balboa Park Magnificent in its Second Century](#)
- [Helping to build the framework for the successful governance of Balboa Park](#)
- [The Future of Balboa Park: Funding, Management and Governance](#)
- [The Future of Balboa Park: Keeping Balboa Park Magnificent in its Second Century](#)
- [City of San Diego Park Amenity Assessment: Balboa Park Cumulative Report](#)

Even though these reports were commissioned by different entities at different times, they each have similar findings and conclusions regarding Balboa Park's inadequate funding and governance structure.



The ambitious 2004 report, *Balboa Park Land Use, Circulation, and Parking Study*, proposed a series of recommendations to the park's overall structure in addition to a major reconceptualization of the circulation system in the park and parking improvements, with a total estimated cost between \$292 million to \$343 million. But it came during the city's massive funding shortfall due to unfunded pension obligations. Yet, the study keenly identified that in order to be successful, any proposed improvements to Balboa Park must have an implementation strategy that would include "both phasing and funding, and be flexible enough to accommodate an extended timeline of improvements." The study also proposed structural governance recommendations such as additional internal city personnel to aid in the implementation strategy.

Subsequently, the 2006 study *Keeping Balboa Park Magnificent in its Second Century: A Look at Management, Fundraising, and Private Partnerships at Five Other Major U.S. City Parks* identified governance inefficiencies, describing the park as a "bundle of twigs" operated by many different organizations and entities. The report went further in its conclusion by identifying systemic governance challenges, stating:

The city needs to consider changes in its park governance, park planning, and financial reporting so that there is an effective, informed, and empowered group within the city focusing on Balboa Park with whom the private entities that are developed can relate and evolve.

The report recommended that a unified private partner be created that would plan and implement capital projects, undertake programming efforts, solicit volunteers, and possibly identify maintenance projects.

In January 2008, *The Soul of San Diego: Keeping Balboa Park Magnificent in its Second Century* was released by the Center for City Park Excellence of the Trust for Public Land, with supporting documentation provided by the Keston Institute for Public Finance and Infrastructure Policy at the University of Southern California, and by the Morey Group. The project was funded by the Legler Benbough Foundation, which has a long history of charitable giving to institutions in Balboa Park, the Parker Foundation, and the San Diego Foundation.

The study not only reaffirmed the findings of previous studies regarding park governance but went even further by asserting that Balboa Park's finance and governance challenges were tantamount to the adage of a frog in hot water. If the systemic governance challenges were not addressed and the park continued to be underfunded, the problems related to the park would become catastrophic before the citizens of San Diego even knew there was a problem. In addition, the report stated:

Serious doubts exist regarding the current park management structure, and these must be addressed if there is any hope of engaging the citizenry and the donor community...[A] successful park governance program must provide an effective and transparent planning and decision-making process, clear lines of authority and responsibility, mechanisms for ensuring the availability of adequate funds, and improved processes for procurement, contracting, and project management.

The *Soul of San Diego* report was a jarring assessment and proved to be a catalyst for city leaders to request two additional reports in 2008. Following the release of the report, Mayor Jerry Sanders and Councilmember Toni Atkins tasked the Balboa Park Committee to assess the validity of the *Soul of San Diego* report, examine alternative governance options, and determine whether the City of San Diego could fiscally support the park. This led to the reports *Helping to build the framework for the successful governance of Balboa Park* and *The Future of Balboa Park: Funding, Management and Governance*, which sought to answer three fundamental questions:

1. Can the City of San Diego provide the necessary financial support for Balboa Park in the future?
2. Even if the City can provide financial support, should it do so?
3. If the City wishes to expand the management and governance of the Park, what are the alternatives?

Each report came to the same conclusions:

1. The City of San Diego could not reasonably provide the necessary financial support for Balboa Park;
2. The city should not act alone in providing financial support or operating the park; and
3. "Fundraising, management, and governance should be expanded through the creation of a new, public benefit nonprofit entity...following steps that have worked successfully for similar large urban parks."

In recommending that a new public nonprofit entity be created, *The Future of Balboa Park* had an additional 38 observations related to city organization, the decision-making process, operations, and finance. Many of the observations echoed earlier studies citing problems of prioritization and implementation of park improvement projects, lack of management oversight, absence of an annual “Needs Assessment” update, and the need for a long-term financial stability plan to protect the park from the ebbs and flows of city revenue streams, amongst many other critiques.

In 2010, *The Future of Balboa Park: Keeping Balboa Park Magnificent in its Second Century* was released by the Balboa Park Task Force, which was created to refine the recommendations for establishing a new public nonprofit entity for Balboa Park with the goal “to assist the City with governance, fund-raising and management of Balboa Park through a contractual agreement with the City.” The study recommended that the new entity be independently governed and staffed; have modest goals initially, but work toward fundraising, planning, capital construction, and maintenance; be able to implement projects in the park, and have a cooperative leadership while working with the City, other park stakeholders, and the general public; and operate in an open and transparent manner to allow regular public access, while recognizing that some items, such as personnel, legal, and donor matters, require confidentiality.

Finally, in 2016 the City of San Diego Parks and Recreation Department asked Kitchell CEM to perform an assessment of Balboa Park, which included major park facilities and systems including parking lots, roadways, pedestrian walkways, playgrounds, sports fields, play courts, and stormwater infrastructure, amongst other things. The study found that there was \$11.7 million in maintenance and capital backlog, and an estimated \$444.2 million total needed for park systems and elements that would either reach the end of their expected life cycles or would require significant maintenance (beyond the scope of normal City maintenance staff work) between FY 2016 and FY 2036.

This assessment illustrated just how dire the economic situation has become for Balboa Park and that the time to protect, preserve, and appropriately fund our city’s “crown jewel” is now—especially given the fact that all studies and analyses over the past 20 years have reached the same conclusions about the park’s problems and potential solutions to those problems.

## Past Funding Efforts

### Dedicated Funding for Balboa Park

Over the years, there have been proposals to codify a funding mechanism specifically for Balboa Park. In 1987, two citywide ballot measures would have raised up to \$93 million for Mission Bay Park and Balboa Park but came eight percentage points short of reaching a two-thirds (67%) voter approval threshold.

One year later, the City Council voted to raise the TOT by one cent to finance a \$175 million bond for Mission Bay and Balboa Park improvements. Four months later, the City Council voted to approve a Balboa Park Master Plan and simultaneously voted to approve another 1% increase in the TOT to finance \$45 million in renovations of Balboa Park buildings, among other projects.

In 2017, the Balboa Park Heritage Association proposed a ballot measure to increase the TOT to 15.5 cents per dollar to fund a bond issue of up to \$800 million to tackle a long list of deferred maintenance and long-delayed capital improvement projects in the park. This proposal did not make it to the ballot.

It remains abundantly clear, and is reinforced by past studies, that the current funding stream for Balboa Park is inadequate, antiquated, balkanized, and has failed to keep up with park maintenance, improvements, and capital projects.

### Arts and Culture Funding for Balboa Park

In 2012, the San Diego City Council passed a resolution approving the “Blueprint for the Penny for the Arts.” The nonbinding resolution was to dedicate 1 cent of each 10.5 cents of the TOT (9.52% of total TOT revenue) to meet arts and culture funding levels reached in 2002. The percentage of TOT revenue dedicated to arts and cultural entities has generally varied between 5% and 7% in the years since, which has arts and culture organizations looking for a permanent commitment from the city.

However, these funds are directed to the Commission for Arts and Culture—not specifically Balboa Park—and are intended to support programming, not infrastructure and maintenance projects. The Commission for the Arts and Culture was established in 1988 and is mostly funded by TOT funds. The Commission has 15 members and advises the Mayor and City Council on “promoting, encouraging, and increasing support for the region’s artistic and cultural assets, integrating arts and culture into community life, and showcasing San Diego as an international tourist destination”.

Historically, organizations within Balboa Park have received 40% of this funding. In the FY 2022 City budget, TOT funding for Arts and Culture amounts to \$9.6 million, including administrative costs; of that, about \$2.3 million is granted



to museums and other Balboa Park entities. While formally dedicating 1 cent of TOT revenue for San Diego's arts and cultural entities is a worthy goal, it will not address the long-term funding issues regarding the maintenance and improvement of Balboa Park itself.

## Existing and Past Stakeholder Groups

There are several notable groups that have actively engaged and supported various efforts of the park for decades. They have each made significant contributions to the restoration and long-term planning of Balboa Park. We want to recognize these groups and their work.

### **Friends of Balboa Park**

Friends of Balboa Park was founded in 1999 by a group of longtime volunteers, including long-time volunteer and Balboa Park advocate Betty Peabody. Although the organization had no formal affiliation with the city, it was dedicated to initiating projects and improvements throughout Balboa Park. The group spearheaded initiatives throughout Balboa Park, including the purchase and operation of the historic Balboa Park Carousel, restoration of the historic gate houses and Lily Pond, and construction of the Morton Bay Fig Tree Platform, amongst other accomplishments.

### **Balboa Park Conservancy**

The Balboa Park Conservancy was formed in 2011 as an organization responsible for developing a public-private partnership in the management of Balboa Park, raising funds, and collaborating with stakeholders. It was created following robust civic debate and was prompted by several aforementioned studies, particularly *The Future of Balboa Park: Keeping Balboa Park Magnificent in its Second Century*. Since its inception, its responsibilities have included operating the House of Hospitality, home to the Prado restaurant, and the Balboa Park Visitors Center, which serves more than 500,000 visitors annually. The nonprofit also hosted the annual December Nights festival. In addition, the Conservancy led efforts to raise funds for the park's Botanical Building restoration, securing more than \$8 million from the State legislature in 2019. At the time, the total cost was about \$11 million. In FY 2018, the Conservancy raised a total of \$3.1 million and in FY 2019, it raised \$4.3 million.

### **Forever Balboa Park**

On July 1, 2021, Friends of Balboa Park and the Balboa Park Conservancy merged to form Forever Balboa Park, which will continue the work of both groups and serve as the City of San Diego's nonprofit partner with the goal to "sustain, envision, and enhance Balboa Park for all visitors in partnership with the City of

San Diego and in collaboration with other park organizations and the community,” including implementing park improvements. The two groups decided to merge after park stakeholders advocated for a unified leader that could support park needs, including deferred maintenance and capital improvement projects. Forever Balboa Park officially named Dr. Elizabeth Babcock as the first CEO and President in March 2022, and over the next several months, it will assess priorities and key tasks for the newly formed organization.

### **The Balboa Park Cultural Partnership**

The Balboa Park Culture Partnership (BPCP) is a nonprofit organization with 26 full members from the arts, science, and cultural organizations in Balboa Park that collaborate to achieve greater organizational efficiency, innovation, and excellence. BPCP's member institutions vary in size and type and include museums, performing arts groups and theaters, cultural centers, gardens, and the San Diego Zoo. The Balboa Park Cultural Partnership seeks to achieve four key strategic outcomes to maximize the effectiveness of their collaboration, maintain the park's competitive edge, support innovative thinking, and achieve its mission and vision. Its goals are:

1. Increase the economic and environmental sustainability of its members and Balboa Park.
2. Optimize the visitor experience and opportunity for lifelong learning in Balboa Park.
3. Strengthen the visibility, voice, and leadership of the Partnership.
4. Develop the BPCP's organizational strength and capacity for success, and become an employer, service provider, and investment of choice.

In collaboration with public and private partners, BPCP is spearheading the effort to create a Visitor Experience Plan that incorporates, heightens, and optimizes the current elements found within the Balboa Park Cultural District, while incorporating new opportunities to arrive at an integrated, inclusive, uniquely San Diego visitor experience. This initiative is currently collecting useful and illuminating quantitative and qualitative data that will inform the process and a new era of the park visitor experience.

### **The Committee of 100**

During the 1960s, two buildings on the Plaza de Panama were demolished. The Science and Education Building was replaced by the modern west wing of the San Diego Museum of Art and the Home Economy Building was replaced by the Timken Museum building. Four other “temporary” buildings on El Prado were scheduled for demolition. A group of determined people organized and brought a halt to the demolition. Since its formation in 1967, The Balboa Park Committee of

100 has been a strong advocate for these buildings by raising funds and public support for the bonds that financed the reconstruction of the remaining temporary buildings, which have now been rebuilt along with the two missing arcades. Today, The Committee of 100 remains a valued and critical component of the Balboa Park ecosystem by advocating for the park, raising money for specific improvements, and otherwise helping steward this civic treasure.

### **The Balboa Park Committee**

The City of San Diego's Balboa Park Committee is a twelve-person board that serves in an advisory capacity to the Parks and Recreation Department, the Mayor, and the City Council on policy issues relating to the acquisition, development, maintenance, and operation of Balboa Park. The Committee has been serving in an advisory capacity since 1963. All members of the committee are appointed by the Mayor with City Council approval. This study details the previous work of the Committee to assess the management, governance, and fiscal realities of Balboa Park.



## National Survey: Innovations and Current Practices of Large Parks

As stated previously, every study and report has identified inadequate funding and governance as the primary issues that must be resolved for the long-term sustainability of Balboa Park.

Governance options include both alternative public governance and governance that includes nonprofit (conservancy) participation. In general, the public options we have identified are not typically used for an individual park. The conservancy model is much more common, especially for a “crown jewel” park such as Balboa Park.

### Public Governance

We have examined several public governance models but focused on three in particular:

1. A separate city department for Balboa Park.
2. A Joint Powers Authority including other agencies, such as San Diego County.
3. A special district with its own taxing authority.

While recognizing that Balboa Park is unique and may call for a novel solution and something different from what has been done anywhere else, researchers for this study investigated best practices around the country to inform the dialogue. However, they were unable to identify any example where any of these three models are used for an individual park. Moreover, researchers could not locate any examples of a city department dedicated to a specific park. The only remotely similar model identified was in Philadelphia, where the Fairmount Park Commission was a city agency founded in the 19th century to purchase and develop Fairmount Park. Eventually, the Commission came to own some 8,000 acres of parks and watershed in Philadelphia. In 2010, the Commission was merged into the City of Philadelphia Department of Parks & Recreation. A separate conservancy also helps raise funds for Fairmount Park. This is one regional example of a large public entity successfully creating a distinct department designed to implement a major cultural facilities restoration project.

There are also many instances, outside of individual park maintenance, where improved government consolidation has been successful. One example was San Diego Unified School District's work with Proposition MM in 1998. Proposition MM authorized the issuance of \$1.5 billion of school construction bonds over ten years. After two years of struggling to get projects started, San Diego Unified School



District brought in a manager with extensive construction experience to oversee and coordinate all construction projects under the bond. In 2009, the San Diego County Grand Jury reviewed the school district's work and found that increased alignment and consolidation of management under a single entity, which implemented a tracking system, and executed strict oversight and accountability, led the overall success of Proposition MM.

Additionally, no examples of Joint Powers Authority or special districts dedicated to a specific park were identified. Such institutional arrangements are typically used in a situation where a set of parks, open spaces, or natural resources span several jurisdictions.

There are, however, successful examples in other contexts, such as the city-county Joint Powers Authority, which was created in 1965 to finance San Diego's "Jack Murphy" Stadium. That Joint Powers Association passed a \$27 million bond (approx. \$250 million in 2022 dollars) to construct what was at the time a top-notch stadium for the region. A similar Joint Powers Authority was used in the 1960s to finance the Oakland Coliseum, which was also used for both baseball and football.

There are also successful examples of Joint Powers Authorities or special districts created to support park systems that span more than one jurisdiction within a region. While Balboa Park sits in only one local jurisdiction (City of San Diego), it is, in fact, a regional asset, so the analogy is appropriate.

The San Dieguito River Joint Powers Authority was created to institute and expand San Dieguito River Park, which extends from the ocean at Del Mar to Volcan Mountain, just north of Julian. The Joint Powers Authority includes the County of San Diego and the cities of Del Mar, Escondido, Poway, San Diego, and Solana Beach because the river flows through all these jurisdictions. The Joint Powers Authority works in concert with a separate nonprofit conservancy.

Similarly, the East Bay Regional Park District includes more than 70 parks and 125,000 acres of parkland spanning Alameda and Contra Costa County in Northern California. The East Bay Regional Park District does have taxing authority, but of course, such taxes must be approved by voters with a two-thirds vote. The district has obtained voter approval for four different taxing measures since 1998, but the district's projects stretch across an entire region.

After a nationwide review, the Metropolitan Cultural Commission in Kansas City was the only example of a regional tax dedicated to an individual facility. The "Bistate Commission," as it is typically called, is a special district resulting from a

bistate compact in 1996 between Kansas and Missouri to renovate Union Station, the then-dilapidated train station in Kansas City, Missouri, and build a science center at the station. The effort was funded by a 1/8-cent sales tax that passed in four of the five counties where it was on the ballot.

However, two factors are important to bear in mind. First, the effort began as an attempt to fund arts and culture on a regional basis, but because of political infighting and lack of agreement, it was later narrowed just to Union Station. Secondly, the tax was time-limited to only five years (1997 to 2002), during which time about \$120 million in sales tax revenue was collected.

## Nonprofit Option

Due to Balboa Park's unique regional and historic role, and the contributions of so many stakeholders and institutions, we use the term "conservancy" below loosely to allow flexibility in what ultimately gets formed to accomplish the goal. The conservancy model is instructive and valuable, but in the case of Balboa Park, it may require an unconventional or different architecture, membership, and decision-making structure that must be determined by the relative parties.

Virtually all "crown jewel" parks like Balboa Park in large cities in the United States are governed in part or in whole by a very robust conservancy that relies primarily on philanthropic donations. These conservancies typically take on the design and construction of major capital projects and are increasingly taking on maintenance duties as city parks departments have become more cash-strapped in recent years. Major linear parks have also now begun to adopt this model as well.

**These arrangements are characterized by three components:**

### 1. Clear Role

As stated above, most "crown jewel" conservancies began by raising funds for capital projects but over time have taken over additional duties, including design and construction of the capital projects and, in many cases, maintenance duties as well.

The most significant example of this arrangement is Central Park, which controls all operations in the park, including concessions, under an agreement with New York City. The CEO of the Central Park Conservancy reports to the New York City Parks & Recreation Commissioner, who has ultimate sign-off on capital projects and other key decisions. Central Park is an unusual example.

At Prospect Park in Brooklyn, maintenance responsibility is divided between the New York City Department of Parks & Recreation and the Prospect Park Alliance, based on roles and geography within the park.

Hermann Park in Houston is similar to Balboa Park in many ways: a “crown jewel” park in the middle of the city that hosts many activities, including a zoo. The Hermann Park Conservancy is gradually taking over more and more maintenance. Over the past 30 years, the number of city maintenance personnel dedicated to Hermann Park has declined from 28 full-time equivalents (FTEs) to 11, while the Conservancy now has 45 maintenance FTEs. The Conservancy retains concessions and rental income.

Linear parks are increasingly following the same path. For example, the immensely popular High Line in New York City is operated by Friends of the High Line under a licensing agreement with New York City. It is the city’s responsibility to maintain the street bridge structure, while Friends of the High Line maintains plants, walkways, and other improvements to the structure.

A similar project involving a former rail line in Chicago, The 606, is a partnership between the City of Chicago, the Chicago Park District, and the Trust for Public Land (TPL). In a similar fashion to the High Line, the Park District owns and maintains the railroad structure while TPL manages and maintains The 606.

## **2. Formal Agreement with the City**

In all cases, the conservancy has a very detailed agreement with the relevant city, laying out what roles and responsibilities the conservancy has and what roles and responsibilities reside with the city’s Department of Parks and Recreation.

## **3. Significant Fundraising Expectations**

Almost without exception, the “crown jewel” conservancies seek to meet significant fundraising expectations. As stated above—both Central Park and Hermann Park being examples—as conservancies take on more maintenance responsibility, they are also operating and financially benefiting from concessions within the parks. Some examples from 2018, the most recent year for which figures are available:

- The Central Park Conservancy generated approximately \$64 million, augmented by about \$5 million in city funds.
- The Prospect Park Alliance generated \$10.5 million.

- Hermann Park generated about \$15 million.
- The High Line generated almost \$18 million.

By contrast, as stated above, the Balboa Park Conservancy—a predecessor organization to Balboa Park Forever—had been raising between \$3 million and \$4 million in recent years, with most funds earmarked for select capital projects. A practical step in establishing a robust conservancy could be conducting a fundraising feasibility study to better understand the community's philanthropic capacity to support Balboa Park in the long run.

## Proposed Governance and Financing Alternatives

In the course of our research for this paper, it has become clear that there is no single solution to Balboa Park's governance and finance issues. Rather, it is our view that the city and county governments, the organizations that operate within Balboa Park, the communities surrounding the park, and the larger San Diego community should consider a variety of options in combination with one another to restore Balboa Park's "crown jewel" status and maintain the park over time.

The component parts of this "grand bargain" should include consideration of the following steps:

**1. A revenue measure for deferred maintenance.** Such a revenue measure could take several forms, including, but not limited to:

*A. A time-limited tax measure for deferred maintenance.* The Union Station Kansas City example shows the effectiveness of a time-limited regional tax measure. The city and/or county could consider a three- or five-year tax measure—which could be a sales or parcel tax—designed to generate \$100 million or more to deal with deferred maintenance. The measure could include a specific list of capital projects to be completed with these funds.

*B. A bond issue by the City of San Diego.* Such a measure would require voter approval for a parcel tax or property tax increase over the life of the bonds (20 to 30 years).

*C. A bond issue by a Joint Powers Authority including both the city and the county.* Such a bond issue would also presumably require voter approval, but a combined city-county effort could increase the size of the bond issue to cover more deferred maintenance.



**2. A commitment by the City of San Diego to dedicate a certain portion of Transient Occupancy Tax (TOT) revenue to Balboa Park maintenance and infrastructure annually.**

Despite having a cultural and economic impact on par with the City's largest tourism, arts, and cultural entities—including the Convention Center and Petco Park—Balboa Park itself does not receive dedicated TOT funding outside of programmatic funding made available to individual park entities through the Commission for Arts and Culture and bond repayments that will be completed in 2024.”

**3. A commitment by a lead organization and other nonprofit organizations within the park to raise significant funds annually for ongoing park maintenance.**

Virtually all other major “crown jewel” parks in the United States rely on major fundraising from a heavyweight conservancy—usually in the range of \$10-15 million annually for a park like Balboa Park. Forever and/or other nonprofits with an interest in the park could commit to a fundraising goal of this magnitude to maintain the park and its facilities, to be expended in coordination with the city's own efforts listed above.

**4. A Property and Business Improvement District (PBID) for the Balboa Park area to focus on issues associated with park adjacency.**

PBIDs are often used in San Diego to focus on neighborhood business activity and to maintain “clean and safe” streets. The San Diego Downtown Partnership, for example, operates a PBID for downtown. Given the significant number of issues associated with adjacency to Balboa Park—traffic and parking, crowd management, “clean and safe” issues—the city and surrounding neighborhoods could consider creating a Balboa Park PBID to deal with these issues. Care must be taken to coordinate with the existing Hillcrest and North Park BIDs and, as with the downtown PBID, the city could participate as a paying property owner.

**5. Additional commercial activity in and near the Park, generating additional revenue for park maintenance and upgrades.**

Balboa Park already has many commercial activities, including restaurants and other revenue-generating activities. The City, as the owner of Balboa Park, and other stakeholders could explore the possibility of additional commercial activity, which would create two sources of revenue: rent or concession revenue and sales tax, both of which could be set aside by the city for the benefit of Balboa Park. One option would be to seek legislation from the state to permit the city to set up a sales tax increment district for Balboa Park, which would permit the city to legally dedicate some or all of the future increases in sales tax revenue to park maintenance and upgrades. This option is currently available under state law for housing but not non-housing use. Such a district, which presumably would be run by the city, could then bond against future sales tax increment revenues to undertake capital projects.

**6. Creation of a stakeholder oversight committee.**

Given the multiple stakeholders responsible for the stewardship of the park and the various potential funding sources, a diverse and broadly inclusive regional stakeholder oversight

committee beyond park tenants and traditional park voices could be created to coordinate and monitor the implementation of all the different funding sources, capital projects, and maintenance requirements for the park. The city and the county could explore whether to bestow legal status on such an oversight committee. It might be possible, for example, to create a Joint Powers Authority with city, county, and PBID participation, but it is not clear whether representation by Forever Balboa Park and other nonprofits and institutions in the park could be required. Alternatively, the city and other public agencies may simply enter into a memorandum of understanding with nonpublic entities to create the oversight committee without endowing it with legal status.

**7. A separate cabinet-level city department.** Such a department could streamline the park-city interface and functions to avoid delay, unnecessary bureaucratic entanglement, and cost.

### Next Steps

The need to address Balboa Park's fiscal deficit and governance issues is obvious and has been clear for a decade or more. Solutions exist and it is up to us as a community to come together to innovate, create, agree, and *act* before it is too late. The price for inaction is far too high.

The purpose of this paper is to illuminate the issues, set out potential options, open the door to other ideas and new thinking, and stimulate well-informed and good faith interest, collective innovation, and the right activities to bring us to an agreed-upon set of solutions and ultimately act on them to reimagine and sustain Balboa Park for generations to come.

Using this paper as a starting point, the Burnham Center will now begin and manage a series of collaborative dialogues with a variety of public and private stakeholders, interests, experts, and other resources to catalyze a focused effort, which will create a viable and executable set of solutions for these age-old problems.



## Conclusion

There is no doubt that Balboa Park is in a critical moment in its 154-year history. “How will we respond?” is the question. Balboa Park faces \$444.2 million in maintenance and repairs. It lacks a dedicated funding stream to cover this and future costs, and there is no centralized governing body to make critical decisions on its future. We risk losing the essence of this San Diego cultural icon where residents come to play and visitors around the world come to be inspired by its beauty and history.

We also risk missing the opportunity to create new value in the park with innovative solutions and open-minded thinking. Given the nature of the park, its myriad of vested interests, and how local politics and social structures often disincentivize problem solving (e.g., the perfect being the enemy of the good, or the inability to please all factions), it becomes difficult to agree on and implement any solutions in the park. In addition, the history of past park efforts, distrust, politics, mythology, and rancor around park issues and innovation have made it difficult to even start the conversation.

However, many things need to be solved, like deferred maintenance and basic infrastructure, the efficiency of processes, finance, public transportation, parking, traffic, public safety, inclusiveness, restrooms, and overall cleanliness and orderliness in the park. And we need to look at the many other ideas that have been proposed but were not seriously explored due to fatigue in the public process and fear of retribution. We must urgently come together to make good things happen for this vital asset that contributes to our community identity, houses many of our cultural institutions, and provides immense opportunity for our region.

While Balboa Park faces many challenges, these challenges can be met. There are existing solutions that have worked in other contexts, which if adapted and combined with innovative approaches, could help revitalize the unique landscape of Balboa Park for generations to come. Potential funding proposals include expanding the Penny for the Arts program, a limited-time tax measure, or state legislation to establish a sales tax increment district for Balboa Park. Many urban parks across the nation have created conservancies to generate dedicated funding. There are also several possible decision-making models to streamline park governance. Experiences and best practices from other parks and public assets can help inform a new and innovative approach to how we bring the uniqueness of our Balboa Park into the future.

These are just a few examples detailed in this report that could address the needs of Balboa Park. We only need the will to act. The community and elected officials have a responsibility to come together for this urban space that has given so much to us. We must do everything within our power so this one-of-a-kind, beloved, and immensely beneficial public amenity at the heart of San Diego continues to shine and be a source of pride and inspiration for generations to come.

## Appendix:

### *Methodology:*

***Preparing for Balboa Park's Next 100 Years*** is based upon the review and analyses of other key studies examining the finance and governance options for Balboa Park over the last 20 years, current City of San Diego Transient Occupancy Tax revenue, as well as Arts and Culture funding and distribution, interviews with key park stakeholders, and a comparative evaluation of other city parks throughout the United States that have faced similar challenges. The Burnham Center for Community Advancement's goal was to provide the City of San Diego and Balboa Park decision-makers with a neutral, third-party perspective and solutions to the long-term governance and finance issues facing the park.

### *Studies reviewed or cited in this report:*

- [Balboa Park Land Use, Circulation, and Parking Study](#)
- [Keeping Balboa Park Magnificent in its Second Century: A Look at Management, Fundraising and Private Partnerships at Five Other Major U.S. City Parks](#)
- [The Soul of San Diego: Keeping Balboa Park Magnificent in its Second Century](#)
- [Helping to build the framework for the successful governance of Balboa Park](#)
- [The Future of Balboa Park: Funding, Management and Governance](#)
- [The Future of Balboa Park: Keeping Balboa Park Magnificent in its Second Century](#)
- [City of San Diego Park Amenity Assessment: Balboa Park Cumulative Report](#)
- [Balboa Park Benefits Study: How San Diego's Crown Jewel Impacts the Economy, Environment, Equity and More](#)

## National Scan

For our national scan, we:

- Identified comparable “crown jewel” parks in other major American cities.
- Reviewed websites of those parks to glean information about governance and financial issues.
- Consulted with parks directors in those cities and staff and board members of crown-jewel parks conservancies to obtain more information.
- Reviewed those conservancies' IRS Form 990s to obtain more specific information about their finances.



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