

Optimizing Economic and Financial Outcomes for parks & recreation ASSETS





Optimizing Financial & Economic Outcomes For

Parks & Recreation

Assets For Community Leaders

The following guide provides a road-map for determining the needs of your community, assessing your current assets, and developing a plan that allows your community-defining potential to be realized.

In cities throughout the United States, there are parks and recreation centers that serve as the heart of their communities. They are healthy, vibrant spaces, where joggers burn off calories and the stress of a long work day. Where young athletes take to the basketball courts to perfect their jump shots while hopeful parents cheer them on. Where four-legged family members get an opportunity to stretch their legs, while their humans shoot the breeze. These parks are safe, picturesque, and active. Most of all, they meet the needs of their respective communities.

Do your parks fit the needs of your community? Are they economic drivers for your city? They don't necessarily need to look like the park in our description. Your parks may have senior centers where silver sneaker programs are keeping octogenarians in shape. Or a festival space for signature events. Parks and recreation assets can mean different things to different people. However, if your parks aren't meeting the needs of your community, you may be missing out on a tremendous opportunity to enhance the lives of its citizens as well as an opportunity to impact its financial and economic vitality.

4 in 5

Americans agree that local parks are worth the tax dollars spent on them

83%

Of Americans personally benefit from local parks

76%

Of Americans are more likely to vote for politicians who make park & recreation funding a priority

9 in 10

Americans agree that parks and recreation is an important local government service



“Parks are a tangible reflection of the quality of life in a community. They provide identity for citizens and are a major factor in the perception of quality of life in a given community.”

NRPA, “Why Parks & Recreation are Essential Public Services

Optimizing Parks & Recreation Assets



Why is it important to optimize parks and recreation assets?

Since the opening of Central Park in Manhattan in 1858, communities have sought the benefits of a vibrant park system. In his publication, *Parks as Community Places: Boston, 1997*, Galen Crantz of the University of California referred to the first model of urban parks as the “Pleasure Ground.” He described this type of park as, “typically a large park, located on the edge of a city, following the ideal of the pastoral landscape with buildings subordinate to the overall landscape.” Central Park and the others that followed encompassed large swaths of land with lakes, picturesque meadows and gathering areas. They were designed to be a quiet respite from the growing industry of its cities.



Parks have diversified considerably since its origins and their impact has grown as well. According to research from the National Recreation and Park Association and the Center for Regional Analysis at George Mason University, U.S. parks generated \$154 billion in economic activity in 2015. Their operations and capital spending supported more than 1.1 million jobs during that time period.

Parks can have a significant impact on individuals as well as communities. Public parks can boost the value of a home by between 8 and 20 percent, according to recent study of homes in Portland, Oregon that were sold within 1,500 feet of a public park. Property taxes generated from these homes have a tremendous impact on their communities as well.

Beyond economic impact, parks have shown to have a profound health impact on the communities around them. According to a study by the Centers for Disease Control and Prevention, for every dollar invested in parks trails, \$2.94 is received in direct medical benefit.

Per the numbers, the economic and community vitality benefits of an active parks and recreation system are significant. For these benefits to be realized with your current assets, a plan must be put in place to optimize them.



Optimization starts with a vision. The vision will help your community assess your current park assets and build a plan that ensures the vision is fulfilled. In the following pages are five steps that can be used to transform your assets into a dynamic driver of health and economic vitality for your community.



STEP 1

Define ‘Optimization’

To optimize your parks and recreation assets, it’s critical to start with a vision of what success looks like. This vision should be rooted in an understanding of the needs of your community. In some cases, your community’s needs may be found in a master plan and vision statement. This is where your evaluation should start. If your community doesn’t have a master plan or vision statement or if these items are no longer relevant per the needs of your community, it’s time to start talking to its citizens. What’s the will of the people? What does the community want now versus what they wanted when the asset was created? These questions will serve as the basis for the assessment of your assets and future planning.

Based on our research of the more than 2,000 communities we’ve served, several common themes have emerged as the drivers for new development and re-development projects involving parks, recreation, wellness, events, and sports tourism. Some of them may apply to your community.

Which drivers are most important to your community? Through your master plan, vision statement, or community input, select one or two drivers as the focus of your optimization plan.

Common drivers for new development and capital improvement:

Community Activation

Community Engagement

Crime Rates/Mental Health

Placemaking/Community Pride

Environmental

Economic Impact

New Market Spending

Job Creation

Economic Development

Financial Outcomes

Property Values

Return on Investment

Environmental

Healthcare Costs

QUICK CASE STUDY

Economic Impact & Community Engagement

Hoover Met Complex, Hoover, AL (Birmingham Suburb)

The Hoover Metropolitan ‘Met’ Complex is a premier community recreation and sports tourism destination located in Hoover, a suburb of Birmingham, AL. The Hoover Met Stadium was originally built in 1988. As part of an effort to utilize a sports tourism strategy to drive economic impact and community engagement, the Finley Center, an indoor sports facility, a new baseball/softball complex, and an RV Park was added to the stadium in June 2017.

Results:

Economic Impact: \$16 million in economic impact. The original financial forecast was \$11.8 million.

Community Engagement: 30,000+ community users in facility in 2018.



Marketability Tip:
According to Recreation Management magazine's 2015 State of the Industry Report, the most popular programming to be added to recreation centers are as follows:

- Mind body / balance programs
- Fitness programs
- Educational programs
- Day/summer camps
- Environmental education



STEP 2

Evaluate Existing Assets

Armored with a clear vision of success, you can start evaluating whether your parks and recreation assets reflect that vision. Analysis can be broken into four categories:

Physical Assets: Examine your parks and recreation assets according to three distinct perspectives:

- **Current Usage:** How are you using your facility today? Is it safe and functional? Is it competitive in the current market place? Does it serve the needs of your community?
- **Future Usage:** What investment is needed in order to reach your vision and meet the needs of your community? Will adding specific components to your facility help? If so, what components? An aquatic center, dog park, etc.
- **Alternative Use:** Should the asset transition to a new purpose?

Several key areas to review during the physical asset evaluation include:

- Sense of place / Wayfinding
- Operational Efficiency – Workflow, Storage
- Location & Marketability of sub-components (F&B, Retail, Features)
- Systems & Software
- Technology Integration
- Maintenance – Cleanliness, Wear & Tear

Human Resources: A full assessment of your management structure should be considered as it will have a positive or negative impact on how your optimization plan will be carried out. Several tools including an organizational chart, and accountability chart, job descriptions, and a financial performance tracking system should be used in this assessment.

Marketability: In today's market, parks and recreation assets are competing with privately held, profit-driven facilities that are focused on positioning and promoting their products. To best serve your community, an assessment of the marketability of your parks and recreation assets is critical. To evaluate your assets, consider the following:

- **Competition:** Conduct an analysis of the strengths of all competitors with similar product and program offerings. How does your parks compare?
- **Brand Position:** What are your park and recreation assets known for in your market? Historically, many civic agencies such as parks and recreation departments have not focused the time or resources to developing a well-crafted brand. To compete, your facilities must establish a brand that engages your community and reflects their needs.
- **Product/Service Offerings:** An assessment of your assets products and services along with participation rates is critical to ensuring that they meet the needs of your community.
- **Marketing Systems & Strategies:** Careful consideration must be given to how messaging about your assets is amplified and distributed. Long gone are the days of posting flyers on the local bulletin board. A marketing strategy must be in place that includes digital tactics like social media and search engine optimization.

Evaluate Existing Assets, Cont'd

Financial Resources

The optimization of your park and recreation assets will require financial resources. Including:

- Potential funding sources; including resources that you currently have access to and new resources you hope to obtain.
- Opportunities for partnerships
- Additional revenue streams for the asset

Assessing your ability to attain your current and potential resources will be a key part of the planning process as it impacts many areas of your optimization plan.

Pro Forma: *One tool we have used to attract funding partners is the Pro Forma. Our Pro Forma is an institutional grade financial forecast that provides a comprehensive initial picture of all the financial considerations associated with a facility project. Report components include preliminary construction and start-up cost estimates, a detailed 5-year financial forecast based on options for what a facility may offer, and an economic impact analysis. This financial forecast is designed to give funding resources an understanding of a project's potential for success and a time-frame for providing a positive economic impact.*



QUICK CASE STUDY

Placemaking Partnership

City of Oldsmar & Empower Adventures

City of Oldsmar aspired to be an adventure sport hub; adding a high ropes course and zip line supported the community's vision and created a unique asset for residents.

Results:

The city of Oldsmar activated an underutilized park and waterway in their community through a public-private-partnership with a private operator. With minimal environmental impact and no financial investment, the city now realizes a lease payment from the private operator that can be used to create new programs, assets, and events elsewhere in the community.





STEP 3

Create a plan

Steps 1 and 2 will give you the opportunity to create a vision and evaluate your current assets against that vision. It will give you a clear understanding of the gap

between what you currently possess and what you'd like to achieve. And if a Pro Forma is created, you now have an understanding of your projects financial potential and what resources are needed to make it reality. Now it's time to take that information and build a plan.

For your plan to be effective it must possess the following qualities:

Early Stakeholder Buy-In: All involved parties must have buy-in on the project as early as possible for you to achieve success. Early buy-in will greatly increase your chances of receiving approval or resources for implementation.

Simplicity: To increase the likelihood of receiving buy-in, plans must be easy to understand. Simplicity also allows every member of your park and recreation staff, support staff, or administration to understand the plan, goals, and their role in execution.

Your optimization plan, should have the following components:

- **Master plan relevance:** Your optimization plan should reflect what is stated in the master plan, if one is in place. If you don't have a master plan, your optimization plan should be designed to meet the needs of your community, whether it's a community pool, a new arts center or anything in between.
- **Financial plan:** Your project will require financial resources. A plan must be in place to attain these resources. A Pro Forma can present a clear picture for investors of a project's short and long-term potential. This plan should be clear and realistic as it will likely impact the scope of the project.
- **Timeline with a chart of accountabilities:** A timeline will provide a framework for completing project tasks. Outline the timeline beginning with the largest milestones first and filter down to the level of detail required to maintain clarity. Additionally, create a chart of accountabilities that details each task and the responsible team or individual.





QUICK CASE STUDY

Economic Impact & Community Engagement

Bentonville, Arkansas

In 2007, the city of Bentonville approved a \$15 million bond referendum dedicated to parks and recreation. Since that time over 60 miles of biking trails, including a shared multi-use trail connecting to Fayetteville and 100 miles of walking trails, have been constructed and are accessible from downtown.

Results:

In 2018, the Walton Foundation partnered with PeopleForBikes to conduct a study of the economic drive of cycling tourism in the region. The study found over 90,000 mountain bike tourists had visited Northwest Arkansas in 2017, resulting in \$27 million spent at local business in that year alone.



STEP 4

Implementation

With a plan in place, it's time to step up to the plate. While the implementation phase is exciting, many projects have stalled in this phase because of a lack of focus and proper communication. One tool that we've used with great success is a Gantt chart type timeline. This tool gives everyone a clear picture of how certain tasks are dependent on other tasks and provides timeframes for execution.

Other considerations in the implementation process include document sharing and communications. There are a variety of tools that can aid teams including Trello, Slack, Dropbox, and Google Drive.

STEP 5

Reporting

While less exciting, reporting is paramount to reaching your optimization goals. As renowned management author Peter Drucker quoted, "What gets measured, gets managed." Reporting is a critical part of understanding the effectiveness of your optimization plan, garnering resources where needed, and determining where adjustments need to be made.

Key performance indicators (KPI's) should be established, based on the definition of success, whether it be economic, financial, participatory, or otherwise and then refined during implementation. Reporting should focus heavily on data and numbers, less on anecdotal information.

Other best practices for project implementation include:

- Consensus building through team meetings and explanations
- Over-communication between teams and leadership
- Using technology to scale processes
- Clearly assigning accountability
- Defining reporting

Best practices for reporting include:

- **Consistency:** During the implementation phase, select a specific timeframe for reporting to stakeholders and staff. This will keep all parties in the loop of the project's progress and allow you to make changes as needed.
- **Multi-disciplinary reports:** Reporting should cover all phases of the project
- **Two-way reporting:** As staff members report up to leadership, so should leadership report results to staff. Your staff needs to understand the "big picture" of your project's status. This can serve as motivation for them in their individual roles.



OPTIMIZING ECONOMIC AND
FINANCIAL OUTCOMES FOR
**parks &
recreation**
ASSETS

Identifying a Need to Optimize

Optimization starts with a vision. That vision may be spurred by the recognition of a heavy financial subsidy for an asset, under-performing programming, aging recreation or wellness facilities, increased demand from a growing local population, or by voices from the community who desire change. The optimization process shouldn't signify failure; instead we invite you to consider it as a leadership opportunity and as a sign of the untapped financial and economic potential in a community.

The Right Time to Begin

The optimization process can never start too early. Even assets that are still in planning stages or currently under construction can be optimized. Through our work in hundreds of communities, we've seen projects that have foundational business model, vision, or organizational challenges from day 1. The right time to optimize is now. The data and consensus gathered in the process will have measurable outcomes on current as well as future assets - and on thousands of lives in your community.



The Sports Facilities Advisory & The Sports Facilities Management are organizations driven to improve the health and economic vitality of communities across the country and around the world. We do this by guiding clients through every stage; planning, funding, development, and management in a process we call Concept to Concrete.

The proven process ensures each recreation center, indoor or outdoor sports complex, or multi-purpose facility meets the community's definition of success - whether that's financial, participatory, or economic, among others. We're here to help and guide you every step of the way.

SFM specializes in performance optimization and ongoing management support services for indoor and outdoor facilities large and small, including creating unique community-engaging programming and financial improvement strategies.