

Fiscal 2009 Executive Budget Hearings

Department of Parks and Recreation (Capital)

May 2008

*Hon. Christine C. Quinn
Speaker of the Council*

*Hon. David I. Weprin, Chair
Committee on Finance*

*Hon. Helen Foster, Chair
Committee on Parks & Recreation*

*Preston Niblack, Director
Finance Division*

New York City Council Finance Division

Preston Niblack
Director

Jeffrey Rodus
Deputy Director

Jonathan Rosenberg
Deputy Director

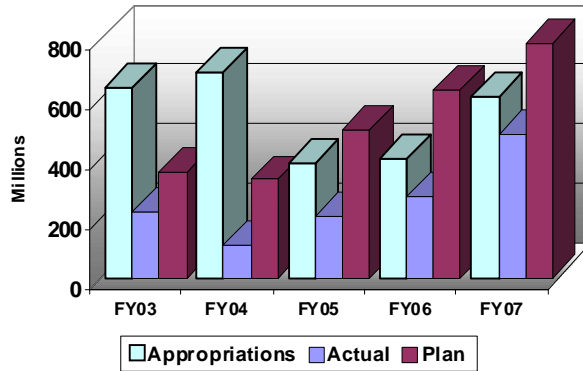
Department of Parks and Recreation (Capital)

Agency Overview

The Department of Parks and Recreation (DPR) maintains and operates one of the oldest and largest municipal park systems in the country. With an area covering over 28,600 acres of developed, natural, and underdeveloped parkland, DPR has responsibility for overseeing approximately 13.7 percent of the city's land mass and 33 percent of its waterfront. DPR's mission is to ensure that the recreational needs of New York City residents are adequately met by having facilities that are clean, safe, and attractive.

Properties falling under the Department's purview are extensive; in all there are 1,550 individual properties. Among its many facilities are five regional parks, 230 major and large parks (over five acres), 427 neighborhood parks and playgrounds and 264 additional playgrounds located within the larger parks. Additionally, the DPR oversees 269 jointly-operated (with the school system) playgrounds. Also falling under DPR's management domain are 800 malls, squares and triangles; 35 indoor recreation centers; ten indoor pools; 13 golf courses; six ice rinks; 614 ballfields; 14 miles of beaches; 7.5 miles of boardwalks; 551 tennis courts; 25 running tracks; and four major stadia. The DPR also has responsibility for maintaining approximately 2.6 million street and park trees and 19 historic houses.

DEPARTMENT OF PARKS & RECREATION
Appropriations vs. Actual & Planned Commitments

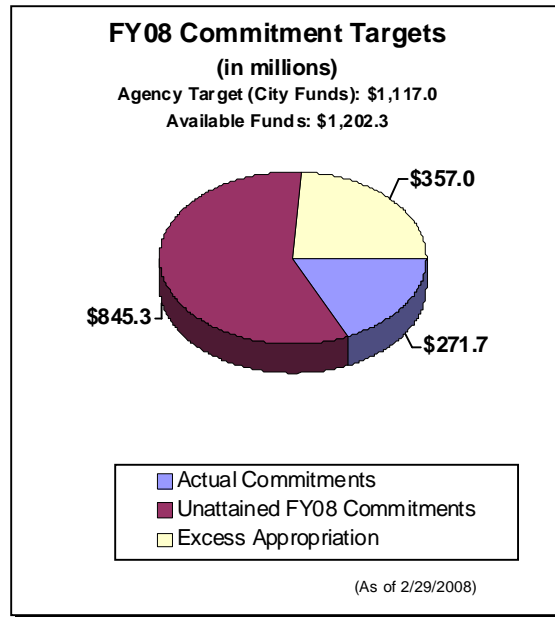


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Capital Budget Summary

The May 2008 Capital Commitment Plan includes \$1.88 billion in Fiscals 2009-2012 for the Parks Department (including City and Non-City funds). This represents 4.4 percent of the City's total \$43.1 billion May Plan for Fiscals 2009-2012. The agency's May Commitment Plan for Fiscals 2009 - 2012 is 7.2 percent greater than the \$1.75 billion scheduled in the January Commitment Plan, an increase of \$126.8 million.

Over the past five years the Department of Parks and Recreation has only committed an average of 50.2 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2008 capital plan will be rolled into Fiscal 2009 thus greatly increasing the size of the Fiscal 2009-2012 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2008 has decreased from \$1.12 billion to \$1.01 billion, a reduction of \$108.2 million or 9.7 percent. This reduction is due to the rolling of funds from Fiscal 2008 to Fiscal 2009 in the Executive Plan.



Currently the Parks Department's appropriations total \$1.2 billion in city-funds for Fiscal 2008. These appropriations are to be used to finance the agency's \$737.1 million city-funded Fiscal 2008 capital commitment program. The agency has over 63 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

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The Department of Parks & Recreation's capital commitments for the last five years are shown below:

FIVE YEAR HISTORY – CAPITAL BUDGET (\$ in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	222	115	211	279	487
NON-CITY	4	25	14	17	12
TOTAL	226	140	225	296	499

The Preliminary Four-Year Capital Plan is shown below:

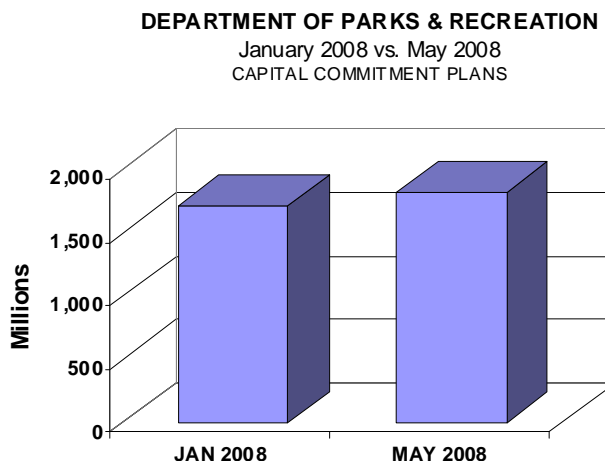
PRELIMINARY CAPITAL PLAN – JANUARY 2008 (\$ in millions)					
	FY09	FY10	FY11	FY12	FY's 09-12
CITY	692.4	617.3	269.0	131.9	1,710.6
NON-CITY	26.9	3.2	8.7	0	38.8
TOTAL	719.3	620.5	277.7	131.9	1,749.4

The Executive Four-Year Capital Plan is shown below:

EXECUTIVE CAPITAL PLAN – MAY 2008 (\$ in millions)					
	FY09	FY10	FY11	FY12	FY's 09-12
CITY	833.5	608.5	257.8	123.3	1,823.1
NON-CITY	41.1	3.2	8.8	0	53.1
TOTAL	874.6	611.7	266.6	123.3	1,876.2

EXECUTIVE BUDGET ISSUES:

- In 1998 the Parks Department announced plans for the development of a world-class golf course in the Ferry Point area of the Bronx. The city granted the developer, Ferry Point Partners, a 35-year lease in exchange for financing the \$22 million project. In addition to the course, which was originally scheduled to open in 2001, plans for the 222-acre site called for a driving range, a clubhouse, two playgrounds, a banquet hall and a restaurant overlooking the East River. The original plan also included the construction of a waterfront esplanade for public access. In December 2006, after years of project delay, the Parks Department announced it was ending the contract, because it claimed the terms of the agreement were not being fulfilled. As part of the original contract the city was required to reimburse Ferry Point Partners \$7.2 million for remediation costs of the site.



On January 11, 2008, Mayor Bloomberg announced that the City would finance the construction of the golf course. The Parks Department's Executive Capital Plan includes an additional \$64 million (\$19.9 million in Fiscal 2008 and \$44.1 million in Fiscal 2009) for the construction of a golf course at Ferry Point.

In 2007, the Parks Department's Preliminary Capital Plan included a new allocation of \$51.1 million for Ferry Point Waterfront Park. In the current Plan the amount for the Waterfront Park has been reduced to \$39 million. These funds are to be used for the creation of a new waterfront park and an adjoining community park on the property adjacent to the potential golf course. A portion of the funds will be used for remediation of the site for use as a public space.

- In May 2005, the City Council adopted the Greenpoint / Williamsburg rezoning plan. The re-zoning will ultimately create over 50 acres of new parkland on the East River in Brooklyn. As a result of the rezoning over \$103 million was put in the Parks Department's commitment plan for the future creation of this new parkland. At that time the program for the use of these funds was not defined. The Parks Department's Fiscal 2009 Executive Capital Plan includes a breakout of these original funds. The original \$103 million has now increased to a total of \$214.8 million in the current plan. The program now includes \$41.7 million for the Bayside acquisition and \$60.6 million for the design and construction of the Bayside site, \$28.7 million for the acquisition of the Levine site and \$43.2 million for design and construction at the Levine site including \$6 million for the construction of a soccer field at the site, \$13.3 million for the acquisition of 50 Kent Ave. and \$5.1 million for the design and

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construction of the 50 Kent Ave. site. In addition in Fiscal 2010 the Plan includes \$9.7 million for the construction of the Dupont Street Newtown Barge Playground, \$14 million for the 65 Commercial Street Soccer Park and \$7.1 million for the Green Street Pier.

- The Executive Capital Plan includes \$247.6 million for the improvements in the area of the new Yankee Stadium in the Parks Department's budget. This is an increase of \$40.6 million over the planned amount in the Fiscal 2008 Adopted Capital Budget and \$74.8 million more than the planned amount in the Fiscal 2007 Adopted Capital Budget. Since adoption, management of \$95.7 million of these capital project were transferred to the Economic Development Corporation (EDC), with the Parks Department retaining management of such items as tree planting, construction of community parks, and the remediation of and development of a waterfront park. The capital cost increases are the result of more accurate cost estimates, as the project scope has become better defined. Since the Preliminary Capital Plan the Stadium project was reduced by \$3.5 million. This reduction was the result of a re-estimate of the cost of the pedestrian bridge over 157th Street.