



BALBOA PARK CULTURAL PARTNERSHIP
*Helping to build the framework for
the successful governance of Balboa Park*

**Presented to the
Balboa Park Committee**

October 16, 2008



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October 16, 2008

Ms. Vicki Granowitz, Chair
Balboa Park Committee
2125 Park Boulevard
San Diego, CA 92101

Dear Chairperson Granowitz:

On behalf of the members of the Balboa Park Cultural Partnership and its Governance Task Force, I respectfully submit to you our report titled "Balboa Park Cultural Partnership: Helping to build the framework for the successful governance of Balboa Park."

On July 1, 2008, the Balboa Park Cultural Partnership formed a Governance Task Force so that it could officially present input on the current status and future governance of Balboa Park to the Balboa Park Committee, pursuant to the direction of the City of San Diego Mayor Jerry Sanders and members of the San Diego City Council.

The Task Force members quickly recognized that, through the Balboa Park Committee's public input process, the Balboa Park Cultural Partnership had a unique opportunity to provide positive comment to support Balboa Park and the public it serves. With that, the Task Force decided to conduct research and then deliberate regarding the governance, management and funding needs of its members and the various governance models that meet these needs. The result of those deliberations yielded key conclusions and recommendations presented herein.

The members of Balboa Park Cultural Partnership wish to formally express their appreciation for your efforts, Chairperson Granowitz, in serving as a tenacious advocate for public education and widespread stakeholder comment and involvement in the public outreach/input process you have been tasked with conducting. We also express gratitude to Peter Ellsworth, president of the Legler Benbough Foundation, for encouraging and supporting the Task Force throughout this process. In addition, we note the hard work of Balboa Park Central Executive Director David Kinney, who served as the Task Force liaison to the Balboa Park Committee.

I am confident that I speak for all members of the Balboa Park Cultural Partnership, when I say that we are committed to the public process for formation of an effective form of management, governance and funding for Balboa Park. We also understand the challenges that exist to better educate all San Diegans as to the current state of affairs for Balboa Park and the mounting need for funds to make essential repairs and improvements throughout the Park.

As representatives of institutions familiar with the challenges of raising funds for operations, maintenance and capital improvements, the members of the Balboa Park Cultural Partnership are pleased to bring our collective expertise to bear for the benefit of Balboa Park as a whole and the public at large. As such, all members of the Balboa Park Cultural Partnership look forward to actively participating in the City's initiation of the next phases in its process – the detailed planning and then implementation of a sound governance, management and funding structure for Balboa Park.

Sincerely,

A handwritten signature in cursive script that reads "David A. Lang". The signature is written in black ink and is positioned below the word "Sincerely,".

David A. Lang
Executive Director
Balboa Park Cultural Partnership

TABLE OF CONTENTS

ABOUT THE BALBOA PARK CULTURAL PARTNERSHIP	Page 1
REPORT BACKGROUND	Page 2
BALBOA PARK COMMITTEE PROCESS	Page 5
BALBOA PARK CULTURAL PARTNERSHIP TASK FORCE	Page 6
TASK FORCE DELIBERATIONS/DETERMINATIONS	Page 7
THE THREE QUESTIONS	Page 7
CONCLUSIONS/RECOMMENDATIONS	Page 8
A PLEDGE TO PARTICIPATE	Page 9

ABOUT THE BALBOA PARK CULTURAL PARTNERSHIP

The Balboa Park Cultural Partnership (BPCP) is the collaborative body and collective voice for 24 diverse cultural institutions in Balboa Park whose 500 trustees, 7,000 volunteers, and 3,500 staff serve more than 6.5 million members and visitors annually. BPCP's mission is to enrich the cultural life of San Diego by facilitating collaborative efforts among member institutions, as well as between the Partnership and the community; to enable Balboa Park cultural institutions to achieve their full individual and collective potential; and to preserve and enhance the cultural assets of Balboa Park for future generations. The BPCP facilitates collaboration in a number of key result areas, including: communication, collective business programs, education, government relations, marketing, and parking (public access).

Contact Information

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REPORT BACKGROUND

In January of this year, the Center for City Park Excellence of the Trust for Public Land published a report titled “The Soul of San Diego: Keeping Balboa Park Magnificent in its Second Century.” Funded by the Legler Benbough Foundation, the Parker Foundation and the San Diego Foundation, and backed by extensive research and supporting documentation, the report provided a comprehensive history and revealing assessment of the current state of Balboa Park. Specifically, the report discussed the operations, annual visitations/usage, maintenance and essential infrastructure needs of Balboa Park. It also addressed the Park’s economic impacts and benefits to the City of San Diego as well as various options for future Park management and governance.

The key findings of “The Soul of San Diego” report included the following:

- *LACK OF CITY FUNDS TO MAKE ESSENTIAL REPAIRS AND IMPROVEMENTS WITHIN THE PARK*

Owned by the City of San Diego, Balboa Park is operated by the Developed Regional Parks Division of the City’s Department of Park and Recreation. Balboa Park is one of 400 different properties managed by this department. Due to overwhelming budget constraints and demands within the City, the Department of Park and Recreation cannot afford to make the essential capital and infrastructure improvements now required in Balboa Park. In addition, the Park is suffering from inadequate parking needs and severe neglect of its key horticultural resources.

In the midst of all of this are the City of San Diego’s current financial difficulties, which suggest that the City is unable to maintain and make the necessary future investments in the Park over the long-term. The Keston Report component to “The Soul of San Diego” report noted that “the City’s fiscal condition is expected to remain guarded for years to come.” General fund revenues, bonding capacity, tax measure initiatives, new development exactions, and even state and federal assistance were all examined as possible funding sources for Balboa Park. However, in the end, the report concluded that “while the City of San Diego theoretically has the ability on its own to generate the money needed to save Balboa Park, the City’s large number of other needs and current significant revenue shortfall makes that scenario unlikely. It is more probable that the status quo funding situation would continue, or that the level of Park support would decline.”

- *LACK OF CLEAR AUTHORITY TO ENSURE CURRENT AND LONG-TERM SUCCESS OF THE PARK*

The San Diego Park and Recreation Board (chartered by the City Council and consisting of 11 Mayor-appointed members) provides advisory input to the acquisition, development, maintenance and operations of Balboa Park and other City parks, beaches and recreational properties and facilities.

The Balboa Park Committee advises the Park and Recreation Board, the Mayor, and City Council on policy issues specifically relating to the acquisition, development, maintenance and operation of Balboa Park. The Balboa Park Committee consists of 12 Mayor-appointed members representing the City Park and Recreation Board, representatives from the Council District in which Balboa Park is located, various local planning groups, the Balboa Park/Morley Field Recreation Council, and two members representing the institutions in Balboa Park.

In addition, the members of the Balboa Park Cultural Partnership (representing 24 cultural organizations operating in Balboa Park, and, more specifically, several lessees of various Balboa Park facilities) have, over the years, assumed responsibility for the maintenance, repair and even expansion of their own facilities in the Park. Other Park tenants as well as other philanthropic organizations provide financial support to the Park and attempt to set repair and maintenance priorities.

As a result, there is a web of agreements and de facto processes currently in place to try and help make decisions, solve problems and accomplish tasks in the Park. Unfortunately, there exists no one official body with both the focus on and authority over Balboa Park to help make the Park self-reliant, self-sustaining and successful.

As “The Soul of San Diego” report noted: “There is no way to put the Park onto solid footing for the future without a clear understanding of mission, roles, authority, responsibility and decision-making structures for Balboa Park.”

- *LACK OF WIDE-SPREAD PUBLIC PERCEPTION OF THE PARK’S CURRENT POOR STATE OF AFFAIRS AND LONG-TERM PROBLEMS*
In the face of these important challenges lies a profound perception incongruity. “The Soul of San Diego” report noted that most San Diegans (88% to 95%) do not perceive any real problems in Balboa Park. Viewed as a cultural jewel in the crown of San Diego, Balboa Park is assumed to be in good working order, despite the reality of its current condition. In addition, most visitors to Balboa Park do not reside in the City of San Diego. A majority are from the County of San Diego and the U.S. Southwest region, with a significant number of visitors coming from other U.S. and international locations. As a result, there exists a wide gap between the Park’s poor state of affairs and its perceived public perception -- which explains why there exists no loud public outcry from throughout the City of San Diego as well as the County of San Diego for Park management reform. Simply stated, the public perception of the Park could be stated as such: if it’s not perceived to be broken, why spend money to fix it?

- *NEED FOR A NEW SYSTEM OF BALBOA PARK GOVERNANCE/ MANAGEMENT*
The lack of funding and the current management situation of Balboa Park combined with a widespread public perception that the Park is in fine condition, led “The Soul

of San Diego” report to suggest three different alternatives for more broad-based management and governance of the Park.

These alternatives included the following:

- Public Private Partnership (a.k.a. the Central Park Conservancy model),
- Joint Powers Agreements (a.k.a. the San Dieguito River Park model) and
- A New Government Entity (a.k.a. formation of a Recreation and Park District).

While the report suggested these three alternatives for the management and governance of Balboa Park, it stopped short of recommending a particular governance solution. Instead, the report encouraged San Diego Mayor Sanders and the members of the San Diego City Council to seek comment and discussion of the matter with San Diegans. Since the report was issued, the Balboa Park Committee has led the task of securing public input.

BALBOA PARK COMMITTEE PROCESS

On January 30, 2008, Mayor Sanders and Councilmember Atkins directed the Balboa Park Committee to hold a number of public input, comment and discussion meetings about the current status and future governance of the Park – and then deliver its recommendations back to the Mayor and City Council. These meetings are underway; they are expected to yield a report due to the Mayor and City Council by early 2009.

Concurrent with receiving its directive from Mayor Sanders and Councilmember Atkins, the Balboa Park Committee was tasked with answering three questions posed in “The Soul of San Diego” report. Those three questions are:

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 the financial support, should it do so?
3. If the City wishes to expand management and governance of the Park, what are the alternatives?

Starting with its first public meeting about the future of the Park on March 8, 2008, the Balboa Park Committee has since hosted a series of expert presentations and educational meetings covering a multitude of important topics related to these three questions. Topics have included City of San Diego finances (Park and Recreational budget, Environmental Growth Fund, TOT taxes, and more), various management, governance and funding models, Balboa Park leases, contracts and permits, and effective charitable and capital campaign opportunities. In addition, the Balboa Park Committee has assembled and reviewed an extensive collection of documents regarding its key topic issues. Documents and links to other informational websites have been provided for members of the public via the Balboa Park website.

BALBOA PARK CULTURAL PARTNERSHIP TASK FORCE

Embracing an opportunity for the members of the Balboa Park Cultural Partnership (BPCP) to become engaged in the Balboa Park Committee's public process, the BPCP formed a Governance Task Force on July 1, 2008. The Task Force consisted of members of the Boards of Trustees as well as Executive Directors of BPCP member institutions.

Members of the BPCP Task Force included the following:

- Bob Ames, Trustee, Timken Museum of Art
- Sandra Brue, Trustee, Zoological Society of San Diego
- Carol Chang, Trustee, Reuben H. Fleet Science Center
- Ben Clay, Trustee, San Diego Natural History Museum
- Jane Filner, Trustee, Museum of Photographic Arts
- Heath Fox, Trustee, Balboa Park Central
- Fred Frye, Trustee, Zoological Society of San Diego
- Kathy Hattox, Trustee, The Old Globe
- Chuck Hellerich, Trustee, San Diego Museum of Art
- Jim Kidrick, President and Chief Executive Officer, San Diego Air and Space Museum
- David Kinney, Executive Director, Balboa Park Central
- Jeff Kirsch, Executive Director, Reuben H. Fleet Science Center
- Deborah Klochko, Executive Director, Museum of Photographic Arts
- David Lang, Executive Director, BPCP
- Justin Rennilson, Trustee, Japanese Friendship Garden Society of San Diego
- Paige Simpson, Development and Program Manager, BPCP
- Lou Spisto, Chief Executive Officer and Executive Producer, The Old Globe
- Chuck Wheatley, Trustee, Reuben H. Fleet Science Center
- Frances Hamilton White, Trustee, Mingei International Museum

In addition, David Kinney served as the Task Force liaison to the Balboa Park Committee.

The Task Force members quickly recognized that, through the Balboa Park Committee's public input process, BPCP had a unique opportunity to provide positive input to support Balboa Park and the public it serves. With that, the Task Force determined that its goal was to deliberate regarding the governance, management and funding needs of its member institutions and the various governance models that met those needs. Task Force recommendations for a Balboa Park governance, management and funding structure would be presented to the BPCP Board of Directors and then to the Balboa Park Committee.

TASK FORCE DELIBERATIONS/DETERMINATIONS

Serving as a foundation for all discussions was the shared belief that the members of the Task Force needed to maintain a level of meaningful representation for the BPCP in all discussions, recommendations and decisions relative to the future of the Park WHILE ALSO acknowledging and considering the interests and needs of other Balboa Park stakeholders, members of the public and the City as a whole.

United through that collective understanding, the Task Force conducted a detailed effort to identify essential and preferred attributes of future Balboa Park governance, management and funding. Based on these shared attributes, the Task Force then researched, discussed and began to identify certain governance, management and funding structures which supported these outcomes.

THE THREE QUESTIONS

As part of its deliberations, the Task Force considered the three questions asked in “The Soul of San Diego” report.

1. Can the City of San Diego provide the necessary financial support for Balboa Park in the future?

RESPONSE: Given its financial challenges, the City of San Diego is not positioned today, nor will it likely be in the foreseeable future, to provide the necessary funding support for Balboa Park.

2. Even if the City can provide the financial support, should it do so?

RESPONSE: While the City should continue to provide funding for Balboa Park at or above its current levels, the Park’s financial challenges create a unique and possibly timely opportunity to explore, create and implement a new Park management, governance and funding entity which represents the County, the City, the public, the art/culture/science institutions, and other stakeholders.

3. If the City wishes to expand management and governance of the Park, what are the alternatives?

RESPONSE: Considering the City’s financial challenges and the desire for the Park to remain public, the most promising option is the creation of a public-private partnership arrangement between the City and a newly formed non-profit public benefit entity that allows for both public and private roles in the governance, management, and funding of Balboa Park.

CONCLUSIONS/RECOMMENDATIONS

The process undertaken by the BPCP Governance Task Force yielded key conclusions and recommendations:

1. Balboa Park is a local and regional asset. Ownership of the Park should remain public.
2. The City should operate Balboa Park as a whole. City staff level operations, management and decision-making related to Balboa Park should be consolidated, streamlined and made more efficient.
3. A public-private partnership should be created between the City and a newly formed Non-Profit Public Benefit Entity to perform equitable, responsive, and long-term governance, management, and fundraising functions. The new Public Benefit Entity, formed for charitable and educational purposes, would have tax-exempt status under section 501(c)(3) of the Internal Revenue Code and allow for tax-deductible donations.
4. The governing Board of Directors for the new Public Benefit Entity should reflect the diversity of Balboa Park stakeholders and users (i.e., the County, the City, the public, the cultural institutions, and other stakeholders). The board members should not serve as representatives of any one constituency, but should serve for the collective benefit of all of Balboa Park.
5. The working relationship and responsibilities of the City and the new Public Benefit Entity will evolve over time as experience and circumstances dictate. Initially, the new Public Benefit Entity should undertake Balboa Park governance, management and funding activities on an incremental, task-based, park-wide basis. This would ensure effective, collaborative, and consistent decision-making, as well as task-based accountability. The intent would be to start small and demonstrate a record of successful management, governance and funding activities. In future years, possible transfer of greater management authority and control to the new Public Benefit Entity should be explored.
6. Balboa Park capital improvement campaigns and general Park funding efforts should be conducted and managed collaboratively by the City and the Public Benefit Entity. Their fundraising should be designed to increase the overall amounts attained for the Park as a whole, including the cultural institutions.
7. After the Balboa Park Committee has completed its work and recommendations, the Balboa Park Cultural Partnership encourages the City to continue the process of examining governance, management and funding of the Park with a second phase of detailed planning involving the Mayor, City Council and other participants who reflect the diverse stakeholders and users of Balboa Park. This second planning phase should be followed by an implementation phase.

A PLEDGE TO PARTICIPATE

While several outstanding issues related to the organization, representation and legal formation of a Non-Profit Public Benefit Entity and its partnership with the City certainly exist, we, the members of the Balboa Park Cultural Partnership are committed to this public process for the formation of a new governance, management and funding structure for Balboa Park.

We also understand the challenges that exist to better educate all San Diegans as to the current state of affairs of Balboa Park and the mounting need for funds to make essential repairs and improvements throughout the Park. As representatives of institutions familiar with the challenges of raising funds for operations, maintenance and capital improvements, the members of the Balboa Park Cultural Partnership are pleased to bring our collective expertise to bear for the benefit of Balboa Park as a whole and the public at large. As such, we look forward to actively participating in the City's initiation of the next phases in its process – the detailed planning and then implementation of a sound governance, management and funding structure for Balboa Park.

We, the members of the Balboa Park Cultural Partnership, believe in the promise that a new public-private partnership brings to the Park, the public, the institutions, the City, the County and all other others with a stake in Balboa Park and its future.