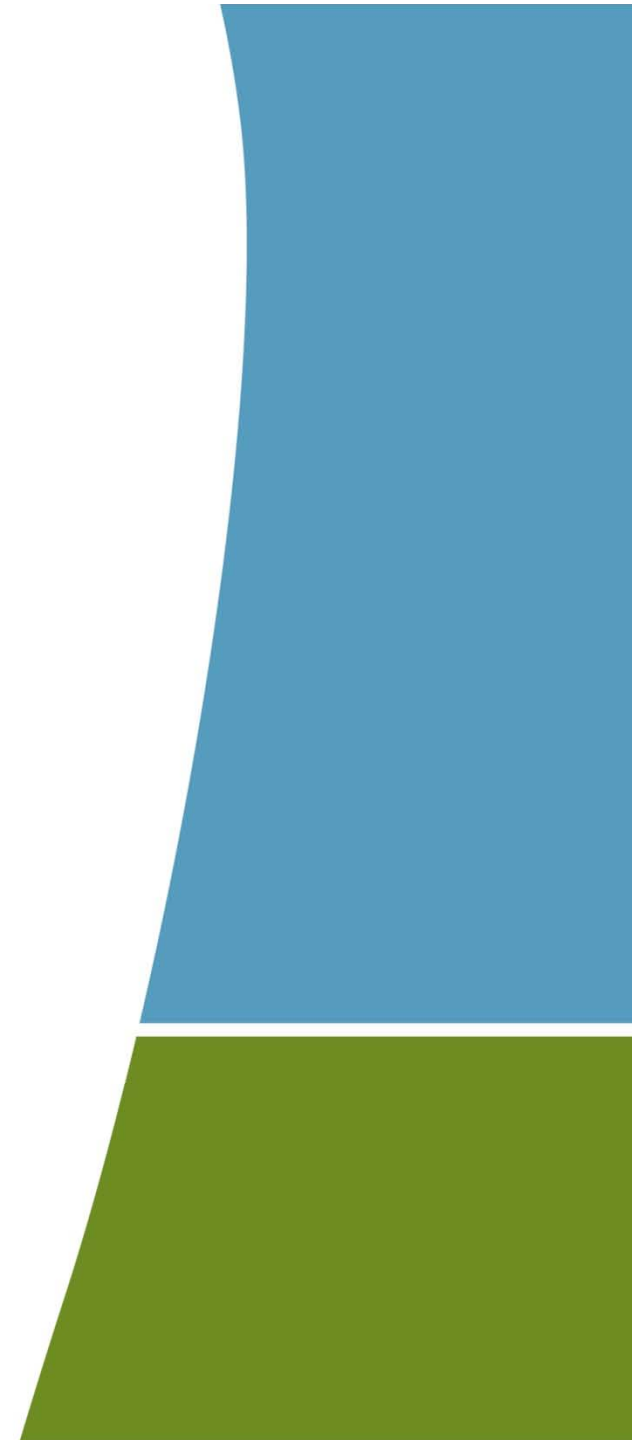


Greenway Business Plan FY14-FY18 for discussion

July 24, 2012 DRAFT FOR PUBLIC DISCUSSION ONLY



Discussion for Open Public Meeting of Board and GLC

What we will cover today

Purpose: to gather more public input

- Report to Secretary Davey by July 31

Preview of the Business Plan to date

- Summary of effort to seek more public input for priorities
- Summary of Funding Assessment
- Framework of 5 Year Plan – Revenue and Expense
 - Conditions needed to grow non-governmental revenue

Greenway Business Plan FY14-18

Business Plan: The Charge.

Secretary Davey directed the Conservancy to create a Business Plan to “identify adequate resources...to maintain and program a world class park”, assuming “an annual decrease in State support (to) zero State support” in FY18.

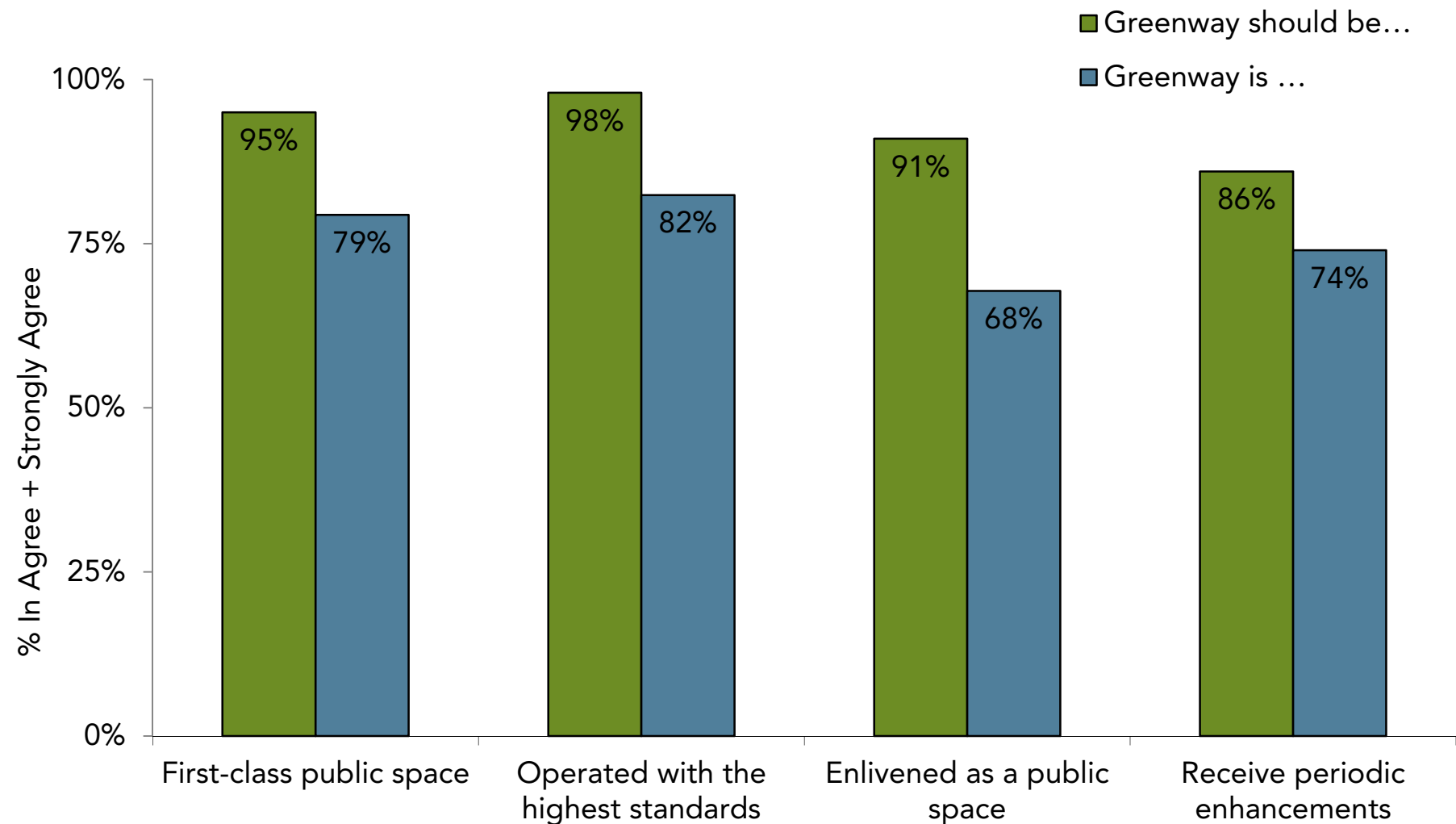
Components of the Report to the Secretary

- Business Plan (RFK Greenway Conservancy)
- Fundraising Assessment (Technical Development Corporation)
- Executive Salary Survey (Collins Group)
- Summary from public input (Howard/Stein Hudson Associates)

Gathering public input - Summer 2012

- 9 question survey testing the standards and mission for the Greenway and Conservancy
- Produced by Howard/Stein Hudson Associates
- Distribution:
 - Facebook, Twitter, home page feature on website, e-blast to 6,000+
 - Field intercepts through the park
 - Open from June 6, 2012 to July 6, 2012
- 338 completed surveys (178 online + 160 park intercepts)
 - 62% live/work near the Greenway
 - 22% from metro Boston
 - 16% from beyond metro Boston

Concurrence with original Greenway vision; Conservancy doing well



Funding Assessment findings (I)

Research scope:

- Independent analysis of the potential for the private sector and earned income sources to replace State contribution (MassDOT) by the end of FY18

29 individuals interviewed:

- 5 local and peer park organizations in public/private partnerships
 - Friends of the Public Garden
 - Friends of Post Office Square
 - The Esplanade Association
 - Friends of the High Line
 - Millennium Park
- 4 earned income comparisons (including 2 of peer parks)
- 17 Greenway constituents (donors and potential BID participants)
- 5 local nonprofits recently in significant fundraising campaigns

Funding Assessment findings (II)

1. Among peer organizations, level of public vs. private funding varies widely -- as do their local funding contexts.
2. Boston funding ecosystem for the Greenway:

Conditional potential for charitable contributions and BID support:

Evidence strongly suggests that a reduction or removal of funding from the State is likely to trigger declines in support from charitable contributors. Potential BID participants are clear that a BID formation is contingent upon continued state funding.

Conditional potential for growth in earned income

The Conservancy can increase revenue through additional earned income sources. Small-scale programs were seen favorably; larger scale should preserve the "park" feeling. Experience at other peer parks shows these take time to execute and to produce dependable income.

Little potential for increased endowment

The experiences of both local Boston nonprofits and peer conservancies suggests that raising endowment is not viable now, but can be launched with a larger, more established donor base as part of a larger campaign that includes park improvements.

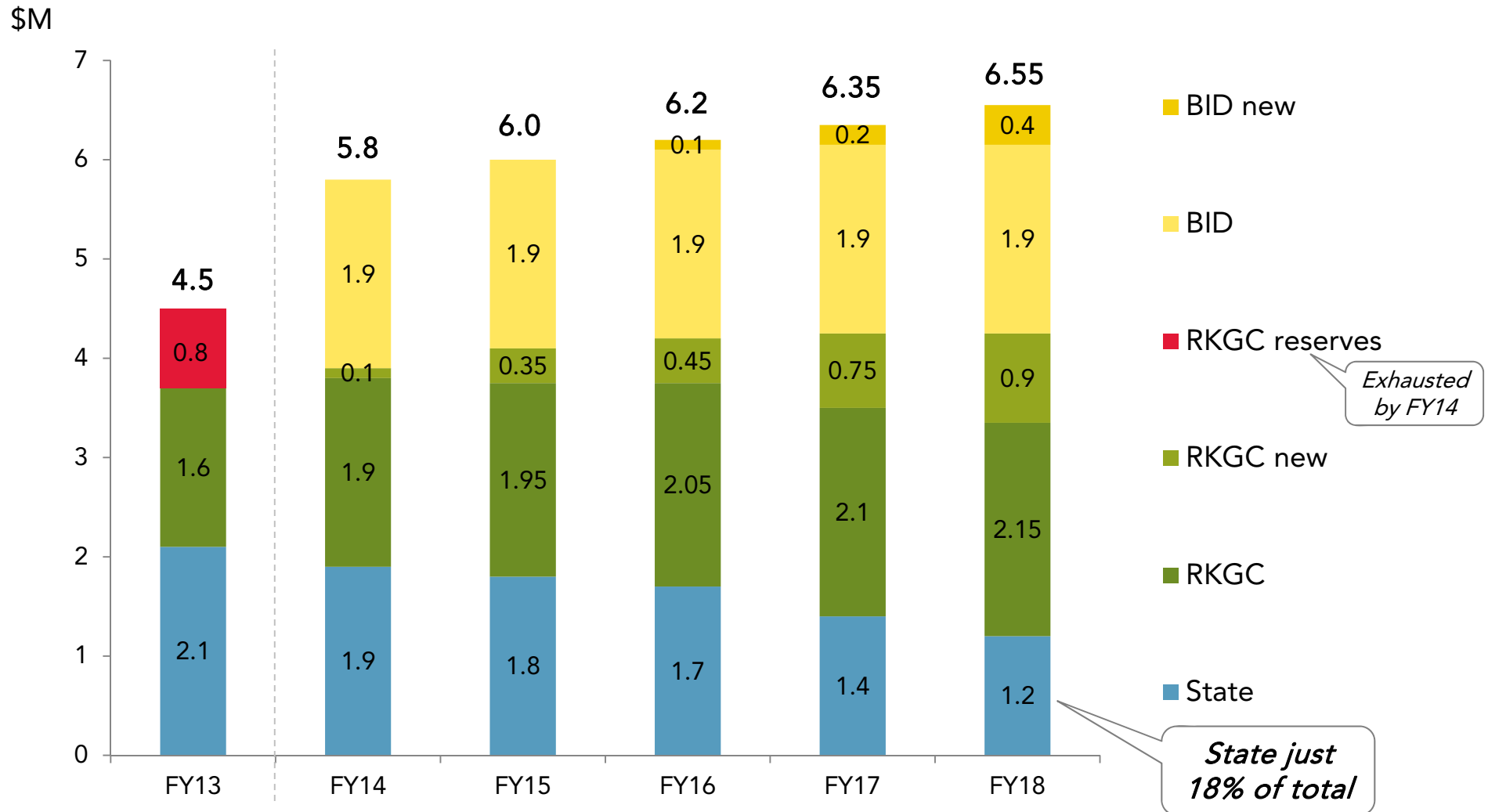
Conclusions and Best Solution (draft)

Challenges and Best Solution

- State support cannot go to zero. Strong views on owner's responsibility.
- If stakeholders perceive the decline of State support as a failure, this will affect a downward spiral.
 - No Money = No Mission. Meeting the current responsibilities will likely be impossible.
- However, several areas of revenue potential - *additive*. MassDOT can lower its direct funding as conditions are in place for:
 - More contributions AND
 - BID funds AND
 - More earned income

Revenue plan, FY14-FY18

(reflecting decline in State contribution offset by new Conservancy sources)



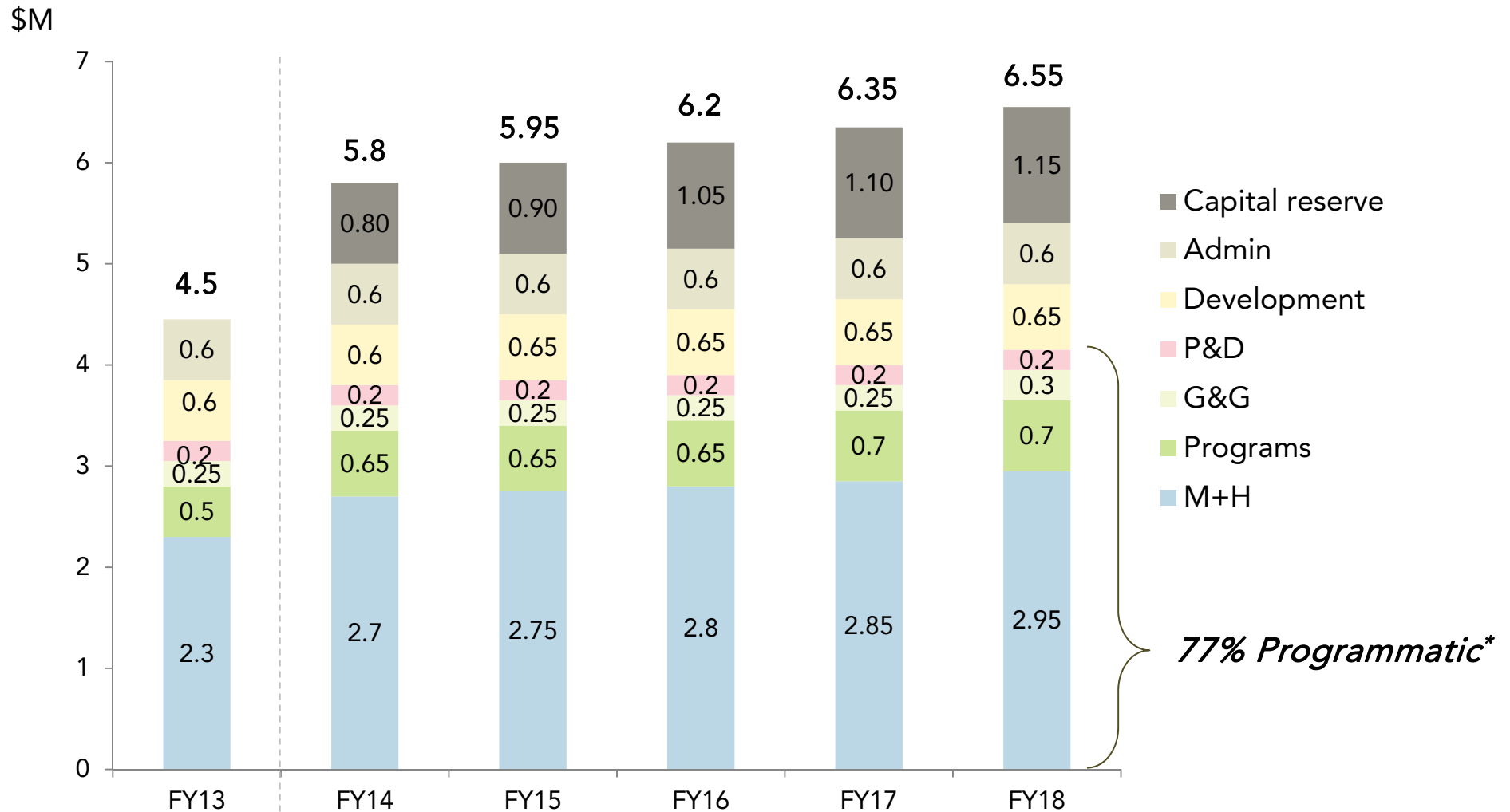
- BID new = newly developed properties joining the BID
- RKGC new = new sources, especially from changes in current guidelines (e.g., via naming rights; add'l earned income; photo/entertainment shoots; venue rental program)
- Not including capital improvements

Conditions for non-governmental revenue

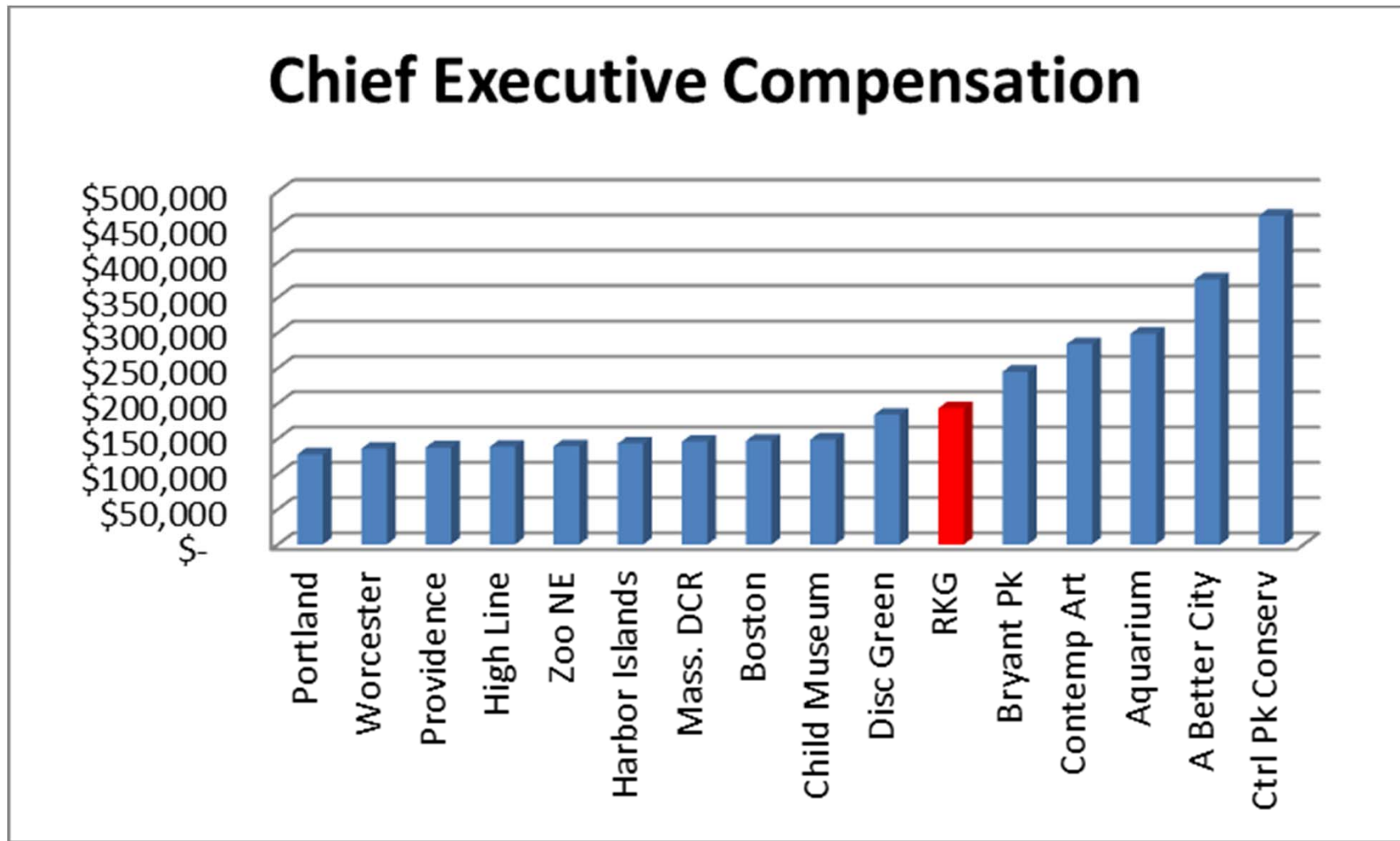
- Conditions for more contributions:
 - Hard-won forward momentum continues. *Success breeds success.*
 - Non-profit leadership focused on fundraising.
 - Greenway BID necessary to leverage other contributions.
- Conditions for more net earned income from appropriate park amenities
 - Public dialogue strike right balance of access & “taste” with acceptance that more revenue is necessary;
 - MassDOT, City and Conservancy update regulations and park use guidelines

Expense plan, FY14-FY18

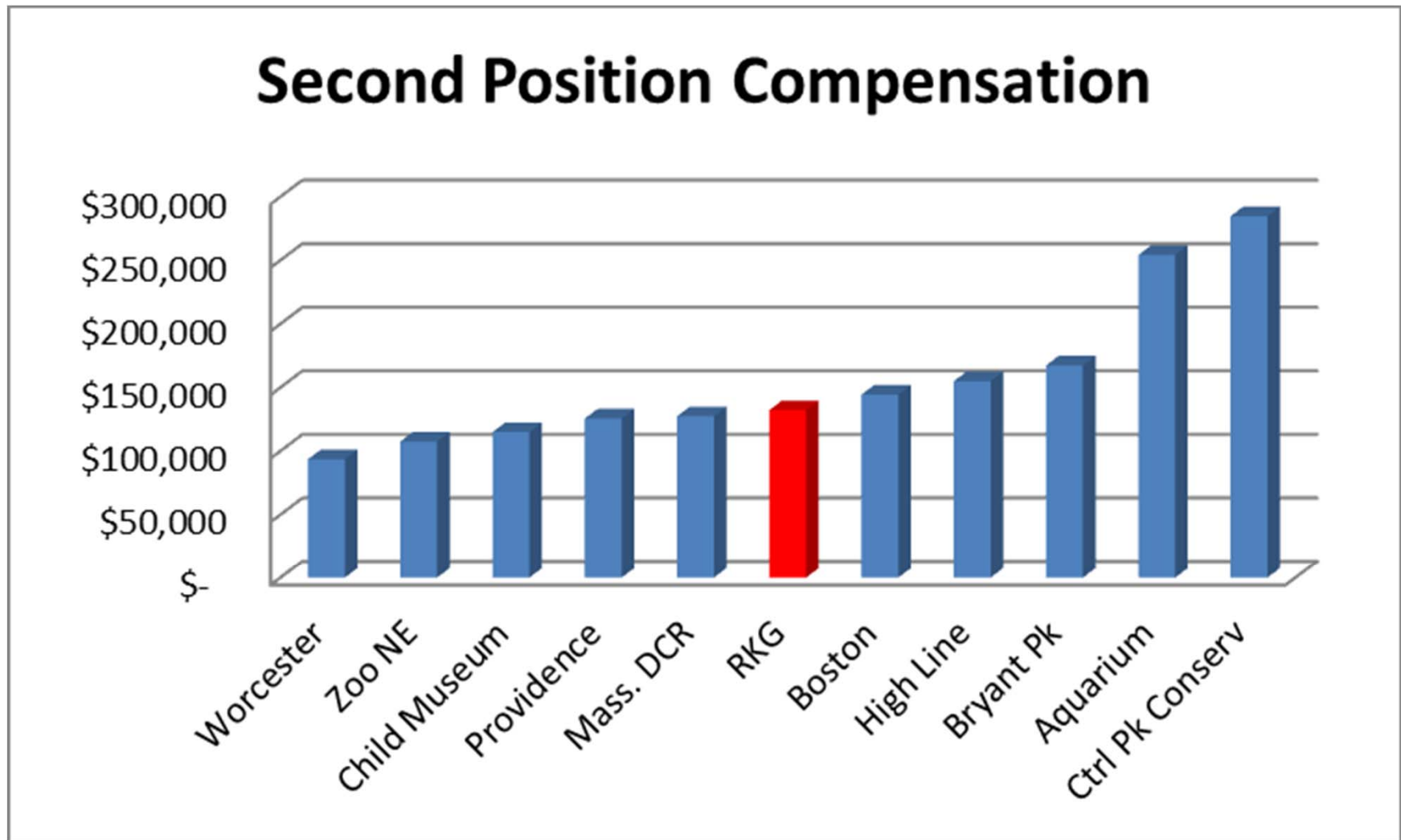
(reflecting growth needed to address aging park assets and inflation)



Collins Center compensation study: Comparison for executive salary



Collins Center compensation study: Comparison for second salary



Beneficiaries – Greater Boston

Area Residents



Clean, green, safe park for relaxing, socializing & fun, free events

Adjacent Properties



Attractive amenity for tenants and their employees. Added incentive for clients & patrons.

Young Professionals



Emerging 18 hour district with art, culture, dining, entertainment & night life.

City of Boston



City pride and cache. Added tax revenues from increased property values & hotel tax

Beneficiaries – Massachusetts Economy

Tourists



A “must see” destination.

Hotels



Attractive amenity for guests. Many attractions nearby. Increased preferred stays.

Commonwealth



Added attraction for MA tourism. Generates jobs that add tax revenues from wages; hotel tax



BEFORE



AFTER

This is an aggressive plan to evolve the Public/Private Partnership

- Conservancy reserves, that have cushioned the impact of declining State funding thus far, will be exhausted by FY14;
- To end the public/private funding model in the next 5 years is High Risk.
 - Declining park conditions would threaten capacity to generate revenue to operate the park:
 - Risks Philanthropy;
 - No BID;
 - Conditions not conducive to earned income ideas.
 - Deteriorating conditions risk:
 - Economic development of the Greenway District
 - Need for capital infusions in later years
 - Maintenance of the underlying tunnel



"the most unconditionally happy spot in all of Boston"

- Quote from Peter Schworm, The Boston Globe, "Refreshing Change"