The Report committee for Nicholas John Hernandez
certifies that this is the approved version of the following report:

Financing Strategies for the Acquisition of Park Space

APPROVED BY
SUPERVISING COMMITTEE:

Supervisor: ______________________________
Bjørn Sletto

____
Terry Kahn

Financing Strategies for the Acquisition of Park Space

by

Nicholas John Hernandez, B.S.

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Dedication

I would like to dedicate this Professional Report to Lafayette Consolidated Government, The University of Louisiana at Lafayette, and the Save The Horse Farm advocacy group in Lafayette, Louisiana, who may be able to utilize this information in the near future regarding the acquisition of the UL Horse Farm property in their hopes of converting it into passive public park.

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Abstract

Financing Strategies for the Acquisition of Park Space

Nicholas John Hernandez, M.S.C.R.P.

The University of Texas at Austin, 2010

Supervisor: Bjørn Sletto

City parks can improve the quality of life as well as the physical and mental health of its citizens, and they can lead to increases in property values and hence higher property tax revenues. However, parks can also be costly to cities, especially medium-sized cities that lack the necessary access to financing to acquire and maintain city parks. In the case of Lafayette, Louisiana, the city is struggling to acquire the University of Louisiana Horse Farm and incorporate it into its park system. This professional report reviews financing strategies for cities that are seeking to acquire land or open space, and also provides specific recommendations for the Horse Farm. Through this literature review and analysis of the Lafayette case, this professional report contributes to the literature on public financing of land for green space development, a subject of particular importance considering the important role parks play in urban life.

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INTRODUCTION

The late 19^{th} century was the heyday of the city park, a time when some of our greatest public spaces, such as Central Park in New York City, were developed. Following the Great Depression and suburban development in the 1950s and 1960s, US cities became increasingly automobile-focused and cities' willingness to spend public dollars on park space declined dramatically. This trend is now changing, as urban planning is increasingly emphasizing sustainability and high-density development in the older urban core. In the 1990s, cities began making park space a requirement for developers (Sherer 2006:10-11). However, cities still face many challenges in acquiring and developing land for public parks. Chief among these is the lack of financing, a particularly great challenge in densely developed cities where land is highly valued and sought after by private developers.

In this professional report, I will review the most common financing strategies used by local governments to acquire lands for green space and apply the lessons from other cities to the case of the University of Louisiana Horse Farm in Lafayette, Louisiana, a 100-acre parcel of untouched prairie land located in the heart of the city. The City of Louisiana is attempting to acquire this property and convert it to park space. However, the City has still not secured the necessary financing and the property is at risk of being acquired by private developers.

Recently, the University of Louisiana (ULL) attempted to sell this property and use the proceeds to purchase a four-acre parcel of property located closer to campus. Such an exchange, or "land swap," was appealing to the University because it would streamline the bidding process and prevent delays usually associated with transactions of state-owned land. However, this proposed land swap and improprieties surrounding the appraisal process quickly led to resistance from the community. The issue prompted a group of ULL students to form an activist organization, Save the Horse Farm (STHF), which was able to raise public awareness of the issue and convince the Lafayette Zoning Commission to deny the University's re-zoning of the Horse Farm. This was a major step in halting the land-swap deal. STHF, in partnership with community activists, City officials, and a new generation of ULL administrators, are now examining the possibility of turning the state-owned property into a passive public park (Turk 2009c: 1), i.e. a park without tennis or basketball courts, soccer or baseball fields (Charlotte-Mecklenburg Planning Commission 2010: 2).

However, as in many cases where municipalities seek to acquire land for parks, the principal challenge is financing. The City's only attempt thus far to acquire the land has been through a local community foundation, Community Foundation of Acadiana (CFA), which is presumed to have the capability to raise sufficiently large, private donations to finance the purchase of the Horse Farm.

However, although this is a potentially effective financing strategy, the likelihood of securing funding through a community foundation is contingent on the longevity, level of professionalism, and size of the foundation (Graddy and Morgan 2006). It is therefore imperative that the City of Lafayette explores and pursues a variety of funding strategies to ensure the Horse Farm property is acquired by the City (and/or the Foundation) in a timely manner. The Horse Farm is still vulnerable to developers, who are continuously checking the status of the acquisition.

1 - Benefits of Green Space

City parks and other green areas have important social benefits, including crime reduction and community building. According to one study, park space can help improve self-discipline in inner-city girls, reduce crime and domestic violence, and reduce Attention Deficit Hyperactivity Disorder (ADHD) in adolescent children. Social interactions that are facilitated by park space can also provide a sense of community (Schilling and Logan 2008). In a 2003 study in St. Louis, researchers found that neighborhoods with community gardens had a more stable population. According to US census data, the City of St. Louis as a whole lost thirteen percent of its population between 1990 and 2000, but neighborhoods with community gardens lost just six percent. Moreover, the study suggests that community gardens reduce crime, encourage neighbors to become responsible custodians, and foster interaction between people from diverse backgrounds (Sherer 2006: 22).

Mental and physical health benefits can also accrue from park space (San Francisco Neighborhood Parks Council 2007: 12). A study conducted by the World Health Organization (WHO) found that "approximately one-quarter of the global disease burden and more than one third of the burden among children is due to modifiable environmental factors." (The George Wright Forum 2009: 51). "Modifiable factors" are defined as factors that influence a person's health, such as unsafe drinking water, poor sanitation, and indoor and outdoor air pollution. Another study found that once an exercise space was created, or access to an existing exercise space was enhanced, the percentage of people who exercised a minimum of three days a week increased by 25 percent (San Francisco Neighborhood Parks Council 2007: 15).

Regarding the mental health benefits of park space, one study found that participants who viewed slides displaying scenes of nature experienced an increase in their "positive mood affect", while those who viewed scenes of urban areas experienced a decline in positive mood affect (The George Wright Forum 2009: 60-61). Other studies have investigated the impact of green space on the frequency with which patients in hospitals took painkillers. The patients who had a view of a brick wall from their hospital room took more painkillers than the patients who had a view of trees from their room (Sherer 2006: 14).

However, city parks also have important economic benefits. The U.S. Forest Service calculates that in 50 years one tree generates $31,250 work of oxygen, provides $62,000 worth of air pollution control, recycles $37,500 worth of water, and provides $31,350 work of soil erosion control (USDA 2010). A city's festivals and events can also generate tax revenue from the money visitors spend in hotels, restaurants, and local stores (Crompton 2006). In addition, city parks tend to increase property tax revenue through enhanced property values and lead to increased sales tax revenues, especially near parks with certain recreational facilities. According to a study conducted in San Francisco, greater demand for housing near passive parks (parks with no recreational playing fields, i.e. golf courses or ball fields) led to a 20% greater increase in property values for these properties, compared to similar properties located farther away from the park (San Francisco Neighborhood Parks Council 2007: 12).

However, increasing property values also makes it difficult for some buyers, including cash-strapped local governments, to acquire land for green space. Through Tax Increment Financing (TIF), these incremental increases in property taxes can be allocated by the assessor's office and used by cities to fund land acquisitions. However, this strategy is fraught with political challenges, especially since voters are reluctant to agree to property tax increases. A study conducted by the National Association of Realtors found that even though 75% of voters would like their local governments to buy land to create new open space in their community, most oppose increasing their property taxes by more than $50 a year to cover the cost of acquiring open space (Jiang 2006: 2). In many cases, what is required is innovative solutions for land acquisition, such as public-private partnerships, foundations, and economic development corporations (Boswell & Crompton 2007: 1, 3, 4). This may make it possible for municipalities to acquire valuable land for green space, which is particularly important in locations that are severely lacking in park space, such as Lafayette.

2 – The Lafayette Case

At the outset of this research project, I obtained park acreages and parcel data from Lafayette Consolidated Government (LCG) and the Lafayette Parish Assessor's Office (LPAO), and park polygons from the Lafayette Planning Division, to assess whether Lafayette meets the minimum requirements set forth by the National Park and Recreational Association (NRPA) of 10 acres of green space per 1,000 people (San Francisco Neighborhood Parks Council 2007: 17). I determined that Lafayette was severely lacking in park space, with 4.55 acres of park space for every 1,000 people (Table 1).

PARKS TO PEOPLE RATIO for Lafayette Parish, Louisiana			
Total Park Acreage Including Golf Courses	Total Park Acreage Without Golf Courses	Acres of Parks per 1,000 people Including Golf Courses	Acres of Parks per 1,000 people Without Golf Courses
909.5	502.5	8.24	4.55

Table 1: Lafayette's Parks-to-People Ratio.
Source: LCG, Department of Parks and Recreation, September 2005 .

Also at the beginning of my research project, I investigated accessibility to parks in Lafayette in terms of walking distance. In particular, I wanted to assess the need of parks in the area surrounding the Horse Farm. In my GIS analysis, I used a ¾ mile walking distance as a buffer around existing parks, although this is a conservative estimate. According to the Neighborhood Parks Council, a "neighborhood park" must be located within a ½ mile walking distance for a resident to make adequate use of the park, and ideally within ¼ mile (San Francisco Neighborhood Parks Council 2007: 54). I obtained GIS data layers of park parcels from the Lafayette Parish Assessor's Office (LPAO) and digitized park parcels not included in the GIS files, using 2006 aerial photos obtained from the LCG's ftp site[1] (Figure 1). This preliminary research suggested that Lafayette as a whole is, indeed, short of green space, and that the Horse Farm property is located in an area of the city that is particularly deficient in park space.

[1] ftp://ftp.lafayettela.gov/GIS%20Maps/

Figure 1: A buffer analysis was performed on park polygons in Arc GIS. This figure illustrates the significant influence the Horse Farm would have on improving park space in the city center. This shows the ¾ buffer around the parks in Lafayette before and after the UL Horse Farm were to be acquired by the city. Source: Lafayette Consolidated Government (LCG) 2009.

Since the height of the Horse Farm controversy, relationships between stakeholders have improved and a new university administration is now willing to work with the city and sell the property to the public at fair market value. It is now time to determine how the people of Lafayette can use this property as a public park, and, specifically, what financing strategy can be developed in order to acquire the property. The financing strategy must consider which agency or entity should be responsible for raising the necessary funds, and which entity should be responsible for managing and allocating these funds.

In Chapter 1, I present funding strategies available to local governments seeking to acquire property for the purpose of turning it into a public park, and I discuss what financing strategy is most appropriate for different situations. In chapter 2, I describe the major events that took place during the conflict surrounding the land swap in Lafayette, beginning with a summary of decisions made by university administrators, city, and state officials. I follow this with a review of the engagement of the student-led advocacy organization, Save the Horse Farm (STHF), throughout the controversy. I discuss how public awareness and participation techniques used by STHF allowed the public to give input and learn about the Horse Farm's future. In Chapter 3, I present the current financing strategy pursued by the City of Lafayette, before I recommend a combination of alternative strategies that can be used to acquire the Horse Farm and convert it into a passive park.

CHAPTER 1: FINANCING STRATEGIES FOR PARK SPACE ACQUISITION

In this chapter, I review the principal financing strategies available to municipalities to acquire property for the purpose of converting it into public use. I assess the strengths and limitations of each strategy, specifically in light of the Horse Farm case, to provide the background for my recommendations in the final chapter.

1 – Land Trusts

The Land Trust Alliance defines a land trust as "a non-profit organization that, as all or part of its mission, actively works to conserve land by undertaking or assisting in land or conservation easement acquisition, or by its stewardship of such land or easements" (Lieberknect 2009). A local land trust can also be used to manage and monitor open space, which requires good collaboration between the local land trust and government agencies that are looking to acquire the property.

One prominent example of a land trust strategy is the so-called "Pre-acquisition and Conveyance to a Public Agency" followed by the Association of Bay Area Governments (ABAG) in California. This strategy is appropriate when an agency does not want to pay the upfront costs for an acquisition, but instead wants to acquire the land through a land trust, i.e. a "Trust for Public Land." By using this strategy, the agency (1) Does not have to purchase the property right away, (2) Can make an agreement with the land trust bank to create a finance plan they can afford, and (3] Will reduce its transaction costs (since the agency is using resources it already has). Also, in land trust arrangements, land is typically sold at a lower cost than when land owners sell it to private buyers (ABAG 2009). It is unclear why the value of the land would be cheaper if the land was sold to a trust, as opposed to a typical transaction (i.e. mortgage, cash), and it is uncertain whether a land owner would have the incentive to sell the property to a trust, as opposed to a private buyer who can give a quicker and higher offer. However, this is a suitable strategy for government agencies to quickly acquire threatened property, assuming the agency is "willing and able to purchase the property within a reasonable time frame" (ABAG 2009).

2 - Saleback or Leaseback

In the case of a "saleback" or "leaseback," a landowner gives a land trust or government agency the exclusive right to purchase a property under certain terms and conditions, including restrictive easements or covenants, and then resells or leases back part or all of the property to finance the acquisition (ABAG 2009). This approach works well in situations where the seller does not want to give up a source of income derived from an asset located on the property. In that case, the parties would design a contract that prohibits the buyer from removing the profit-making asset from the property. Once the purchase of the property is complete, the seller would "lease" the property from the buyer. If the buyer does not adhere to the contract, for instance by greatly changing the characteristics of the land, the seller can repossess the full title of the property (Billett, King and Mauer 2007).

3- Purchase at Fair Market Value, and "Buy Options"

Purchasing the land at fair market value is the most expensive strategy and decreases the likelihood that a government agency can outbid offers made by private developers. Some government entities require a bid process for the selling of state land. This puts land trusts and public agencies at a disadvantage, since they must compete with entities with greater cash flow, such as a private developer. Also, smaller governments tend to avoid bidding for land because city officials simply don't feel comfortable bidding with taxpayers' money, or purchasing land with public funds might not be allowed by charter. In many cases, if a city or state agency seeks to purchase property for a public purpose, the city charter requires the purchase to be approved by voter referendum (Kotchen and Powers 2004: 388). If local governments do choose to hold a referendum, voters are more likely to vote in favor of an open-space policy based on bond financing instead of tax increases (ibid.). Also, research suggests that people are more likely to vote for land acquisition in urban, rather than rural counties (ibid.).

Another way to purchase at fair market value is to offer the landowner a "buy option." With a buy option, a landowner gives a land trust or government agency the exclusive right to purchase a property under certain terms and conditions, at a specified price by a certain date. This is useful when the government agency needs extra time to raise funds when a property is suddenly put on the market and threatened with development.

The landowner could also agree to a series of buy options that expire at different dates, which would allow the land trust or the government agency to acquire an expensive piece of property over time as opposed to an all-or-nothing pay out. Additionally, if the land trust or government agency fails to pay the last option in the series, then the trust or agency still has ownership over the parcels specified in the options that are already paid off (ABAG 2009).

A modified version of the buy option is to purchase just the "easement" as opposed the entire property. A recent study suggests that acquiring easements is substantially cheaper than purchasing the entire title (Loomis, Rameker and Seidl 2004). Easements, therefore, may be a useful tool for conservation organizations interested in maximizing protection of land from development rather than providing public access. However, the appraisal process might complicate this financing option. If there are no other easements of comparable size in the surrounding area, it becomes difficult to objectively appraise the value of the property, thus potentially politicizing the process and putting the sale at risk (Loomis, Rameker and Seidl 2004: 83-94).

4- Federal Funding

The Federal Land and Water Conservation Fund (LWCF), which is funded by the US Congress through revenue received from offshore oil development, provides financing for various federal projects such as national parks, forests, and wildlife refuges, but also supports land acquisition by local and state authorities. LWCF funds are administered by the National Park Service (NPS) and can be used by local governments to acquire and develop open space, many of which may require a 50 percent non-federal match (LWCF 2009: 5).

LWCF funds can also be used in creative ways in concert with other funding sources, both public and private. In one case, the NPS sought to acquire 183 acres of high-value land, which was owned by a private owner whose taxes were delinquent. Since the NPS was unable to finance the purchase on its own, the agency entered into an agreement with the Trust for Public Land (TPL), which purchased 40 of the 183 acres to pay off the landowner's tax bill. Later, the TPL sold the 40 acres to the NPS with the stipulation that the landowner could live on the farm for the rest of his life (Smallwood 1993).

5- Partnerships between Local Governments and the Private Sector

Joint ventures through partnerships between multiple funding sources can be a powerful land acquisition strategy for local governments (The Association of Bay Area Governments 2009). This approach can be especially useful for a land trust that is pursuing its first acquisition project. Land trusts can join other land trusts (or a local government agency) to jointly finance or share responsibility for the acquisition and/or management of open space and parkland.

In one example of a successful joint venture, the city of Hightown[2] created their own economic development corporation, which partnered with commercial firms to jointly develop a golf course community. The economic development corporation was structured to allow the city to capture a share of the windfall gains that its investment created. Thus the cost of developing the infrastructure and constructing the community was covered by the net revenue (35 percent) the city collected from home sales, as well as the increased property taxes the city collected from the new residences (Boswell and Crompton 2007: 1, 118). The city then zoned the development as a Tax Increment Reinvestment Zone (TIRZ), which is described in more detail below.

6- Tax Increment Financing (TIF) and Tax Increment Reinvestment Zone (TIRZ)

A Tax Increment Finance (TIF) district can be applied to an area where property values are expected to increase after the purchase of land for park space has been completed. The purchase would lead to an increase in property values surrounding the new park space, causing an "incremental" increase in property

[2] The name of the city was changed in Boswell and Crompton's study to protect the anonymity of those involved in the land acquisition (Boswell and Crompton 2007).

taxes. The additional property taxes assessed for neighboring properties, i.e. the "tax increment," would then be used to finance the original acquisition of the park. In addition, the additional property taxes could be used to fund maintenance of the park (Burton and Hicks 2007). One example of this financing strategy is the Johnson Street Revitalization Project in Lafayette, Louisiana. The northern section of the street is incorporated in the Johnston Street Redevelopment Corridor TIF district, which I will discuss in more in depth in Chapter 3.

TIFs are not to be confused with Tax Increment Reinvestment Zones (TIRZ). A TIRZ is "a legal entity that enables a city to borrow money using revenue bonds for the project which are redeemed from the income stream of increased tax revenues accruing from growth in the assessed valuation of properties within the TIRZ" (Boswell and Crompton 2007: 118). In other words, in the case of a TIRZ, funds are not directly acquired through increased property taxes, but rather through loans guaranteed through the projected increases in property taxes. In both cases, increased housing values can yield incremental increases in property tax revenue streams, which in turn can be used to partially fund the project in question through the use of tax increment financing (Burton and Hicks 2007).

7- Community Foundations

Community foundations are attractive alternatives for local governments that are unable to secure necessary funds to acquire a property for park space.

Community foundations constitute one of the country's fastest growing philanthropic entities and are defined by the Council on Foundations as:

> ...nonprofits classified as public charities and dedicated to supporting and improving their individual communities. Each community foundation has its own mission, service area and bylaws to guide its activities. Governed by a local board of directors, community foundations make grants to enhance their communities (Council on Foundations 2009).

The funding sources for community foundations vary depending on their size and how long they have been established, and can include private individuals, corporations, other foundations, and government agencies. Community foundations are usually characterized by their focus on specific communities or geographic regions, and they differ in the "strategic choices" they make. These strategic choices are important indicators of the potential for effective community leadership provided by each foundation (Graddy and Morgan 2006).

In order to be legally considered a "community foundation," the foundation must apply for membership in the Council on Foundations and meet certain requirements (see Appendix 3.8 for these requirements). Being a member of the Council on Foundations is important for community foundations, since it means they meet operations and financing standards developed by the Council.

Membership in the Council on Foundations shows donors that the community foundation is a credible institution which can be a serious partner, and which can be trusted to handle donated assets (Easterling 2009: 48).

Each of these funding strategies for park space represents a slightly different approach toward funding land acquisitions for public use. Before considering appropriate financing strategies for the ULL Horse Farm in Lafayette, I will review the history of the conflict surrounding this property and the different actors involved.

CHAPTER 2: THE UL HORSE FARM CASE STUDY

In this chapter, I introduce the two properties involved in the University of Louisiana at Lafayette (ULL) Horse Farm land swap deal and detail the turn of events leading up to the present situation. The first property is the UL Horse Farm, a 100-acre piece of nearly untouched land located in the heart of the city (Figures 2, 3 and 4). The other is a property owned by the Davidson family, located directly across from the ULL main campus, between a busy business district and Girard Park, the city's most popular park. The ULL administration wanted to swap the Horse Farm for the private property nearer to campus, and in the process allow the Horse Farm to be acquired by a private developer. However, the Save The Horse Farm (STHF) organization and many community members wanted the City of Lafayette to acquire the Horse Farm for the purpose of turning it into a public park.

1 - History and Ownership of the UL Horse Farm Property

The Horse Farm property is officially named the "ULL Equine Center" but is known to most Lafayette residents as the "UL Horse Farm". The property is located about two miles southwest of ULL's main campus, out of walking range for its students and not convenient for ULL academic activities (Figure 4).

Figure 2: Images of the UL Horse Farm property, taken by the Save The Horse Farm organization in 2005. The National Live Oak Society now protects twenty of the oaks on the property. Source: Savethehorsefarm.com

2006 2009

Figure 3: Images before and after the demolition of the barn located on the Horse Farm. The university administration at the time claiming the structure was a "safety hazard". Source: Savethehorsefarm.com

Figure 4: The Horse Farm as seen on the most recent aerial, taken in 2009.The Horse Farm extends from the upper left corner of this photo to Bayou Vermilion at the extreme lower-right corner of the photograph. Source: Lafayette Consolidated Government.

The Horse Farm site is now only used for occasional ROTC training drills and as testing grounds for engineering student projects, but it was previously used for a variety of farming activities, not merely the raising of horses (Cajunbot.com 2010). Some alumni know the property under its former name, the Southwestern Louisiana Institute (SLI) Dairy Farm (SLI is the former name of UL-Lafayette) (Figure 5). As time went by, the university outgrew the Horse Farm and eventually moved all of its farming and agricultural activities to Cade, Louisiana, a small town 10 miles southeast of Lafayette, where the university acquired 600 acres of farmland (ULL 2010). This is informally known as the “Cade Farm” and formally known as the “University Research Farm” (INHC 2010).

Figure 5: The UL Horse Farm Barn in the 1920s. Source: Student 2, 2005.

The 100-acre Horse Farm is divided into a number of parcels, most of which are owned by the university. However, some parcels are owned by the City, including an easement along the artificial drainage canal that connects Coulee Iles Des Cannes to Bayou Vermilion. STHF activists have suggested that this easement could serve as an integral element in a greenway leading from Johnston Street, at the front of the property, to Bayou Vermilion. According to a state-sanctioned appraisal of the Horse Farm property, 87.79 acres are usable property, 2.32 acres are low-lying, undevelopable land located along the coulee, and 7.35 acres fall within a Lafayette Consolidated Government easement. In addition, ULL owns a 2.01-acre isolated parcel, separated from the rest of the property and abutting a small number of private residences (Turk 2009c: 2).

The remaining 36-acre parcel, which is owned by the University, is located adjacent to the South College Shopping Center just off Johnston Street, one of the busiest retail corridors in the city. This commercial corridor is slated to be included in the city's proposed Johnston Street Tax Increment Financing (TIF) district (LCG Planning Division 2010), which suggests a possible funding strategy discussed in the following chapter.

2 - The Land Swap Proposition

To the ULL administration, the land swap was an attractive strategy. It would allow ULL to obtain property nearer to campus, which in turn could be used to accommodate the new facilities for the Nursing School program (Figure 6). Moreover, the university administration claimed that the Davidson family property—the land located directly across from campus—was equal in value to the 36 acres of the Horse Farm that was owned by the University. At the outset of the proposed land swap in 2005, the administration suggested that the ULL parcel of the Horse Farm, as well as the Davidson property, were both appraised at $3.25 million (Turk 2006b: 2). Because of this, swapping the two properties seemed to be both appropriate and beneficial for the university. However, reporters for the local newspaper, *The Independent,* soon uncovered personal connections and conflicts of interest between the appraisers and the landowners. These revelations put the deal into question and caught the attention of the Save The Horse Farm (STHF) organization.

Figure 6: The two parcels of land involved in the "land swap" deal: the 36 acres of ULL's 100-acre Horse Farm on the left and the Davidson Family Property on the right (4.1 acres). Both parcels were initially claimed to be equally valued at ~$3.25 million each. Source: 2009 aerial, Lafayettegov.net.

According to an influential, early article written by Leslie Turk of *The Independent,* university administrators had refused to share information about the appraisals and had failed to respond to other queries from reporters (Turk 2006b:

4). Instead, a great deal of energy seemed to be exerted both by the University and the Davidson family to keep the appraisals of the Davidson property concealed. As it turned out, this reluctance to discuss the Davidson property appraisal stemmed from the illegal construction and grandfathering of a plastics plant on the Davidson property in the late 1980s.

Since the initial development of the neighborhood, the Davidson property (Figure 7) has always been zoned for residential use. However, ASH Industries built a plastics plant on the property between the late 1980s and early 1990s without requesting zoning changes and building permits. The appraiser Eleanor Buoy visited the property in the 1990's in response to complaints of cabooses being stored there, but she determined that ASH Industries (by now) was abiding by state law. Since the plastics plant had operated for more than five years, including two years without complaints, it was allowed to continue operating under "non-conforming" use status (in this case, general commercial) (Buoy, quoted in Turk 2005a: 2).

Figure 7: The neighborhood surrounding the Davidson Family Property.
Source: Lafayettegov.net

Ultimately, the investigations conducted by *The Independent* showed that the appraisals of both properties had been conducted by appraisers closely connected to both university officials and to the owner of the Davidson property. Pointing out these close relationships, reporters at *The Independent* questioned the integrity of the appraisals and ULL's contention that both properties were equal in value. However, despite these concerns, the university administration presented the ULL Board of Supervisors with the original appraisals in their formal application for permission to proceed with the land swap. The Board of Supervisors soon approved the land swap and the University immediately applied for rezoning of the 36 acres of the UL Horse Farm, as part of a contingency agreement with the private buyer who was interested in developing the Horse Farm. The stage seemed to be set for private development of the Horse Farm. If the university portion of the Horse Farm property were re-zoned, the transaction would be complete--and the land would be lost forever to developers.

At this point, the STHF intervened. The group of university students had learned about the questions asked by *The Independent* about the integrity of the appraisals and saw this as an opportunity to stop the land swap. The STHF knew they needed to convince the Zoning Commission to deny the University's request to re-zone the property. An STHF member wrote a letter to the Louisiana State Inspector General, Sharon Robinson, expressing their suspicion of possible mishandling of state property and enclosing copies of the original appraisals. The letter prompted the State of Louisiana to launch an investigation into the land swap. Ultimately, the State requested that new appraisals of both properties be conducted using "state-trusted" appraisers. These new appraisals revealed that the UL Horse Farm was worth $4.1 million *more* than the Davidson Property.

The Zoning Commission eventually denied the University's request to rezone the property. The university administration was able to reschedule the hearing, but the scandal about the appraisals became public knowledge before the new hearing took place. As a result of the controversy and pressure from the STHF organization and the general public, the University finally called off the land swap. However, university officials have continued their talks with other major developers, informally suggesting that the property could still be developed for private use, instead of as a public park. The sequence of events for the land swap deal up to the demolition of the Horse Farm barn was organized in a timeline by *The Independent* (Figure 8).

HORSE FARM LAND SWAP DEAL TIMELINE"

2005

- ***Aug. 26*** *UL System Board approves deal to swap 36 acres of Horse Farm for 4.1 acres of Davidson family property on Girard Park Drive, both valued at $3.25 million*
- ***Sept. 7*** *UL applies to rezone 36 acres of Horse Farm land from residential to commercial*
- ***Sept. 9*** *UL official Wayne Denton faxes letter from appraiser Gene Cope to UL System; Cope estimates Davidson property has increased 10 percent since first Parker appraisal in December 2003, bringing its value to $3.6 million*
- ***Sept. 28*** *Independent Weekly breaks story of rezoning effort; university officials don't return calls for comment*
- ***Oct. 5*** *Daily Advertiser publishes story about university selling Horse Farm land for property closer to campus; Authement does not reveal that swap has been approved and is under way*
- ***Oct. 7*** *University officials issue press release revealing some details of the previously secretive swap*
- ***Dec. 5*** *Zoning Commission denies university's request to rezone Horse Farm for commercial development; measure heads to council for a vote*
- ***Dec. 7*** *In an editorial, The Independent calls for Authement to kill the deal and exposes concessions the university has made in the transaction that favor property owner Davidson*
- ***Dec. 7*** *UL System Board attorney asks state Division of Administration to recommend "independent" appraisers for Horse Farm and Davidson properties after amended appraisal reveals Horse Farm property is worth $2.12 million more than the $3.25 million in the swap*
- ***Dec. 8*** *UL Physical Plant Director Bill Crist writes letter to DOA's Facility Planning and Control saying Authement believes he has already satisfied the board's requirements for the transaction and will not pay for another appraisal*

2006

- ***Feb. 23*** *University yanks rezoning request (an irritated Crist tells Marrero that Authement pulled the request because new appraisals had not yet been ordered by her office)*
- ***April 5*** *Crist tells Marrero to proceed with Davidson appraisal first*
- ***April 24*** *FP&C contracts Lafayette appraiser Lane Godshall to value the Davidson land*
- ***May 31*** *FP&C receives Godshall appraisal*
- ***June 8*** *UL's Crist asks if he can send someone to BR to pick up appraisal*
- ***June 9*** *Denton drives to Baton Rouge to pick up appraisal*
- ***June 13*** *Independent Weekly requests new appraisal from Authement*
- ***June 14*** *University spokeswoman says press release with findings from appraisal, along with university's "next steps," is being prepared*
- ***June 15-16*** *Authement summons parties to land swap to his office and calls off the deal*
- ***June 19*** *University denies public records request, invoking FP&C's long-standing, unwritten policy of keeping appraisals from public under the guise they are all ordered "in anticipation of litigation." (The university claims it may one day expropriate the Davidson property.*
- ***June 30*** *Independent Weekly files suit against Authement's office for appraisal*
- ***July 10*** *Authement confirms to Daily Advertiser that Horse Farm land swap is off*
- ***Aug. 23*** *Independently Weekly reports that Lafayette City-Parish President Joey Durel asks Authement for first right of refusal on Horse Farm; Authement verbally agrees. Says Durel, "He said he'd talk to us before he does anything."*
- ***Sept. 11*** *State District Judge Ed Rubin rules in favor of The Independent Weekly and says appraisal is a public record*
- ***Sept. 18*** *Independent Weekly gets Godshall appraisal valuing Davidson property at $1.5 million*

Figure 8: A timeline developed by *The Independent* to illustrate the sequence of events for the land swap deal (Turk 2006b: 6-7).

3 - Student Action

In addition to their engagement with the State of Louisiana, STHF raised public awareness about the Horse Farm issue through their participatory strategies. STHF was formed by ULL students soon after the announcement that the University was about to sell the Horse Farm. In the first STHF meeting, a small group of ULL students discussed what they could do to save the property from being sold to private developers. At this point, they had no knowledge of the appraisal controversy; instead, they were united in their disagreement with the University's intention to sell the property to developers. The same night, following their first meeting, *The Independent* called one of the STHF members and asked if they would like to share their reactions to the UL System Board of Supervisors' announcement of the University's intension to sell the property to developers.

The group spent two hours crafting the statement for the newspaper, defining their group's mission and their goals for the property.[3] STHF would only agree to development of the property if this directly furthered the university's educational goals. Secondly, if the university wanted to "swap" this land in exchange for the Davidson Family Property, they would support converting the property into a public park. This was an opportunity for the City of Lafayette to obtain this

[3] Information about the STHF organization was obtained from various group members. Their names will not be mentioned in this report to protect their anonymity. Instead, their names will be identified as Student 1, Student 2, and Student 3.

property as an environmental amenity, which in turn could help draw a creative workforce to Lafayette (Lafayette Economic Development Authority 2005).

The STHF position was supported by the proposal developed by Bayou Vermillion District in its *Bayou Vermilion Master Plan*, which incorporated the UL Horse Farm in a proposed greenbelt formed by a series of central Lafayette waterways, including Coulee Mine and the artificial canal that runs to Bayou Vermilion (Figure 9). The proposal enjoyed wide support at the time and illustrates the important role of this property in furthering green space connectivity in Lafayette (Figure 10 and 11).

LAND SWAP PROPOSAL

UL Horse Farm <==> a portion of Girard Park (a larger portion than previously discussed)
+ Youth Park

Larger portion of Girard Park – maybe ½ (~15-16 acres adjacent to the university)

The remainder of Girard Park – including Rec Center and playgrounds would become part of a larger linear park called GIRARD GREEN. This linear park would have a bikeway and other recreational amenities (e.g., playgrounds, benches, etc.)

The 1st part of GIRARD GREEN would be constructed on top of existing concreted coulees connecting Girard Park to the Horse Farm (~7 acres). The cost of this segment is approximately $500,000. Bayou Vermilion District would consider taking on this project.

GIRARD GREEN could become a dramatic transformation of Lafayette connecting neighborhoods – UL, The Oil Center, neighborhoods along West Bayou Parkway, Red's Health Club, etc.

- The abundance of coulees on our landscape – both concreted and not – gives Lafayette an opportunity to create even more greenways that could connect neighborhoods in other areas.
- And it goes along with other projects that follow creates terrestrial paths alongside our waterways. For example Bayou Vermilion District is assisting TRAIL (Transportation & Recreation Alternatives in Louisiana) in developing a 8.5 mile bikeway that would connect Acadiana Park with Beaver Park. This path could be connected to GIRARD GREEN in the future.

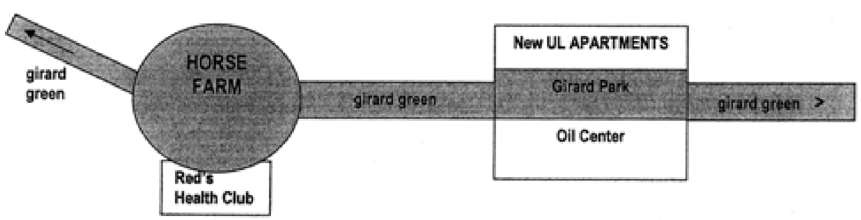


Figure 9: A description of negotiations involving Girard Park and Youth Park.

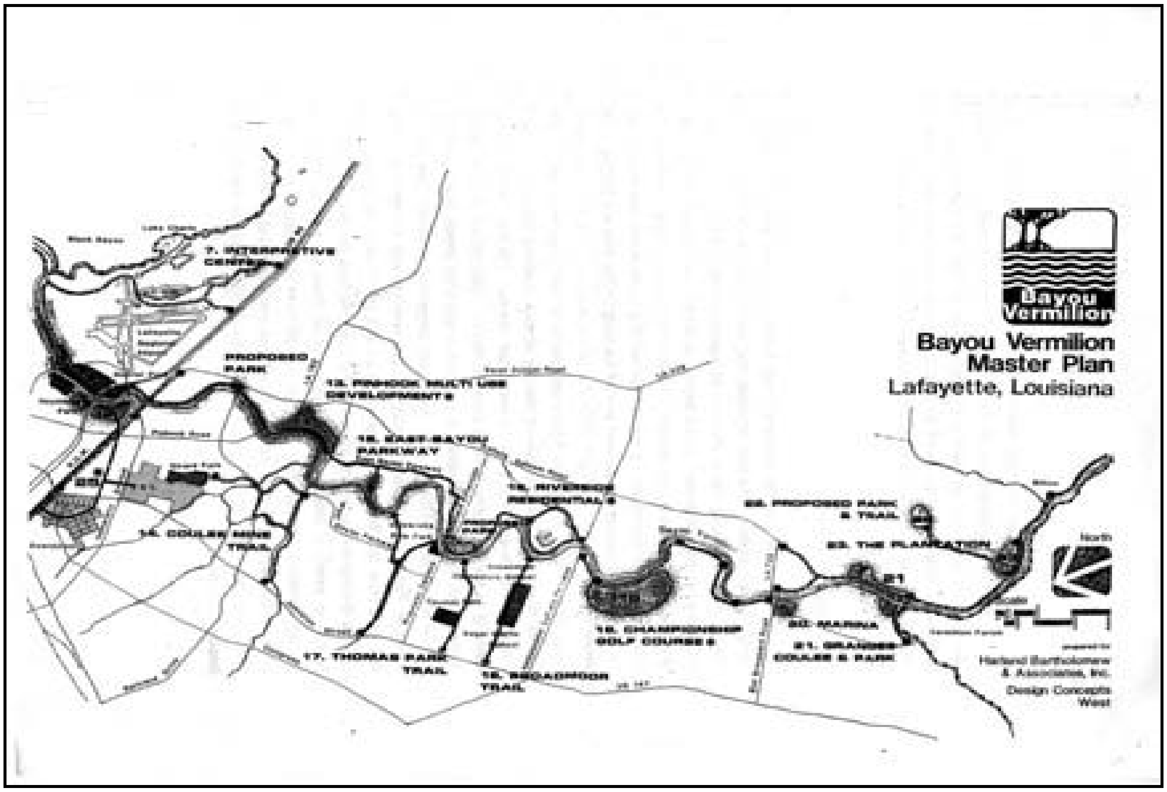


Figure 10: The Bayou Vermillion District's Master Plan for Vermillion River includes the Horse Farm, labeled as number 14 on this map, as a key element in an extended greenbelt (BVD 2007).

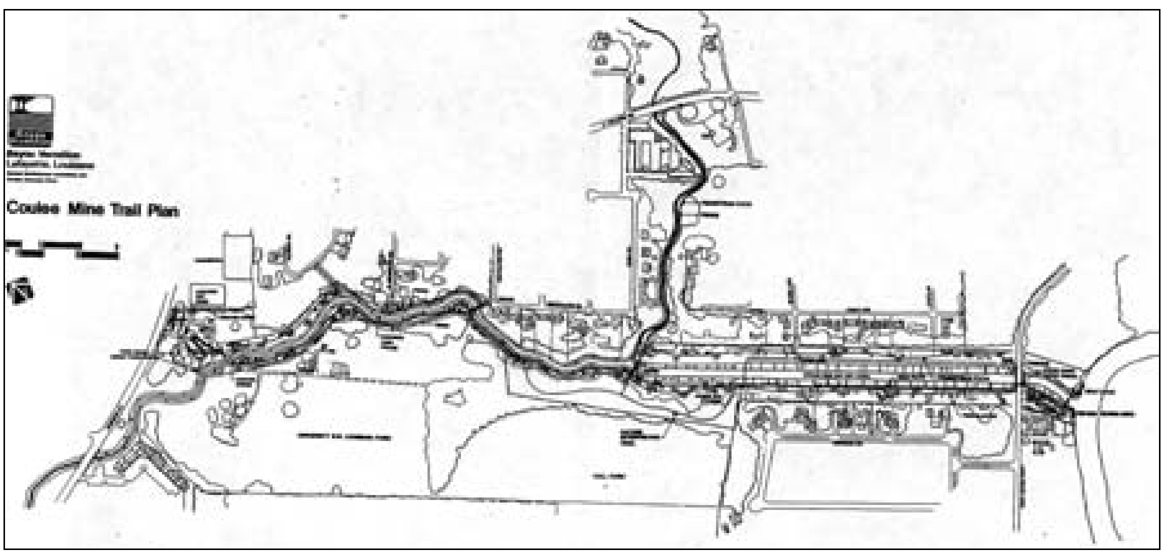


Figure 11: Detailed map of Number 14 on the BVD Master Plan. The Coulee Mine drainage canal runs the entire length of the property (BVD 2007).

Also discussed at the time was the possibility of trading the Horse Farm for a portion of Girard Park plus all of Youth Park on the opposite end of campus. (Appendix 3.1 shows a drawing of the section of Girard Park that was part of these negotiations.) In other words, this trade would have sacrificed a small portion of the city's park system in order to save the much larger Horse Farm.

Following their first meeting, the STHF submitted a statement via email to *The Independent* (see Appendix 1.1. for the complete email):

> We are disappointed in the way the administration has handled this situation so far. They are attempting to bypass the democratic process in the proposed future use of this state owned property. We would like to encourage the Lafayette and UL communities' participation in creating alternatives to the commercial development of the UL Horse Farm, tax-payer owned property. In order to facilitate public participation in this process, we would like to extend an invitation to all community members to attend a round table discussion on these issues (STHF Email Archive, Oct.22, 2006).

The STHF held their public forum on October 12, 2005 in the Forum Room at the ULL Union. All Lafayette television affiliates and newspapers were present to witness the event. In structuring the forum, the students had decided to follow a "Delphi group" model (Renn et al. 1993) where one ULL student would serve as the principal facilitator, while another student would record participants' comments on a chalkboard. The Delphi model emphasizes the benefits of dividing participants into smaller working groups following a plenary session, and finally concluding with a second plenary session. "This justification procedure (second plenary) assures that relevant information is shared among the participants so that differences in evaluations are based not on ignorance but on different interpretations of the data" (Renn et al. 1993: 194-195).

The student facilitator opened the meeting by asking each participant to state their name, occupation, and what brought them to the meeting. The audience consisted of a wide range of people, including citizens, concerned students and ULL staff, and real estate developers curious about the property. Following introductions, the facilitator asked participants to share their interests and concerns about the UL Horse Farm with the rest of the group. The second student facilitator recorded the comments and organized them into six topic areas: (1) Re-zoning both properties involved in the land swap, (2) Environment, (3) Democracy (for those who wanted to address any possible lack of transparency in an effort to include all stakeholders) (4) Media (for those who believed using the media as a key tool for determining the ultimate use of the Horse Farm property) (5) City Planning, and (6) ROTC and other current uses of the ULL Horse Farm.

Next, the student facilitator invited the participants to join one of several discussion groups to discuss one of these topic areas. Participants were asked to choose a leader for their group and create a list of action items to address their principal area of concern. During the conversation, ULL students recorded the discussion and noted each participant's contact information. This structure allowed for participants to brainstorm more effectively since they shared common interests. The forum concluded with a second plenary session, where the leader of each group recapped their discussion and shared their proposed action items.

In addition to the public forum, STHF group members created memorabilia to increase public outreach and increase the visibility of the organization. They designed a logo, made T-shirts for their fundraising efforts, and created yards signs and bumper stickers which they distributed for free. Another organization, the Society of Peace Environment And Knowledge (SPEAK), contributed funds from their annual "4 bands 4 bucks" event to support the work of the STHF group (Student 3 Per. Int. 2009). STHF also developed a website, www.SaveTheHorseFarm.com, which included a discussion board, contact information, links to publications, and updates on new developments and upcoming meetings.

Through this engagement, the STHF laid the groundwork for converting the Horse Farm into a public park. The question now remaining is, How can the City of Lafayette finance such a purchase? In the following chapter, I provide a deeper analysis of the current strategies pursued by the city and offer recommendations for alternative financing options.

CHAPTER 3—ANALYSIS AND RECOMMENDATIONS

In Chapter One, I reviewed potential funding options for municipalities seeking to acquire property for public parks. In this chapter, I will analyze the strategy currently pursued by the City of Lafayette and STHF: financing via the Community Foundation of Acadiana. This approach carries important benefits but also has its disadvantages. Following this analysis, I will briefly review strategies that are *not* appropriate for this case, before I propose a combination of alternative financing strategies that are particularly well suited for the Horse Farm. Diversification of funding strategies lessens the dependency on just one source of funding, and can also provide more political weight to public entities engaged in the purchase.

1 – Analysis of the Community Foundation Strategy in Lafayette, LA

In my analysis of the Community Foundation of Acadiana, I draw on the framework developed by Graddy and Morgan in their study of California community foundations. They suggest that the success of community foundations is influenced by four sets of factors: (1) Internal factors, including the age and size of the organization , (2) Community factors, including the economic and social stability of the community, (3) Internal developments in the financial industry, including the level of "professionalization of the field," and (4) The growth in national competitors

(Graddy and Morgan 2006). In turn, these factors influence the strategic direction that is chosen by community foundations. This is illustrated in Figure 12.

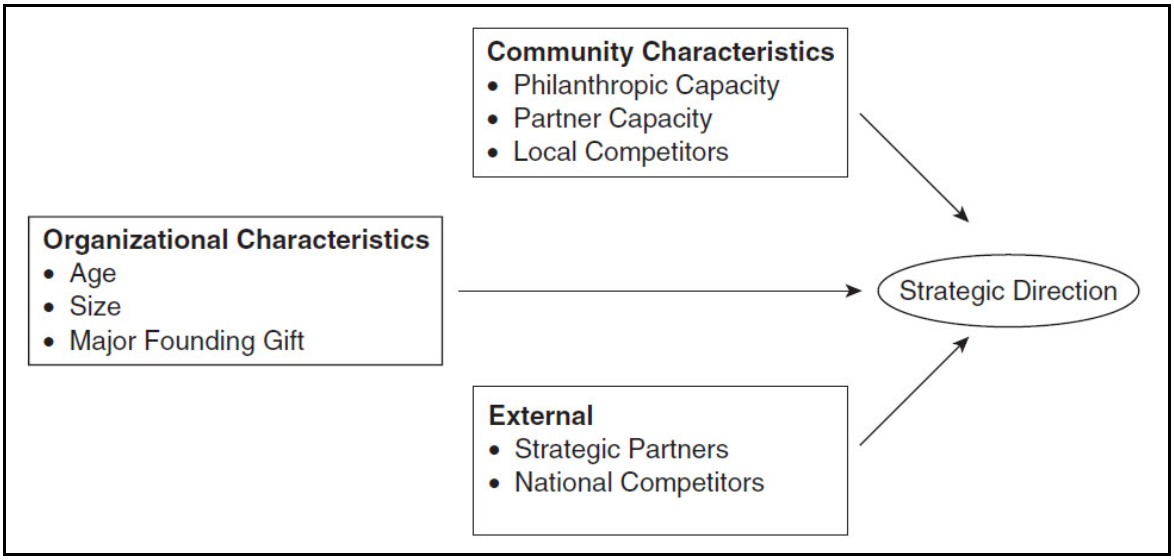


Figure 12: Chart showing the factors that influence a community foundation's "Strategic Direction. Adapted from Graddy and Morgan (2006).

In the study, Graddy and Morgan found that younger foundations initially pursue a "donor services" strategy, where they build gift funds by serving financial planners and donors (Graddy and Morgan 2006: 615-617). In other words, a younger foundation expends its energies on donor relations instead of acting as "matchmaker" between different actors in the community. But as time progresses, younger foundations will take a more active role in "community leadership," where a foundation is centered on responding to, collaborating with, and leading efforts in the community to create policy changes that combat the most significant problems facing the region (Graddy and Morgan 2006: 609).

The development of community foundations, from primarily providing donor services to assuming community leadership, began in earnest in the early 1990s, due in part to the increasing competition in the national commercial market for planned giving. In this period, national firms such as Fidelity with its Charitable Gift Fund, became large commercial providers of donor services because of increased availability of assets. Because of this growth in national-level competition, local foundations recognized that it was their community connections that differentiated them from commercial providers of these services. In turn, this may have led community foundations to focus more on community leadership or matchmaker strategies (Graddy and Morgan 2006: 617). Another factor that prompted community foundations to reevaluate their strategic direction was the increasing standardization and professionalization of the philanthropic sector (Graddy and Morgan 2006: 618). This need for greater professionalization eventually led to changes in the norms of the Council on Foundations (COF). Now, the COF requires foundations to hire full-time staff as opposed to relying on volunteers as in previous years.

In the case of Lafayette, a community foundation approach was recommended early on by community leaders as the most viable funding strategy to acquire the Horse Farm. Foundations are more likely to raise sufficient donations in cities known for philanthropy, such as Lafayette (Anonymous CFA Pers. Int. 2009). Also, Lafayette already had a community foundation: the Community Foundation of Acadiana (CFA). The CFA had been established in 2000 and had little or no local competition, except for the smaller Lake Charles and Baton Rouge foundations, both of which are now partners with the CFA (Baton Rouge Area Foundation 2010). The CFA was also a certified and regulated member of the COF, providing donors with greater assurance that their donations would be used properly (CFA website 2010).

Because time was short, and fearing the Horse Farm would be lost to developers, members of the STHF, officials with the Lafayette Consolidated Government (LCG), and city administrators quickly agreed to pursue financing via the CFA. Since the University could be putting up the Horse Farm for bid at any moment, activists hoped that the CFA could raise private funds quickly to anticipate a bidding situation. More importantly, the CFA had far greater capacity to raise sufficient funds than the STHF (Student 2 and Student 3, per. int. 2009).

To date, this strategy seems to have been relatively successful. Donations offered so far to the Green Space Legacy Fund, created by the CFA for the purpose of acquiring the Horse Farm, equal the appraised value of $5.7 million. Once donations are confirmed, donors will be provided with individualized financing plans which reveal the combination of finance investment vehicles used by the CFA, including money market accounts or endowment funds (Anonymous CFA pers. int. 2009). If there are any donations left over in the Green Space Legacy Fund after the Horse Farm is purchased, they will be used for a similar purpose, as specified in the description of the Green Space Legacy Fund (Anonymous CFA Pers. Int. 2009). If the Horse Farm acquisition falls through, the CFA would be free to find another purpose for the donation (Student 3 per. int. 2009).

In other words, once a donation is given to the Green Space Legacy fund, that donation remains with the CFA regardless of the outcome of the Horse Farm acquisition. This is one disadvantage in the community foundation strategy: if the acquisition of the Horse Farm were to fall through, no refund would be provided. This could be an important consideration for some potential donors, making them reluctant to contribute to the CFA. Donors might also be concerned about the capacity of the CFA to operate the Horse Farm: this strategy assumes that the property will be owned by the CFA, not the City of Lafayette.

Also, the CFA is considered a young and small foundation, which suggests it has fewer resources to determine and implement appropriate strategic decisions than larger foundations (Morgan and Graddy 2006). Only in existence for 10 years, the foundation had a relatively modest net worth of $43,491,644 in 2009 (CFA website 2010) and operates out of donated office space. In comparison, the closest major competitor in the area, the Baton Rouge Area Foundation (BRAF) was established in 1964 and had well over $524 million in assets in 2009 (BRAF website

2009). This means that the CFA, which is still a developing foundation, needs to focus on building its resource base, developing donor relationships, and increasing its professional capacity, potentially leaving less time for "community building" and political engagement (Morgan and Graddy 2006: 811).

Although the CFA has the potential to become a community leader in Lafayette and eventually may secure the acquisition of the Horse Farm, these challenges point to the need for alternative financing strategies. In the following sections, I first present financing strategies that were initially considered, but ultimately found inappropriate for the Horse Farm acquisition. The strategies included purchase at fair market value, saleback or leaseback, and partnership with private parties. Finally, in the subsequent section, I recommend a combination of approaches which would complement the work of the CFA and provide a more diverse suite of financing tools. In developing this analysis and series of recommendations, I considered the following factors: (1) The composition, interests and needs of principal stakeholders, (2) The public purpose for making the acquisition, (3) The potential availability of monies for the acquisition, (4) The impact the acquisition would have on local property values, and (5) The location of the property being acquired.

2 – Rejected Financing Strategies for the Horse Farm

Early on, the STHF and the City of Lafayette explored the possibility of purchasing the Horse Farm at fair market value. However, this would have involved a bidding war between the city government, four major developers, and a private homeowner who was interested in acquiring the property for his own private residence (Turk 2006a: 1). Because such a bidding process would have put the City and STHF at a disadvantage, the City was prepared to offer Youth Park near campus to make its offer more competitive. The City-Parish President (mayor), Joey Durel, also considered sacrificing a piece of land from Girard Park to the negotiations (Student 2 and Student 3, Pers. Int. 2009). However, the combined value of these properties was minor compared to the value of the Horse Farm, now appraised at $5.7 million. Additionally, it turned out the Girard Park property was restricted by covenants that prohibit any form of immediate development (Student 2 and Student 3 Per. Int. 2009).

Secondly, a buy option would have allowed the City to buy the property in installments, as opposed to one single payout. The University would have negotiated a date by which the City would need to provide the funds. Alternatively, the City could have purchased the property parcel by parcel. If the City could not afford a given parcel, it would still have full possession of any previously purchased parcels. The STHF considered this option shortly after the University announced the cancellation of the land swap deal, when many feared that the administration would put the 36 acres at the front of the property up for bid at any moment. Trust for Public Land (TPL) met with representatives from STHF and city staff to explore the possibility of purchasing the front 36 acres. However, according to one member of STHF, the City felt the TPL was “just another finance institution.” Ultimately, the City stepped away from the buy option because the mayor did not want to expropriate city funds for the Horse Farm acquisition (Student 3 Per. Int. 2009) (Figure 13).

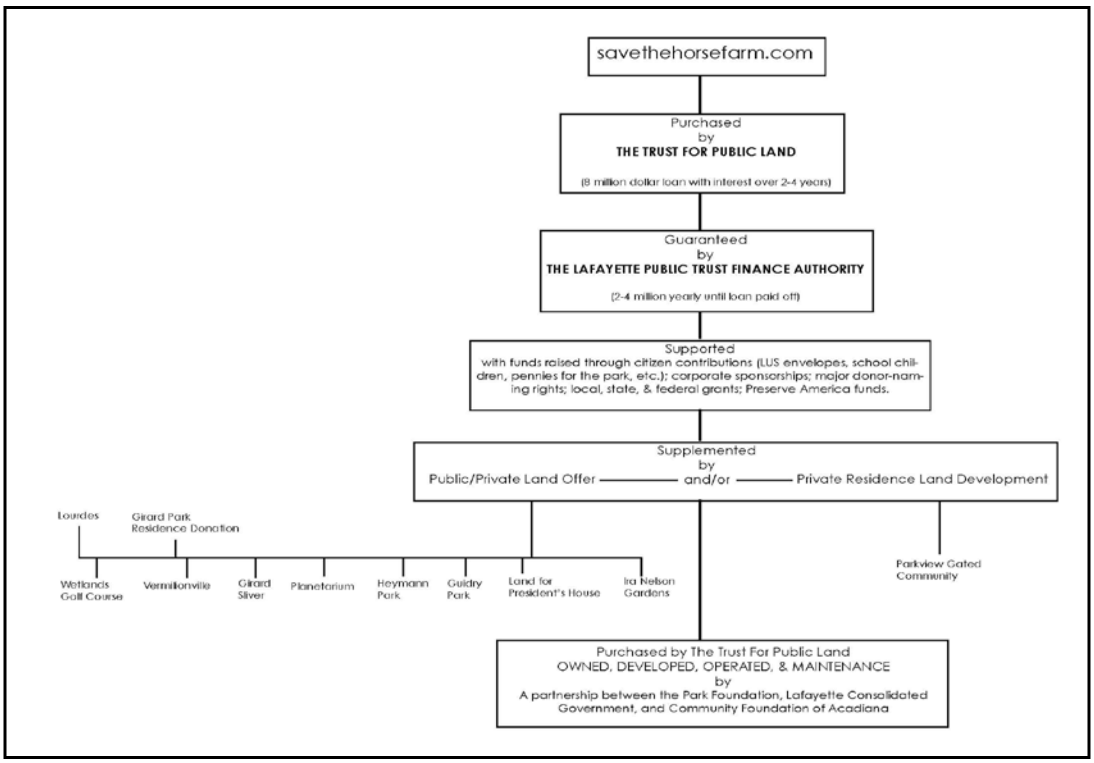


Figure 13: A flow chart illustrating a joint agreement explored as a possible strategy involving the TPL. A close up is available in Appendix Source: Student 3. 2009.

During the height of the land swap controversy, a saleback or leaseback option was also briefly considered. At the time, city-parish president Joey Durel was receiving a lot of pressure from residents of the Greenbriar neighborhood, located just southwest of the Horse Farm, who did not want the land open to the public. To resolve this conflict, Durel introduced the idea of a townhouse development that would be built along the southwestern border of the Horse Farm, creating a barrier between the residents of the Greenbriar neighborhood and the park, while also providing a revenue source for the acquisition (Figure 14).

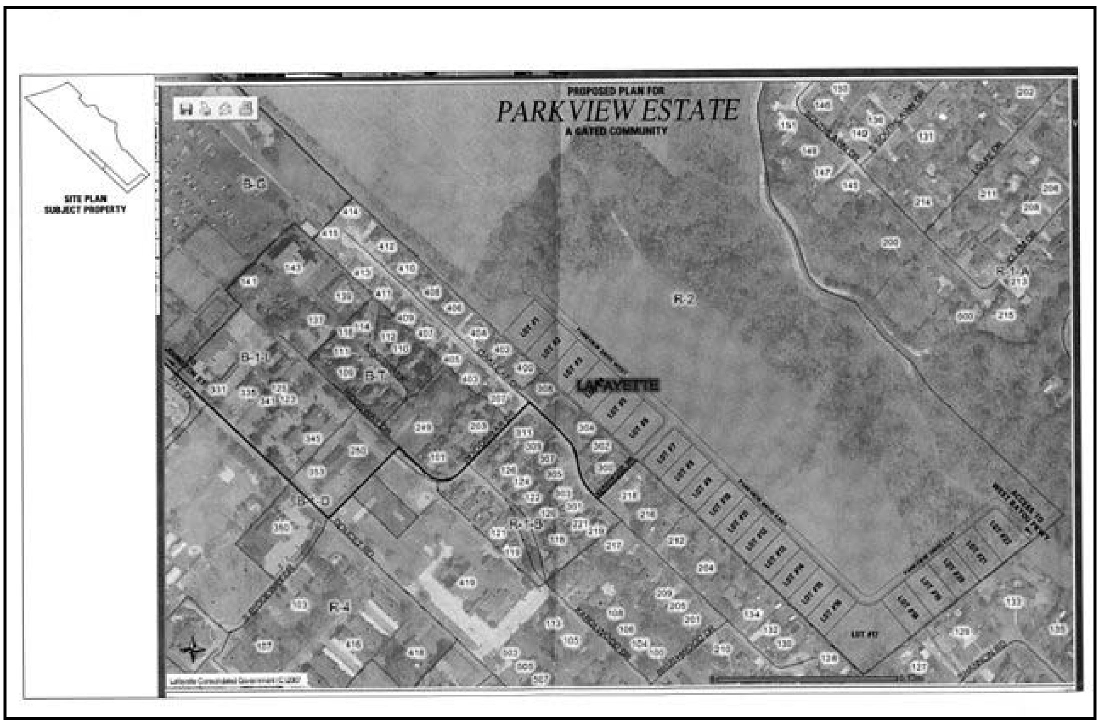


Figure 14: The proposed Parkview Estate townhome development. This is a plat drawn courtesy of Robert Daigle upon the request of an STHF group member. A close up is also available in Appendix 4. Source: Student 3, 2009.

If the saleback or leaseback strategy were to be revisited, the purchase of this portion of the Horse Farm would be financed by a bank or a trust. The City would be responsible for the construction of the development and for selling or renting the homes for a profit. The City would then use the profits to finance the payments to the holder of the title. An example of such a partnership is the Triangle development in Austin, Texas, which was financed through a partnership between the State (the owner of the property) and the private developer (Terkel 2008). However, STHF eventually rejected the townhouse development alternative. The student members felt it was important to keep the property fully intact. In addition, they felt the development would not contribute enough funds to make it a viable financing strategy. However, a modified version of the saleback or leaseback strategy may be successfully revisited, as I discuss later in this report (Turk 2010a: 2).

Finally, a working partnership between the City and private investors has yet to emerge in Lafayette. Once the land swap deal was called off, the University expressed interest in selling the property to the City, but only if the City was willing to join with private partners and participate in the bidding process (Student 3, 2009). According to City officials, the City does not have the financial resources to participate in a private bid, but a partnership with one of the developers would still be an option. Such partnerships with private investors have proven successful in other cases. For example, the City of Hightown entered into a partnership with a private developer to purchase part of a golf course development. The city received 44 percent of the revenues accruing from the sale of the development. These proceeds, together with revenues from the development's property taxes, were used to retire the debt charges incurred in the infrastructure and golf course development (Boswell and Crompton 2007: 1).

Thus far, I have discussed strategies that were considered, but ultimately rejected, by the stakeholders in the Horse Farm case study. In the subsequent section, I will present various combinations of other strategies that are still available. In addition to the current community foundation funding strategy, I recommend the following strategies: TIF financing and a joint venture. These two strategies would complement the work of the community foundation and help ensure the Horse Farm is acquired for public use.

3 – Recommended Financing Strategies

A: TIF Financing

I recommend that the city expand the current TIF, designed to fund the Johnston Street Corridor Redevelopment Project, to also fund the acquisition of the Horse Farm and the subsequent development and maintenance of the park. In addition, I recommend establishing a separate TIF district which would overlay the residential neighborhoods immediately adjacent to the Horse Farm. As I discussed in Chapter One, a TIF would allow the city to collect additional revenue from higher property taxes, which would be used to fund the acquisition of the property and the continued maintenance of the park. In the case of the Horse Farm, property values are more likely to increase if the land was converted to a passive park. Research suggests that passive park development leads to greater increases in property values than other types of park development, in part because they include unusual amenities such as trails (Nicholls and Crompton 2005). Trails have been found to significantly increase the value of a park and nearby housing (Burton and Hicks 2007: 7). In the case of the Horse Farm, an attractive design has been proposed by the STHF, including a trail that would run along the entire perimeter of the park (Figure 15).

Using the Johnston TIF district as a funding source for the development and maintenance of the park has already been introduced to city council. Staff members at Lafayette Consolidated Government (LCG) are now working with Mayor Joey Durel to determine if the Johnston Street Redevelopment TIF district is a viable option to fund the maintenance of the park and/or to purchase the property (LCG Staff Pers. Int. 2010). Several financing strategies are being developed for the Johnson Street redevelopment, including local, state and federal funding and membership dues, but the TIF is the favored option for secure financing (LCG 2009).

Income from the TIF is likely to be sufficient to also cover the Horse Farm, although further financial analysis and projections are required.

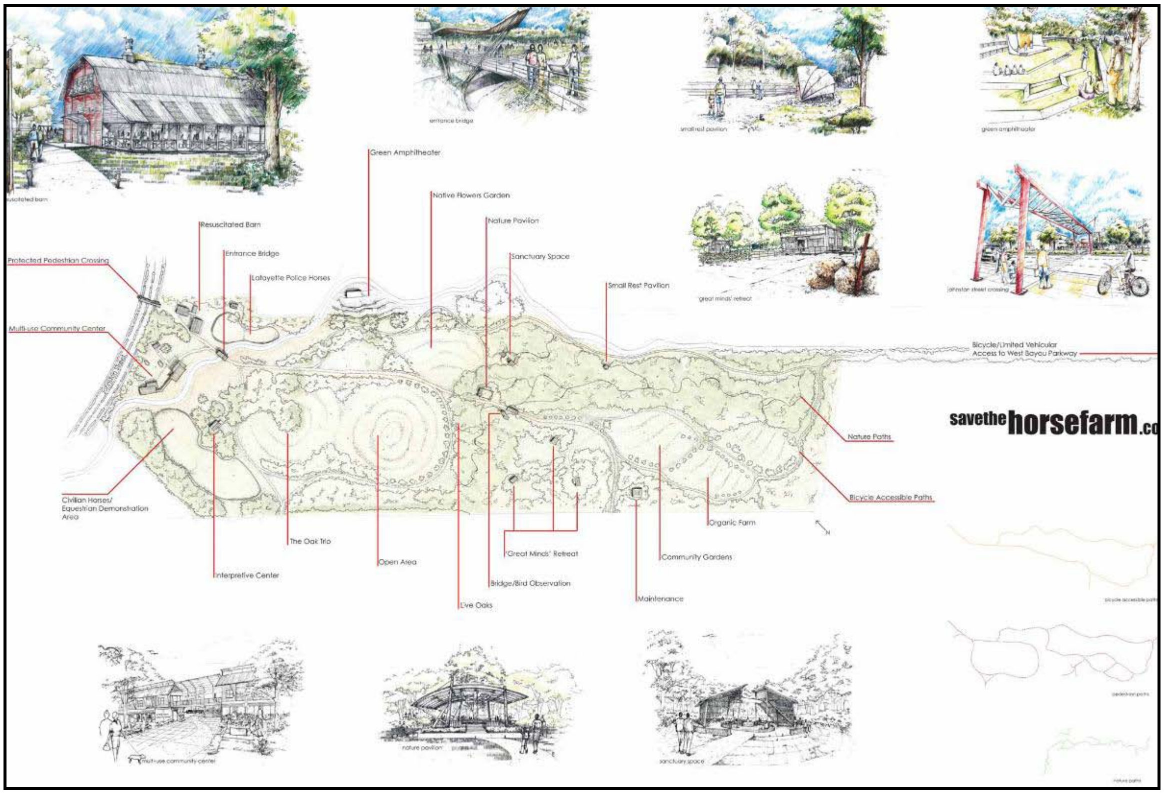


Figure 15: An architectural drawing of the proposed park on the Horse Farm site by Hanz Breaux, showing the principal amenities included in the park. A close up of the drawing is provided in Appendix 3. Source: Student 3, 2009.

The likely increase in property values following the development of the Horse Farm into a passive park makes a TIF one of the most attractive financing strategies. However, this strategy is fraught with political challenges. Research conducted by the National Association of Realtors found that even though 75% of voters would like their local governments to buy land to create new open space in their community, most oppose increasing their property taxes by more than $50 a year to pay the cost of acquiring open space (Jiang 2006: 2).

B - Joint Venture

My second recommendation is to create a "joint venture" between the CFA and the Trust for Public Land (TPL). Even though this strategy failed in 2005 due to the city's unwillingness to expropriate city funds for the acquisition, it is my recommendation that it be revisited. In particular, financing the initial acquisition through a Trust has become a more attractive option given the City's recent, expressed interest in acquiring the property (Turk 10a: 1),

In such joint ventures, land trusts may partner with other land trusts or local government agencies to jointly finance or share responsibility for the acquisition and/or management of open space and parkland (ABAG 2009). It is my observation that such a partnership would draw on the strengths of two groups: TPL would assist the CFA in securing donors by providing the CFA with the resources, while the CFA would collect and manage the donations in an endowment fund that will be used to fund the maintenance of the park. If the CFA endowment fund grows large enough (around $1 million), the maintenance of the park could be completely funded with the dividends generated by endowment (Anonymous CFA Pers. Int. 2009).

One benefit of the joint venture approach is that a trust company like TPL will consider decreasing the cost of the loan for city governments. In addition, a joint venture with a trust company like TPL would allow the City of Lafayette to acquire threatened property in a speedy manner, since a trust loan is a relatively quick process (ABAG 2009). This, in turn, is a potential benefit to the seller, since they receive their money all at once. However, this option requires the CFA to be willing to pursue a working relationship with the TPL, which in return requires the leadership of both entities to engage in open and productive negotiations. In this way, a beautiful expanse of land in the heart of Lafayette could finally be protected for the public to use.

CONCLUSION

This report has shown that park space can provide important benefits to cities and their residents. A park can lead to higher property values, thereby expanding the city's tax base, but only if the right amenities are provided by the new park. In addition, research has suggested that other, important social and health benefits also derive from parks, such as lower crime rates and greater sense of community.

Unfortunately, some cities, including Lafayette, Louisiana, are seriously deficient in park space. In my report, I have found that if the UL Horse Farm property were acquired by the city of Lafayette and converted to a public park, this would help address this deficiency in park space. However, Lafayette, like many medium-sized cities, lacks the resources to fund the acquisition. In order to identify appropriate financing strategies for the Horse Farm acquisition, I have reviewed the most common and successful financing options for the acquisition of park land and analyzed the situations when each would be appropriate. In light of this research, I have recommended two appropriate financing options: a TIF approach and a Joint Venture.

As ULL administrators, city officials and other stakeholders evaluate my proposed financing strategies and other options to acquire this land for the benefits of the citizens of Lafayette, it is important that the public be kept involved throughout the acquisition process. In Chapter Two, I showed how the Save The Horse Farm organization played an important role in informing and engaging residents and halted the land swap, which otherwise would have meant the loss of this valuable property to the hands of developers. STHF will more than likely continue to play an important role in the community by maintaining the increasingly productive communication between stakeholders, thus ensuring the UL Horse Farm will be a welcoming contribution to Lafayette's park system and improving the quality of life of its citizens.

APPENDIX

Appendix 1: The statement provided by the Save The Horse Farm organization to journalist Leslie Turk of *The Independent* in response to the Land Swap announcement.

-----Original Message-----

From: Horse Farm [mailto: horsefarm@gmail.com]

Sent: Fri 10/7/2005 8:42 PM

To: Leslie Turk

Cc:

Subject: Official Statement of a group of concerned UL students and Lafayette citizens with regard to the development of the UL Horse Farm

The Official Statement of a group of concerned UL students and Lafayette citizens:

"We are disappointed in the way the administration has handled this situation so far. They are attempting to bypass the democratic process in the proposed future use of this state owned property. We would like to encourage the Lafayette and UL communities' participation in creating alternatives to the commercial development of the UL Horse Farm, tax-payer owned property. In order to facilitate public participation in this process, we would like to extend an invitation to all community members to attend a round table discussion on these issues. The discussion will take place at 4:30 on Wednesday, October 12th, 2005 in the Forum Room of the UL Union on W. McKinley Street."

Source: Student 3. 2009.

Appendix 2: Council on Foundations—Membership Requirements (COF 2010).

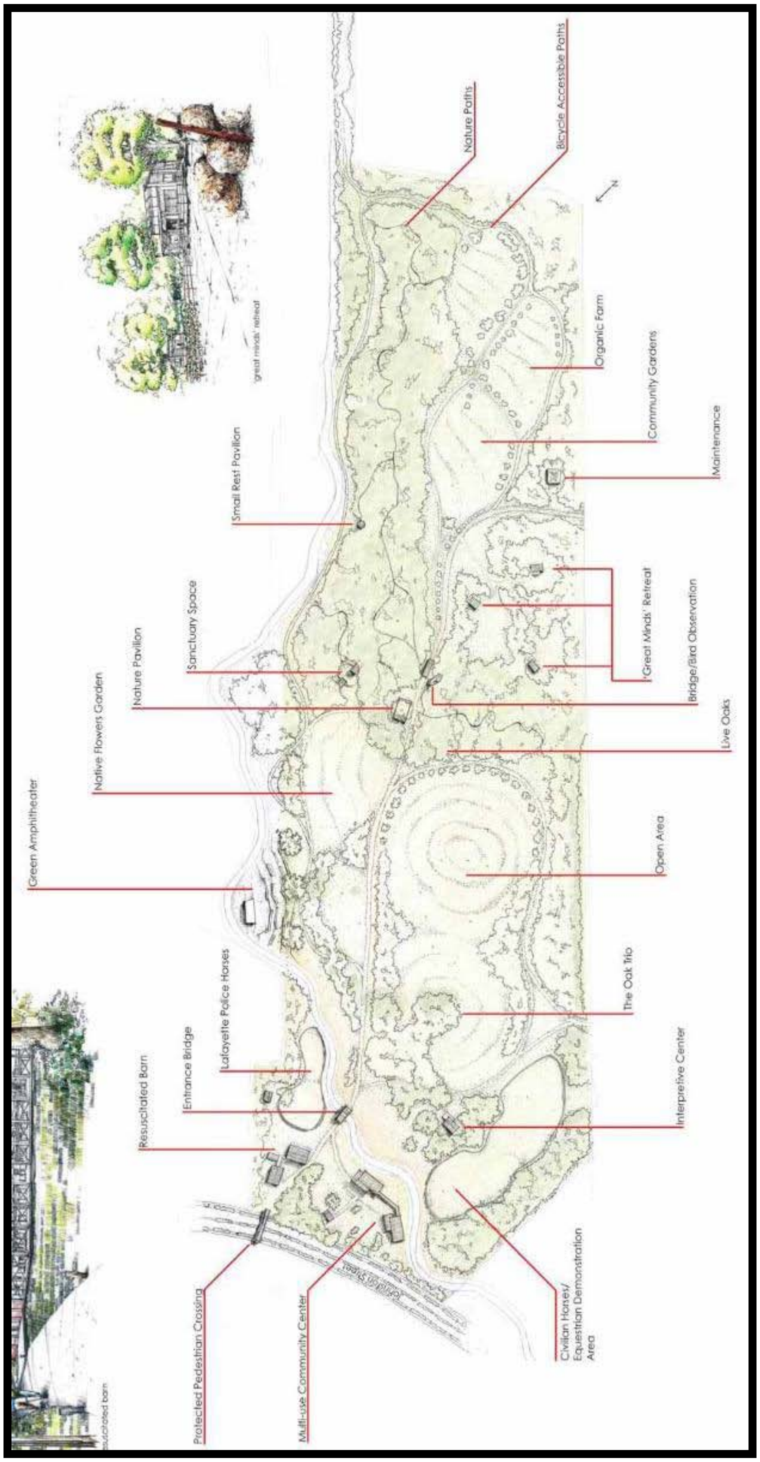
To become a member of the Council, a community foundation must:

- be a tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution organized and operated primarily as a permanent collection of endowed funds for the long-term benefit of a defined geographic area no larger than three states
- have a governing body broadly representative of the general public
- maintain a broad grants program to multiple grantees that is limited neither by field of interest nor to serving only parts of the population (You may also provide direct charitable services.)
- operate primarily as a grantmaking institution, carrying out diverse charitable purposes specified by the governing body and donors
- have a long-term goal to increase the assets held as permanent unrestricted endowment
- pledge to adhere to the Statement of Ethical Principles

When applying for membership, you must provide the following:

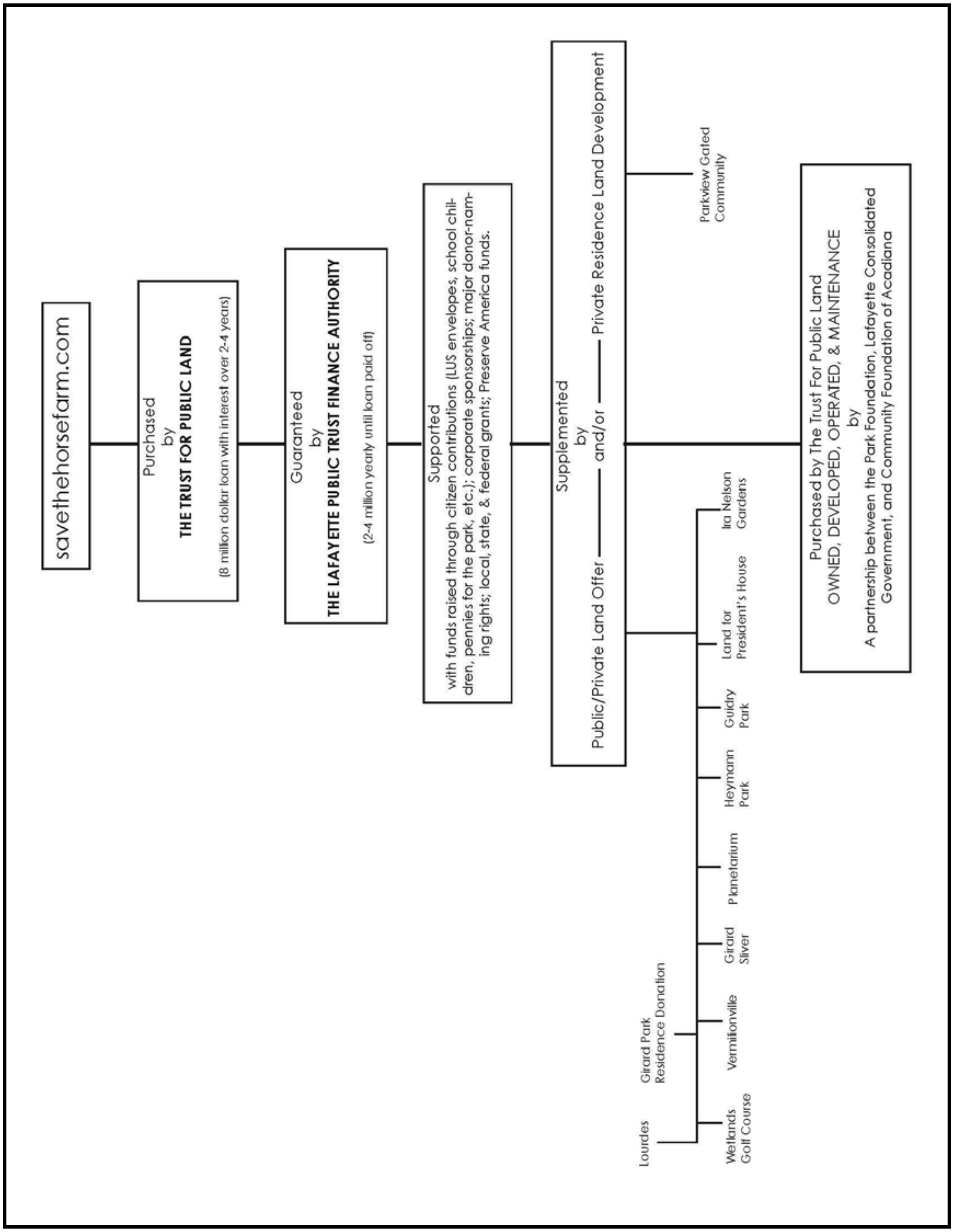
- the completed and signed Council membership application [pdf]
- an IRS determination letter
- your most recent IRS Form 990 complete with all schedules. Newly established foundations may submit a complete copy of IRS Form 1023. Include Form 1023 attachments.
- a copy of your grant guidelines and/or a letter outlining the goal(s) of your grant program, including any limitations based on geography, subject matter of grants or other factors.
- a copy of your most recent annual report (if you publish one)
- evidence of variance power (that is, the right to change the terms of a gift if in the judgment of the foundation's governing body, the restriction or conditions on such a gift become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the area served)
- a statement, signed by an appropriate officer of the foundation, attesting to your organization's continuing intention to build and maintain a strong endowment as a major source of its funding capacity
- a list of supporting organizations and affiliate funds to be included under the umbrella of membership, if appropriate

Appendix 3: Close up of Hanz Breaux's architectural drawing (Figure16)



Appendix 4: Close up of Parkview Estate (Figure 15)

Appendix 5: A close up of Figure 13



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VITA

Nicholas John Hernandez was born in Lafayette, Louisiana on February 7, 1981, the son of Rita Gauthier Hernandez and Cary Allen Hernandez, MD. After completing his work at Lafayette High School, Lafayette, Louisiana, in 1999, he entered Louisiana State University in Baton Rouge, Louisiana pursuing a Bachelor of Science in General Business Administration. In 2001, he transfered to The University of Louisiana at Lafayette obtaining a Bachelor of Science in Sustainable Agriculture with a concentration in Landscape and Horticulture Management in 2006. During the following months he was employed as a field appraiser for the Lafayette Parish Assessor's Office . In September, 2007, he entered the Graduate School at The University of Texas at Austin, receiving his Master's in Community and Regional Planning.

Permanent address: 209 Renwood Cr.

Lafayette, Louisiana 70503

This report was typed by Nicholas John Hernandez.