

# Press Release

Austin, TX May 13, 2024



## **FORENSIC FINANCIAL STUDY RAISES QUESTIONS ABOUT AUSTIN PARK'S FUNDING MODEL:**

### **ARE PARKS NON-PROFITS SERVING PRIVATE INTERESTS INSTEAD OF THE PUBLIC GOOD?**

Outgoing Austin Parks and Recreation Department (PAR) Director Kimberly McNeeley was named the new CEO of the Trail Conservancy on Friday May 10, 2024. This move raises concerns about the PAR non-profit policies that feature blanket and unexamined agreements with The Trail Conservancy and other park non-profits.

PAR agreements with parks non-profits, initially billed as a way to fund park projects, appear to have been lucrative for the non-profits and the executives who run them. Now, after ushering through these deals that leveraged our public parks as fundraising mechanisms and undermine the ecological integrity of the parks, McNeeley is joining their ranks.

Rewild ATX is asking for an independent audit of these nonprofits and a reform of the policy. Austin deserves accountability, efficiency, and responsibility in our park system. Parks are for recreation, mental health, physical health, nature, and increasingly for climate mitigation. Not for profit or privatization.

## **The Austin Parks Non-Profit Model is Broken**

- The City asked Parks Non-Profits to generate private funding to support the Parks Department
- The citizens of Austin donated to the parks non-profits personally, through tax incentives (TIRZ), etc., believing they would fund gaps and help maintain parks for all of Austin
- Instead, the non-profits appear to be enriching themselves with no accountability or transparency
- **Austin parks non-profits model isn't working, Rewild is asking for a change**



The graphic above shows a photo from a 2023 marketing campaign where a \$7M "check" from Austin Parks Foundation is presented to "Austin Parks". A forensic financial study sponsored by Rewild ATX revealed that just a quarter of that money went to actual park projects, calling into question whether this non-profit formula is efficient, effective, or ethical.

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During McNeeley's term as Director, Austin City Council and PARD implemented a new policy pursuing public/private partnerships with parks non-profits. The arrangements allow organizations to take over responsibilities for large aspects of maintenance and operations in exchange for exclusive rights to fundraise by renting out public parkland for private corporate events, concerts, weddings, etc.. Under this model the public has lost full access to significant portions of some of our busiest parks anywhere from days to months at a time.

Rewild ATX sponsored a forensic financial study that calls into question the degree to which the City's non-profit partners – specifically The Trail Conservancy, Austin Parks Foundation, and Waterloo Greenway – serve the public good rather than their own interests. Under outgoing PARD Director McNeeley's term 2019-2024, just these three non-profits had amassed \$44 million in unspent funds as of 2022.

The study revealed that a relatively small amount of funds raised by the three non-profits goes to park maintenance, restoration, or new park acquisition. Due to a lack of transparency in how these organizations raise and spend money for our park's system, it is hard to measure the true benefit of having these three non-profits manage parkland.

What is clear is that a significant amount of money raised is put towards salaries (\$4.5 M in 2022) compared to actual park investments. In 2022, Austin Parks Foundation spent similar amounts on salaries (\$1.5M) as they did on projects (1.7M).

"Austin deserves accountability, efficiency, and responsibility in our park system. Parks are for recreation, mental and physical health and climate mitigation. Parks are for people, not for profit or private activities. We need transparent and adequate City funding for our public parks. The tiered "PARKnership" model needs to be re-evaluated and reformed. It's time for the mayor, council, and city manager to stop looking the other way," said Parks Board Commissioner Holly Reed.

The forensic financial study was conducted by a financial professional based on IRS filings and other publicly available financial documents. The study was funded by Rewild ATX, a city-wide network of volunteers working on climate mitigation, water protection, biodiversity, and keeping parks open for all. A summary of the study and associated financial documents are available upon request.

The problems found at PARD appear to be part of a larger national trend where non-profits are used by wealthy corporations and individuals for private interests, resulting in a pattern that is described as soft corruption . A description of soft corruption issues in the non-profit sector for reference can be found at: <https://tinyurl.com/29tw3j6t>.