

HOUSTON BUSINESS JOURNAL

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Some think more green space will draw new residents. That's why the city and business leaders like Richard Kinder are betting millions on them. 16



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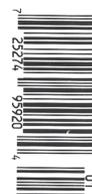
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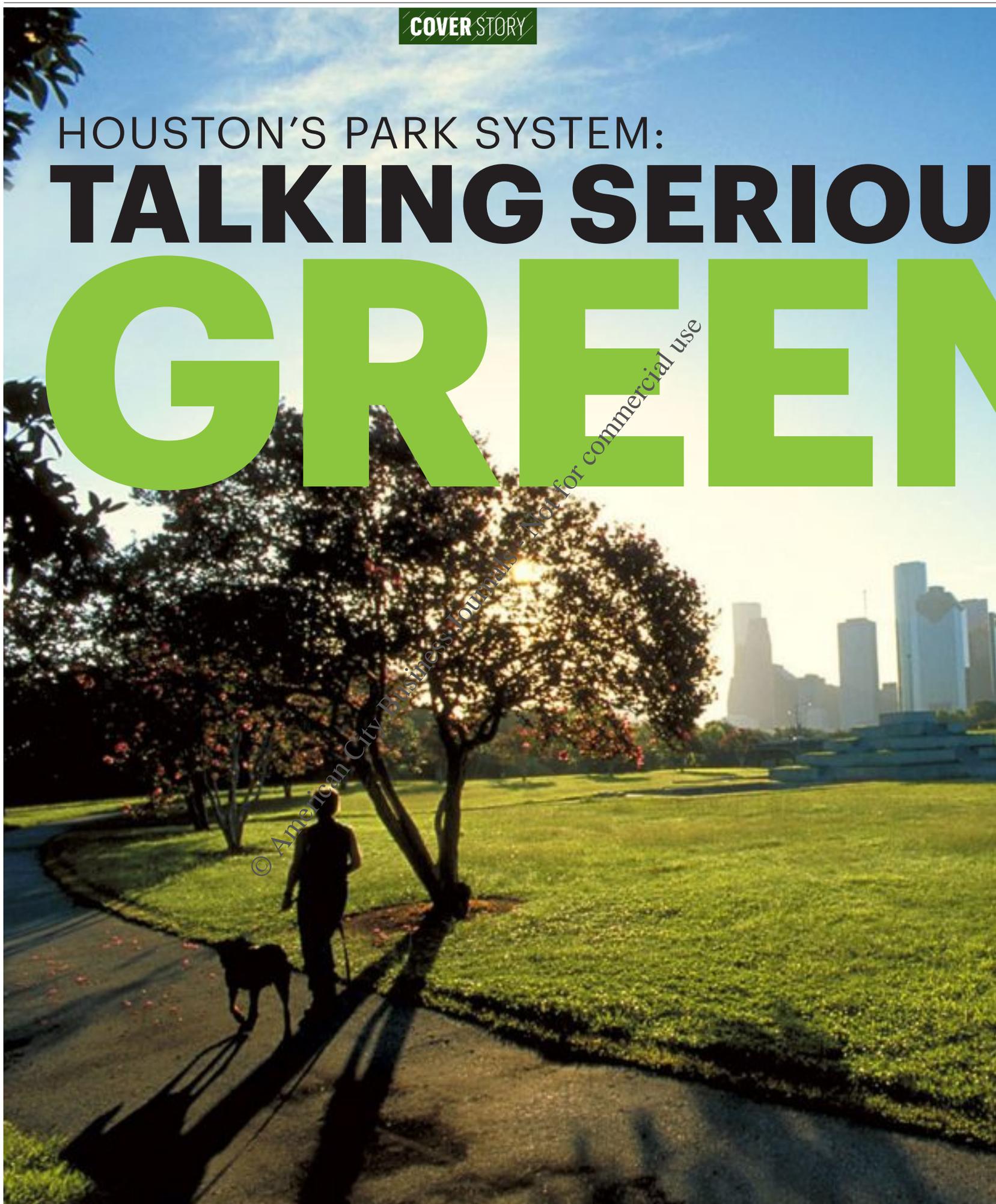
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COVER STORY

HOUSTON'S PARK SYSTEM: TALKING SERIOUS GREEN

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COVER STORY

A reimagined Buffalo Bayou as part of the Bayou Greenways 2020 Project.



COURTESY

Houston's parks are being revived and revamped to be an essential piece of the city's growth and marketing, and there's big money behind it.

BY JOE MARTIN | JOEMARTIN@BIZJOURNALS.COM | 713-395-9638 | @HBJMARTIN

Houston's economic boom in recent years has led to a dense urban core that transformed a once-lush bayou into a concrete jungle. But through significant efforts by Houston's wealthiest and most prominent, the city's green spaces are in the midst of a revitalization to make Houston more attractive.

Houston's business community can reap the benefits from investment in its parks, proponents argue. In an era where you can work from almost anywhere, it's important for Houston's businesses that the city is as marketable as possible to bring in talent, said Rich Kinder, CEO of Kinder Morgan Inc. (NYSE: KMI) and billionaire philanthropist.

"I don't think you can attract the quality of people you need to be a successful mega-city if you have quality of life issues," said Kinder. "I think urban green space is a very important part of trying to make the city of Houston as attractive as possible, and indirectly, it facilitates growth."

Rich and his wife, Nancy, funnel their donations through their self-named foundation, which has provided millions of dollars to a variety of different projects that focus on green space, education and quality of life.

The latest project is one of the largest and most impactful project in Houston's park system. A new master plan for the 1,503-acre Memorial Park is expected to be delivered to City Council in April. The plan is a potential \$200 million effort that could span two decades, said Sarah Newbery, Uptown Houston's project director for Memorial Park.

In the heart of the city, Memorial Park's rebuild is a quintessential example of how projects bring together different financial contributors to rebuild a park. Most of the funding will come from the

Uptown Tax Increment Reinvestment Zone, with additional support raised by the Memorial Park Conservancy and private donations from philanthropists like the Kinders, although they have not said what, if any, contribution they'll have to Memorial Park.

The Uptown TIRZ contribution for Memorial Park will be significant, Newbery said. Memorial Park could have as much as \$150 million worth of taxpayer money pumped into its renovations.

It's a sizable undertaking that involves remapping the parks design, rerouting Memorial Drive and building a land bridge over the top of the heavily trafficked road. But if successful, it could transform one of the nation's largest urban

parks and make it a centerpiece for a rapidly developing Houston.

Projects like these help create a shift in perception of the city, said Roksan Okan-Vick, executive director of the Houston Parks Board.

The big initiative for the Parks Board today is Bayou Greenways 2020, an extensive project that would create parks along almost all of the bayous around the city. It's significant, costing somewhere in the neighborhood of \$200 million, but once completed it will help Houston continue to attract people to its urban core, said Okan-Vick.

"It's about not defining Houston by its roadways, but by its greenways," Okan-Vick said. "It's a shift in thinking. It's a shift in how we view our city, and a shift in how others view Houston."

WHO'S HANDLING THE MONEY

The Houston Parks Board acts as an intermediary for philanthro-



Roksan Okan-Vick

\$200 million
Cost for the proposed new master plan for Memorial Park



Sarah Newbery



COVER STORY

THERE ARE A VARIETY OF DIFFERENT PROJECTS WRAPPING UP AROUND THE CITY. ALL OF THEM HAVE RECEIVED SIGNIFICANT PRIVATE CAPITAL, OR AT LEAST EXPECT TO.

To see more of what's in store for Houston's parks, go to HoustonBusinessJournal.com.



CONTINUED FROM PAGE 17

pists who want to contribute, but are wary of cutting a check to the city, said Okan-Vick. It acts as an overseer of all of Houston's park projects that don't have their own conservancy.

The other route in which these parks receive funding is through state and local budgets. The proposed Memorial Park project is a great example of how public funding through the TIRZ works with potential private contributions to create a full budget for renovations. In fact, the Uptown TIRZ was actually expanded to provide Memorial Park with a fresh source of capital.

"Part of the expansion of the TIRZ to include this park was a bold and visionary step by the mayor and city council," said Uptown TIRZ's Newbery. "It's a way to let money from this TIRZ be channeled into the park for improvements."

If approved by City Council, the Memorial Park project could begin as early as this year.

Other completed park projects have a track record of success. Discovery Green has been widely touted as the main reason for downtown Houston's growing reputation as a livable neighborhood, the Buffalo Bayou revamp has created a demand

from commercial development in the area, and with Hermann Park wrapping up its portfolio of projects, there's already been an immediate effect in the surrounding neighborhood, said Doreen Stoller, executive director for the Hermann Park Conservancy.



Doreen Stoller

"The entire perimeter of the park has new high-density housing, as well as in the Museum District," Stoller said. While the train of thought says a new park equals higher property values around it, that theory hasn't been tested extensively, and so it was rewarding when housing development began to take shape around the Hermann Park area, Stoller said. The reason is primarily due to a culture shift in the people that have moved to the city.

"As cities get more dense, outside space becomes more desirable because they don't have big backyards available," Stoller said. "You look at knowledge workers and the amenities they come to expect. It's bike trails (and) parks. The development that happens near those amenities is more popular and command higher rent."

1 HERMANN PARK

Operated by: Hermann Park Conservancy

Opened: 1914 (updated in 2014)

Cost of 2014 update: \$31 million

Notable donors: Jim Flores, president and CEO of Freeport McMoRan Oil & Gas LLC, Cherie Flores, the late June Lott, Tommy Lott of Lott Marketing, Phoebe and Bobby Tudor, CEO of Tudor, Pickering & Holt Co. and Katherine McGovern of the McGovern Foundation

Features: The new McGovern Centennial Gardens and the Cherie Flores Garden Pavilion were built on 15 acres at the north side of the park on the former site of the Garden Center. The project is part of an ongoing \$123 million capital campaign to revitalize the 100-year-old park.

2 BUFFALO BAYOU PARK

Operated by: Buffalo Bayou Partnership

Opened: 1896

Cost of ongoing improvements: \$58 million

Notable donors: Kinder Foundation, Wortham Insurance

Features: Work started in July 2012 to revitalize the 160-acre, 2.3 mile park located between Shepherd Drive and Sabine Street. The Johnny Steele Dog Park opened earlier this year, and a 3,800-square-foot event and dining space, dubbed The Dunlavy at Lost Lake, at Allen Parkway and Dunlavy Street is expected to be complete in mid-2015.

3 BAYOU GREENWAYS 2020

Operated by: Houston Parks Board

Project began: July 2012

Cost: \$205 million

Notable donors: Kinder Foundation, Houston Endowment, Cullen Foundation, Janice and Bob McNair, Nina and Michael Zilka

Features: The project, expected to be completed in 2020, will add 1,500 acres of parkland distributed across the city and connect 150 miles of trails that run along several of Houston's bayous. It will also play substantial roles in flood and irrigation projects.

4 MEMORIAL PARK (PROPOSED)

Operated by: Memorial Park Conservancy

Project began: 2015

Estimated cost: More than \$200 million

Notable donors: N/A

Features: The proposed master plan for Memorial Park would include a land bridge over Memorial Drive, significantly add trail space and restructure the park to better group activities. It would also include an indoor pool, rugby field and additional foliage.

BIZPULSE

73%

Yes

2%

Not sure

12%

No

14%

I like some aspects of it, but not others

DO YOU LIKE THE PROPOSED MEMORIAL PARK RENOVATIONS?

Notes: 832 SOURCE: HBJ READERS

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HOW DISCOVERY GREEN PLANTED THE SEED

The \$57 million park, in the heart of downtown Houston, transformed a parking lot into green space near Minute Maid Park and the Toyota Center. The plan was to turn an unattractive downtown core and make it a green space and venue to attract people into the city. It features a lake, playground, performance space and multiple gardens and groves.

A decade later, it's safe to say the project has been a success. Discovery Green acted as the catalyst for \$625 million worth of downtown development, according to Discovery Green. Since its inception, the downtown district has seen a significant uptick in housing, commercial development, restaurants and retail.

The privately-operated park sits on 12 acres near the George R. Brown Convention Center. It brings in more than 1 million visitors annually and hosts more than 600 events.

The project started through a public-private partnership between Nancy Kinder, wife to Rich Kinder, CEO of Kinder Morgan Inc. (NYSE: KMI), Maconda Brown O'Connor from the Brown Foundation and the city of Houston. After a \$10 million donation from the Kinder Foundation, among others, the project began to evolve.

"We didn't think it would have as many visitors or have as big of impact as it did," said Rich. "We thought we were building a very nice park, but it's been beyond our wildest expectations."



COURTESY

COVER STORY



GHCVB



Johnny Steele Dog Park

KATYA HORNER



The Dunlavy at Lost Lake

COURTESY



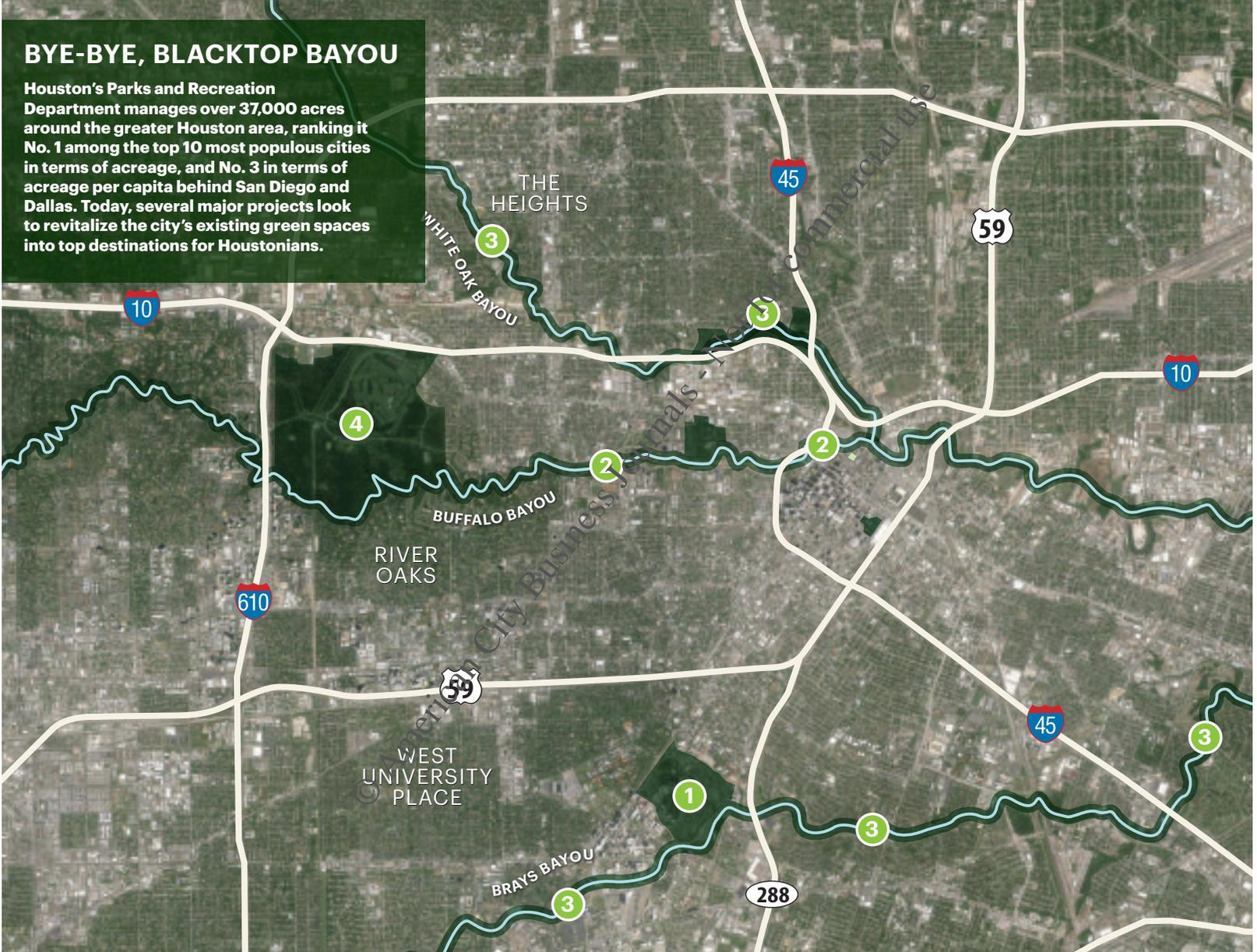
Hermann Park

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Discovery Green

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GOOGLE EARTH



"I think urban green space is a very important part of trying to make the city of Houston as attractive as possible, and indirectly, it facilitates growth."

RICH KINDER, CEO of Kinder Morgan Inc.



A proposed trail at Memorial Park.

COURTESY NELSON BYRD WOLTZ