

Economic Benefits of Recreational Investments

December 4, 2012



Economic Impact

The Investment Cycle



Economic Impact

Benefits of the proposed Community Recreation Center/Greenway for the City of Ypsilanti

- Real property values are positively affected
- Municipal revenues are increased
- Affluent retirees are attracted and retained
- Knowledge workers and talent are attracted to live and work
- Homebuyers are attracted to purchase homes

Economic Impact

Real Property Values are Positively Affected



- Chattanooga, TN – In the 1990's the city initiated a program to acquire open space, create parks, and build trails. As a result, property values rose more than \$11 million, an increase of 127.5%
- Atlanta, GA – After Centennial Olympic Park was built, adjacent condominium prices rose from \$115 to \$250 per square foot.
- Amherst, MA – A recent study showed that housing clustered around an open space or park appreciated at an annual rate 2.5% higher than typical residential units in the City.

Economic Impact

Municipal Revenues are Increased



- Boulder, CO – The presence of a greenway was found to generate over \$500,000 in property tax annually for the City.
- Oakland, CA – The East Bay Regional Park District is estimated to stimulate \$254 million annually in park-related purchases.
- San Antonio, TX – Riverwalk Park, created for \$425,000, is lined with new business and has overtaken the Alamo as the most popular tourist attraction.

Economic Impact

Knowledge Workers and Talent are Attracted to Live and Work



- A survey of 1,200 high tech workers found that quality of life in a community increases the attractiveness of a job by 33%
- Knowledge workers prefer places with a diverse range of outdoor recreation activities. Portland, Seattle, Austin, Denver, and San Francisco, cities known for their high tech industry, each have a highly developed trail network and linear park system.

Economic Impact

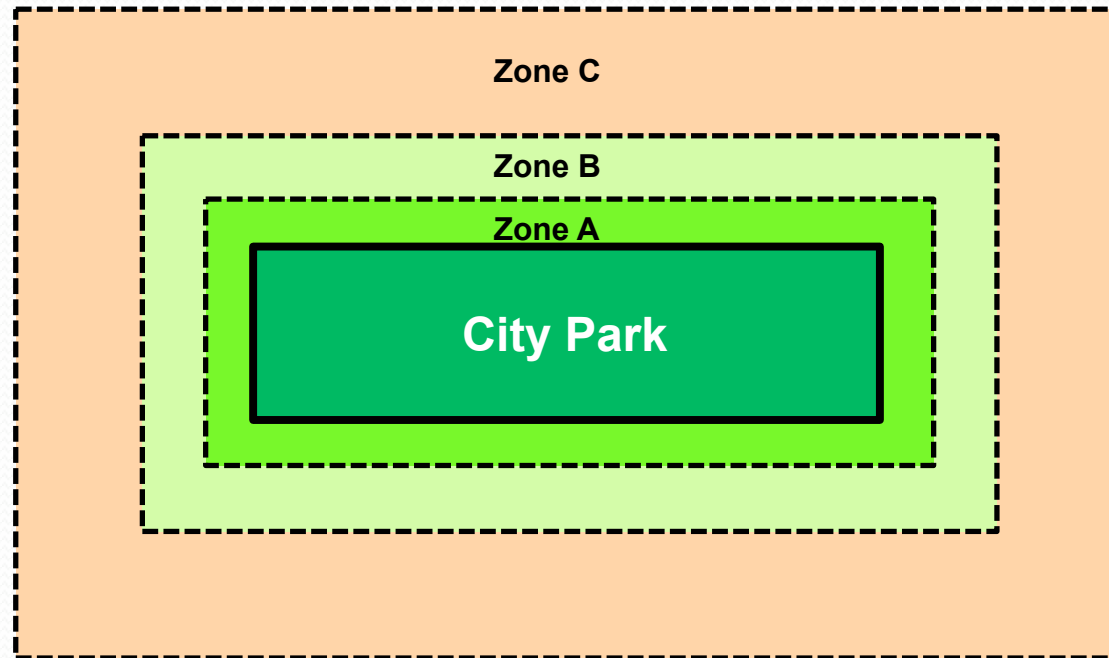
Homebuyers are Attracted to Purchase Homes






- A survey by the National Association of Realtors revealed that 57% would choose a home close to a park and pay 10% more for the house.
- All around the U.S., real estate brokers are advocating close proximity to parks as one of the top residential selling points.

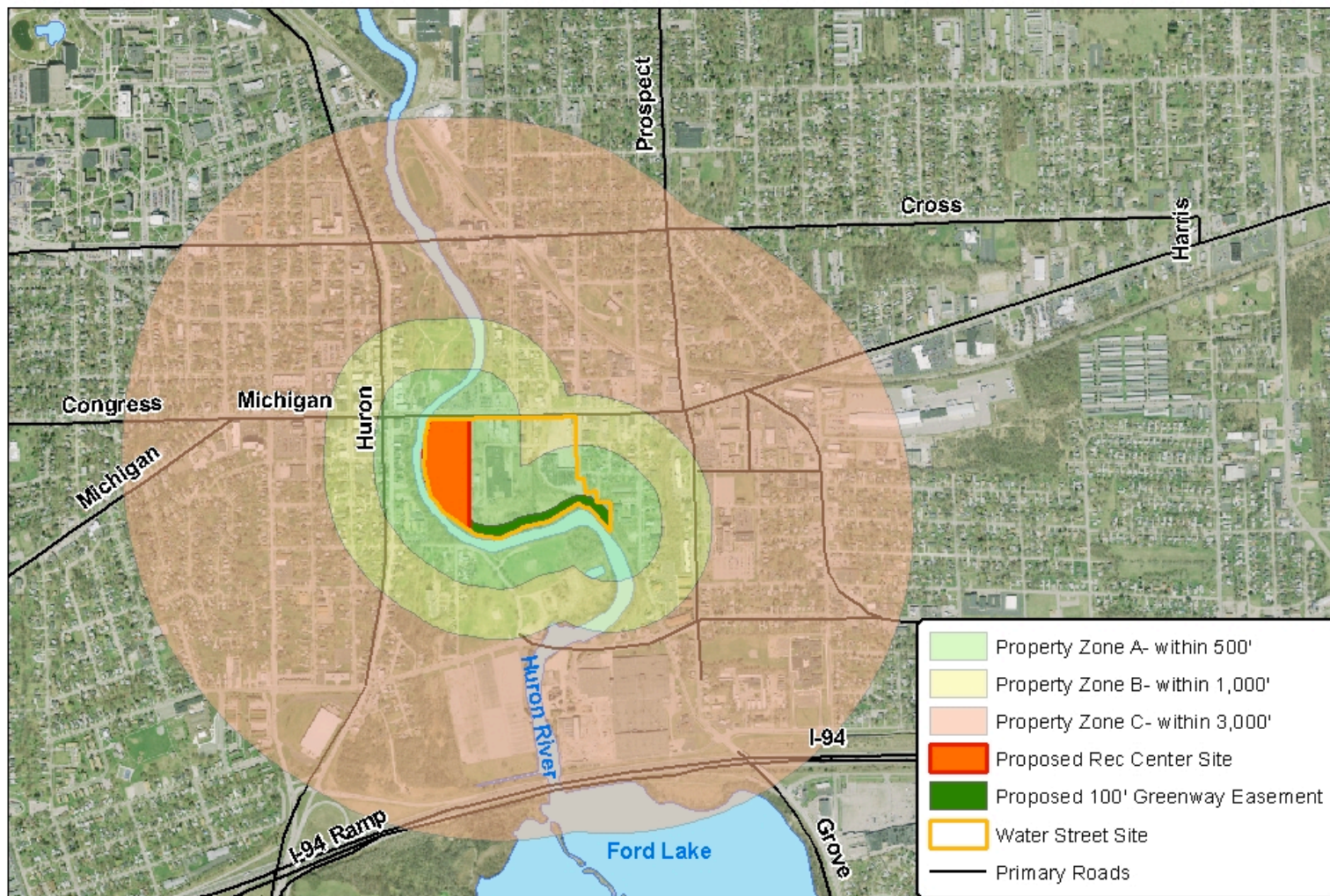
Economic Impact

The Proximate Principle

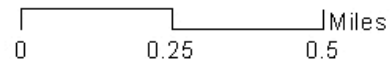


-  **Zone A** – up to 500' from park
-  **Zone B** – up to 1,000' from park
-  **Zone C** – up to 3,000' from park

Proposed Rec Center Impacts on Property Values



Data Source:
Washtenaw County GIS
Date: 11/30/2012



Economic Impact

Increased tax base

How property taxes on new development can reimburse the City for investment in a park

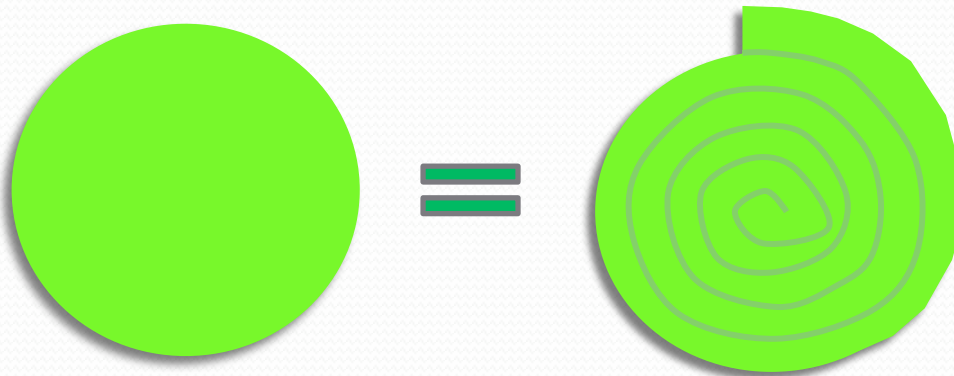
Zone	Market value of each unit	Incremental increase	Total property taxes at 2%	Incremental taxes attributed to park	Aggregate amount of tax increment given 70 residential units
A (20% Premium)	\$240,000	\$40,000	\$4,800	\$800	\$56,000
B (10% Premium)	\$220,000	\$20,000	\$4,400	\$400	\$28,000
C (5% Premium)	\$210,000	\$10,000	\$4,200	\$200	\$14,000
Outside of Influence	\$200,000	\$0	\$4,000	\$0	\$0
					<hr/>
					\$98,000 per year

Based on 70 residential units within each zone

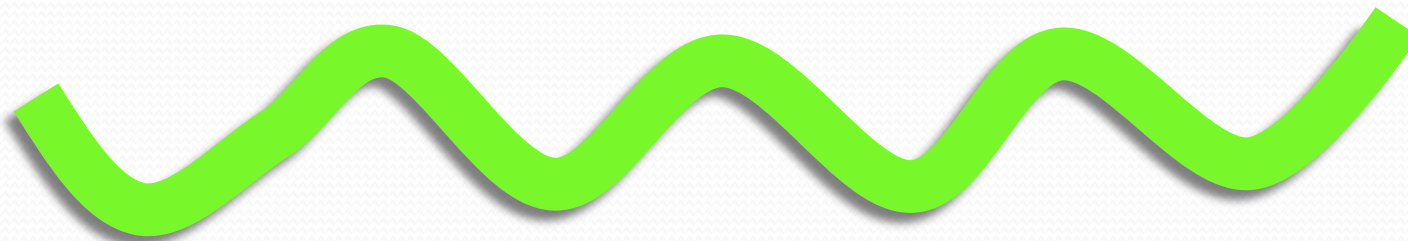
Economic Impact

The Edge Principal – benefits of a linear park

20 acre park – circular shape



20 acre park – as linear greenway has nearly 6x as much edge area



Economic Impact

Case Study



Montrose, Colorado Community Recreation Center

City Population - 19,596
Area – 11.5 square miles

Economic Impact

Case Study



Montrose, Colorado Community Recreation Center

- New Construction: 72,490 square foot Recreation Center and Field House
- Parcel Size: 12 acres
- Estimated Construction Cost: \$15,895,310

Economic Impact

Case Study

Montrose, Colorado

Community Recreation Center

- Estimated Construction Jobs: 148
- Construction Payroll: \$5,569,412
- Estimated Full Time Equivalents: 44
- Estimated Annual Payroll: \$1,422,567
- Annual Participants: 155,160
- **Total Net Economic Benefit to Montrose in Initial year including construction: \$12,408,749**
- **Ten Year Projected Cumulative Net Economic Benefit: \$123,180,365**

**Eastern Recreation Center (ERC)
March 1, 2012 – February 28, 2015**

ID	Task Name	Start	Finish	Duration	2012												2013												2014												2015	
					Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		
1	Letter of Intent Expires	7/1/2013	7/1/2013	0d																																						
2	Establish Working Committee and conduct monthly meetings	3/1/2012	3/1/2013	362d	Established																																					
3	University of Michigan Student Design Work	4/2/2012	8/15/2012	98d	Complete																																					
4	MNRTP Application 2012 - 808 Trail, Michigan Ave to Grove Rd	3/2/2012	4/2/2012	22d	Complete																																					
5	WCPARC Update Reports(Commission Meetings)	3/6/2012	3/6/2012	1d	Complete																																					
6	Ypsilanti City Council Updates (Quarterly)	3/20/2012	3/20/2012	1d	Progress update meetings held with City Staff																																					
7	Market/Feasibility Study (CBRE)	4/2/2012	10/1/2012	131d	Complete																																					
8	Develop Concept Plans (Working Committee & UM Student Team)	5/30/2012	12/27/2012	152d	Complete																																					
9	Draft MOU with YMCA	6/1/2012	8/1/2012	44d	Complete																																					
10	Draft Development Agreement/Purchase Agreement	6/4/2012	10/17/2012	98d	In Progress																																					
11	Public Input on Concept Design – Community Feedback Opportunity	8/6/2012	8/17/2012	10d	In Progress																																					
12	Development Agreement to Ypsilanti City Council for approval	10/18/2012	10/18/2012	0d																																						
13	Send RFP for design services	11/22/2012	1/14/2013	56d	In Progress																																					
14	MNRTP Application 2013	12/3/2012	4/1/2013	86d																																						
15	Design Development	1/16/2013	1/16/2014	362d																																						
16	Heritage Bridge/828 Construction (MNRTP 2011 & 2012 Applications)	5/1/2013	11/1/2013	133d																																						
17	Rezoning/PUD/Site Plan Approval/Permits	7/1/2013	5/1/2014	219d																																						
18	Public Input on Design – Community Feedback Opportunity	8/1/2013	8/14/2013	10d																																						
19	MNRTP Application 2014	12/2/2013	4/1/2014	87d																																						
20	Prepare Bond sale and execute	12/2/2013	9/1/2014	196d																																						
21	Bid Project	8/1/2014	10/14/2014	53d																																						
22	Millage renewal	11/3/2014	11/14/2014	10d																																						
23	Present Bond Sale to County Board for Approval	1/21/2015	1/21/2015	0d																																						
24	Begin construction	2/2/2015	2/2/2015	0d																																						



Next Steps...

- Determine Preferred Concept Design
- Define the Necessary Site Parameters
- Develop Infrastructure Plan
- Develop Operational Plan
- Final Building Design
- Continue with Development of Greenway



Questions?