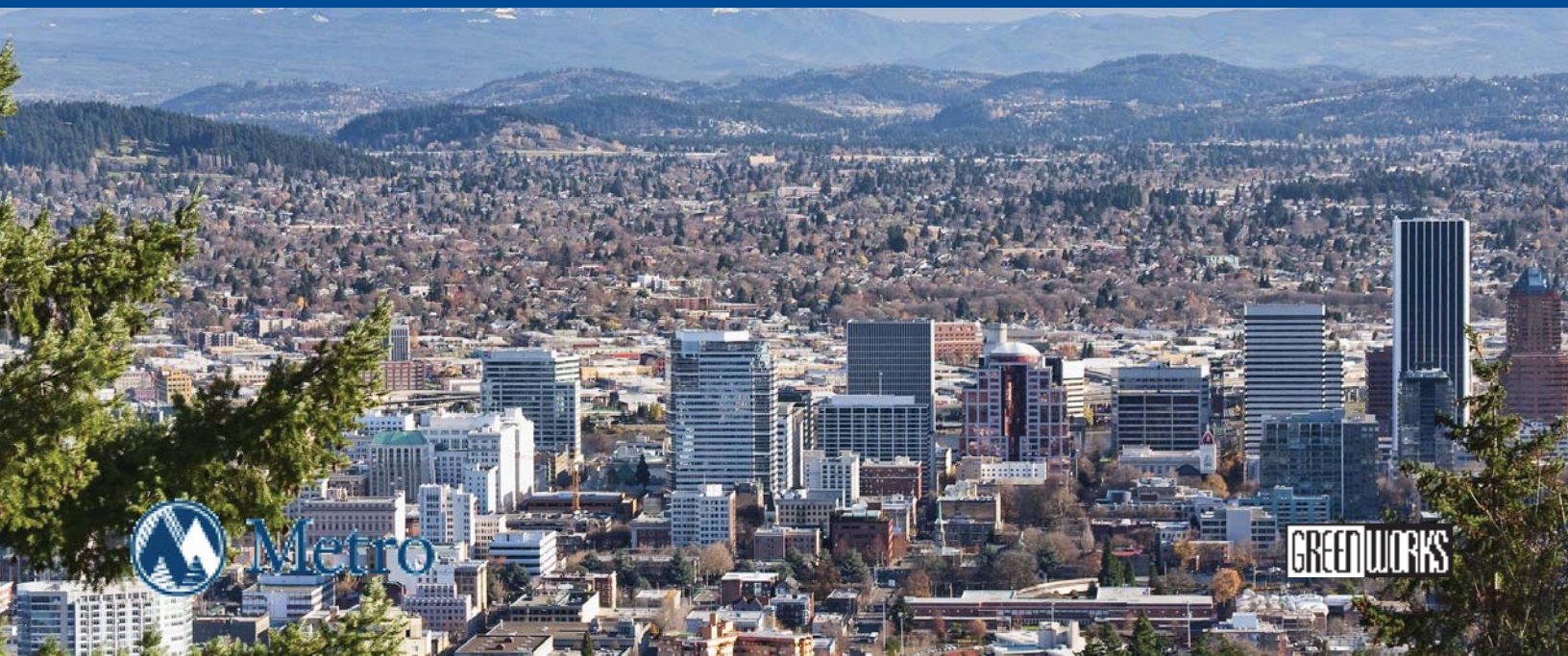




METRO
A SYNTHESIS OF THE RELATIONSHIP BETWEEN PARKS AND ECONOMIC DEVELOPMENT
March 28, 2012



Metro

GREENWORKS

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Acknowledgements

Metro led the project and gratefully acknowledges the wide variety of assistance provided by the contributors to the document.

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METRO COUNCIL PRESIDENT MESSAGE

In the Portland region we cherish our parks, trails and natural areas, which we call the Intertwine. Park advocates, professionals and residents are frequently vocal about the benefits of parks. Residents often cite greenways and trails as a top community amenity and voters show a fairly consistent willingness to support parks at the ballot. Collectively we cite the natural beauty, relief from noise and stress, and the joy of meeting our neighbors and playing with our children and dogs. At a deeper level we talk about the health, environmental, aesthetic and community benefits as well as the value parks provide in terms of stormwater management, flood storage, wildlife habitat and air quality.

However, in these tough economic times, we need to consider every public investment, including parks, in light of economic realities. Can we anticipate with a reasonable amount of certainty where public investment in parks will produce a positive and needed market response? Discussions with four local developers provide valuable insight into parks' role as an incentive for development. This critical thinking is important now as public dollars for infrastructure are declining.

In addition to this discussion focused on site and community conditions, there is an additional consideration. The importance of the cumulative effect of the Intertwine is critical. Companies are looking at community livability and quality of life as they choose where to locate. Our region has benefited tremendously from this, but competition is keen. The careful growing of the Intertwine is essential to support the marketability of our region. I recommend this report for careful consideration by developers, mayors, planners, advocates and business owners as we join together to make investments that pay off for our region.

Yours truly,

Tom Hughes
Metro Council President



Figure 1: Pioneer Square - Portland, Oregon.

INTRODUCTION

The Relationship of Parks, Trails, and Open Space to Economic Development

The relationship of parks, trails and open space to economic development is vexing. On one hand people value and seek investment in this aspect of their community while on the other hand, it's proven very difficult to quantify the value in specific numbers that would lead to public investment and the associated market response. Rather than looking to formulas for quantification, this project includes interviews of local developers to discern their individual point of view concerning the development of parks and how parks may influence or spur possible development.

The need to quantify a financial value to parks, trails and open space has become more relevant in light of the decline of the national and regional economy. Extensive economic research in Portland and across the nation has illustrated that open spaces such as parks and trails can have positive effects on adjacent property values and can lead to proportionately higher property tax revenues for local governments. Property proximity to nearby parks and a park address have always exuded a prestigious distinction that historically merits a higher cost and resale value. Our inquiry attempts to analyze and illustrate the connections between parks, trails, and natural resources with private development through four sections including: a historical review, signature case studies, local developer interviews, and guiding principles.

HISTORICAL REVIEW

The relationship between parks* and development is not new. This section reviews our history with examples such as London's Regent Park, New York's Gramercy Park and touching on Olmsted's sensitivity to the effect of Central Park on property values in the 19th century.

INTERVIEWS

During the Fall of 2011 interviews with four prominent local developers were hosted by Robin Craig, Janet Bebb and Hillary Wilton. Each interviewee was asked the same questions and was free to draw on their professional and personal experience. Chris Neamtzu and Kerry Rappold discussed the history and the lessons learned from the Villebois Development.

SIGNATURE PROJECT CASE STUDIES

In the past ten years there have been some spectacular examples of park projects that resulted in significant development value. The initial capital

**Note: The word "parks" is used in this document to represent developed parks, plazas, natural areas with trails, pocket parks and the whole range of places where people experience nature and community.*

investments were high and the returns have been impressive. Four cases are summarized here as examples of what's possible.

GUIDING PRINCIPLES

A few key guiding principles can be ascertained from the research, the case study review and developer interviews. The principles listed are not hard, fast rules to follow as much as guides or considerations about the relationship between parks, trails and open space and economic development.



Figure 2: Pearl District - Jamison Park in foreground with an unbuilt Tanner Springs Park plot and vacant plot for The Fields Park just beyond the construction crane in 2002. Portland, Oregon.

HISTORICAL REVIEW

Tracing the Meaning of the Word “Park”



Figure 3: Engraving: “Driving the Stags” - Lyme Park, England.

The word “*park*” originally meant an enclosed tract of land attached to a country house which included extensive gardens, woods, and pasture. The first parks were private deer parks with land set aside for hunting by royalty and the aristocracy in medieval times in England (Figure 3). The parks had walls or thick hedges around them to keep game in and undesirable commoners out. This enclosure of land and privatization of the landscape forced many farmers away from the rural towns and into the cities. In the early 1660s and after the Great Fire, London was rebuilt with squares that were green and pastoral in nature but locked for adjacent landowners only. Up until this point, public space was confined to the streetscape and the waterfront. There was no history of public social gathering spaces in London. In the early 1700s, the rise of the middle class expressed the need for entertainment and this new leisure class began to change the urban form of cities. “Promenading” became a popular manner of conducting business, displaying social status, and advertising marriageability. The need for a new public sphere, a defined public space where one could be sure of meeting and greeting one’s own kind was expressed by this new ritual of the procession or promenade. The royal parks in London that belonged to the crown were opened to the public by King George II who allowed respectfully dressed people to frequent them on Saturdays.¹ New squares were designed as private gardens, fenced and locked, with keys provided only to the houses that fronted them began to proliferate London in the early 1700’s.



Figure 4: The Circus - Bath, England.

In the city of Bath, England, one of the first formal gestures of real estate speculation occurred with the design and construction of The Circus (1754-1758). The Circus encompassed a unified ring of houses around a central open space, a *park* (Figure 4). The public’s enthusiasm for this space and the profitable nature of the real estate development led to a similar effort in London, Regent’s Park. Regent’s Park provides a uniform crescent of townhomes that borders a central park space (Figure 5). Regent’s Park and Regent’s Park Crescent provided a precedent example for future urban style park developments in London and elsewhere. Many later speculations in real estate actually used the word “*park*” as a part of their name. Prince’s Park in Liverpool used Regent’s Park as a precedent and was built to be an amenity intended to make the adjacent house lots attractive to middle class residents in 1842. Landscape designer, Joseph Paxton, created rows of terrace housing facing a curvilinear belt drive encircling a meadow with scattered trees and a small lake. This artful arrangement of townhouses facing a prominent open space may be one of the first instances of real estate speculation using parks integrated into the design.

¹ Barlow Rodgers Elizabeth. *Landscape Design: A Cultural and Architectural History*. New York: Henry N. Abrams, Incorporated, 2001.

HISTORICAL REVIEW

Birkenhead Park in Liverpool continued Paxton's refinement of this design relationship with the park and potential development sites (Figure 6). Birkenhead Park was the first development in history to use public funds for parkland acquisition and development and to pay back this cost with the proceeds from the sale of the adjacent building lots.²

In New York in the early 1800's, the city's residential squares, St. John's Park, Gramercy Park, Union Square, and Washington Square continued this privatization of park spaces in urban areas (Figure 7). They were fenced and locked parks with access given primarily to the adjacent property owners. Gramercy Park is actually one of only two private parks in New York City today; only people residing around the park who pay an annual fee have a key and the public is not generally allowed access.

In the mid 1800's, New Yorkers acknowledged the opening of the royal parks in England to the masses as a gesture of good will and realized the need for a public park open for all was important to the city's future. The forward thinking of Andrew Jackson Downing and William Cullen Bryant in 1844 eventually led to the acquisition of the land for Central Park by the New York State Legislature. The development of the Greensward Plan in 1858 by Frederick Law Olmsted and Calvert Vaux laid the foundation for the park design that is still relevant today. Frederick Law Olmsted was one of the earliest proponents of the "proximate principle" which he used as economic justification for park development.³ More than 100 years ago, Frederick Law Olmsted conducted a study of how parks helped property values. From 1856 to 1873 he tracked the value of property immediately adjacent to Central Park, in order to justify the \$13 million spent on its creation. He found that over the 17 year period there was a \$209 million increase in the value of the property impacted by Central Park.⁴ After Central Park's development, Olmsted wrote to the future developers of Riverside, Chicago and described the "vast increase in value of eligible sites for dwellings near public parks."⁵

As early as the 19th century the positive connection between parks and property values was being made. Olmsted's analysis showed the real dollar amount impact of parks. The proximate principle states that the market value of properties located proximate to a park or open space are frequently higher than comparable properties located elsewhere. The higher value of these properties means that their owners pay higher property taxes.⁶ Central Park in New York was the first large scale public

² Barlow 2001.

³ Nicholls, Sarah. "Measuring the Impact of Parks on Property Values". National Park and Recreation Association, March 2004.

⁴ Nicholls, 2004.

⁵ Crompton, John L. "The Impact of Parks and Open Spaces on Property Values" National Park and Recreation Association, Winter 2007.

⁶ Crompton, 2007.



Figure 5: Regent's Park and Regent's Park Crescent - London, England.

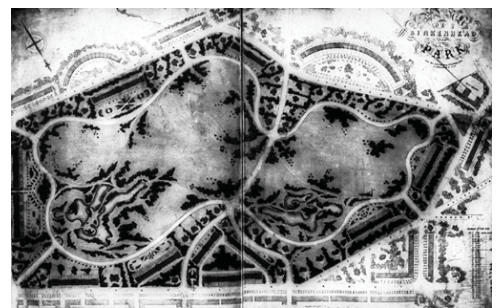


Figure 6: Birkenhead Park - Liverpool, England.



Figure 7: Gramercy Park - New York, New York.

HISTORICAL REVIEW



Figure 8: Fifth Avenue and Central Park - New York, New York.

park in America and merits some of the highest real estate prices in the country per square foot and has been called the world's greatest real estate engine.

In a recent 10 year study, 41 of the 50 most expensive residential real-estate deals in New York City were completed on blocks surrounding Central Park or one block away. The highest retail rents in the world, now up to \$2,000 per square foot, are along Fifth Avenue (Figure 8) just south of Central Park.⁷ Between 1997 and 2007, the average value of properties on the blocks between Central Park West and Columbus Ave. increased 73% faster than the average value of properties between Columbus and Amsterdam Avenue one block over. Conclusively, the closer you to live in proximity to the park, the greater amount your apartment or condominium is likely to go up in value. At an average of \$1,603 per square foot, the value of properties on the blocks closest to the park is 20% higher than that of those one block farther from the park and 44% higher than the average value another block farther than that.⁸

⁷ Sheftell, Jason. The New York Daily News. "Central Park: The World's Greatest Real Estate Engine". Friday, June 4, 2010.

⁸ Sheftell, 2010.

INTERVIEW SUMMARY

During the Fall of 2011, interviews with four prominent local developers were completed. The intent of the interviews was to capture the developers' viewpoints on how parks, trails, and open space relate to their individual development strategies. Overall, the feedback was positive and confirmed the relationship between parks and development as positive. However, parks were discussed as not a singular item that affected development but an integral piece to an overall package of amenities that made development favorable especially in urban areas. Additional amenities such as transit and "walkability" were identified as being just as important in creating a livable community and attracting sales.

The sizes and types of parks were also a key part of the discussion. The park size in urban areas was generally favored in a smaller size perhaps a block or two with proximity to transit and serving as a neighborhood park. Large community parks and recreational sports field parks were described by the developers as undesirable attributes to possible development based on the size, the attraction of noise, and intensity of use. Developers agreed location is important when considering a site for development potential and parks are one factor that contribute to the entire development equation.

INTERVIEW

Dennis Wilde
Gerding Edlen
October 27, 2011



Figure 9: Park Blocks (1878) - Portland, Oregon.

The Park Blocks were set aside by early land-owner Daniel Lowndale in an 1849 survey. The narrow strip of blocks running north and south were substantially west of the city center at the time, but Lowndale correctly predicted that the city would grow to encompass the park. This 1878 photo shows a remarkable amount of remaining undeveloped land, and the Park blocks still lay somewhat west of the central commercial district.



Figure 10: North Park Blocks (2002) - Portland, Oregon.

1. From your experience, what is the relationship of parks and trails to development? Positive, negative, or neutral in what circumstances?

Dennis: Of course, parks are a huge asset to real estate development urban or suburban. We tried to place a pocket park at the Brewery Blocks, however it did not move forward. Parks are a key part of urban grid and urban living. In the South Waterfront, the parks and greenway are a key component of the waterfront and serve as valuable assets to the neighborhood. The biggest attribute is the river and Ross Island as a natural area. The residents of South Waterfront are passionate about the Willamette River and the Willamette Greenway. The osprey and the quail have been adopted by the neighborhood and are fiercely protected. We need more, NOT less. Bringing nature to the city is paramount.

2. Is the influence of parks, trails and open space different for specific types of development such as commercial, housing or office development? How so?

Dennis: All urban development needs to be mixed use so the value of the open space is not the only distinction. The urban parks, Naito, Pioneer, and the Parks Blocks (Figures 9 and 10) are essential for the urban grid. The same application is true for soccer moms going to Jamison Square. There is an incredible power to open space and draw to the public such as Pioneer Square and Director's Park which are all hardscape. Director's Park provides connections across the street and functions as part of the urban fabric, even the café is part of the site.

Janet: The role of open space and retail has been studied in the Portland retail core downtown. The overall approach to retail is more retail. The concern with open space is that parks can kill retail but retail can be boosted by upper end housing.

Dennis: But restaurants can be an exception to that rule. More retail like Anthropologie needs more retail, it cannot be isolated. Downtown Malls like Pioneer Place are an attractor. Retail loves bodies and cars on the street. The influence of parks, trails and open space are different and it depends on the open space and how it is handled or applied. O'Bryant Square was enormously successful until the programming and events went to Pioneer Square. Programming is critical for dense hardscape areas and urban spaces.

3. Is there a positive return on investment in parks and open space to the overall development? If parks and open space are developed privately, is there a return on investment? If parks and open space are public investments is there a private property benefit?

Dennis Wilde
Gerding Edlen
October 27, 2011

Dennis: We need to get more creative with funding for park spaces. Vancouver, B.C. extracts conditions from developers for parks and schools. We need more development agreements and mechanisms to figure out ways to leverage and build that relationship. Height bonuses are attractive to developers who are willing to trade with cities, but they also trade bike parking and bike lockers, why not parks and recreation? There was a Local Improvement District (LID) associated with Director's Park for the four block area. There needs to be more leverage through developer agreements.

You can buy more height for contributing to the Willamette Greenway plan and negotiating extra land for greenway for FAR, those kinds of relationships and agreements are really important for developers. There needs to be more leverage through developer agreements.

Caruthers Park (Figure 11) is a huge asset. The local neighborhood provides the programming with the community association with concerts and movies in the park. Again, programming is crucial for park success.

We are attracted to good sites, to real communities, especially sites in the central city that are in good shape. Young creatives are also attracted to these areas with the developed infrastructure in place including transportation and parks.

Consider the South Waterfront and the John Ross Tower, one half of the tower has a view of Willamette River and Mount Hood and the other half of the tower has Caruthers Park. Marketing is not an issue.

4. Is there a relationship between the size of the park in the overall scale of the development in order for it to be profitable?

Do you use parks or trails as a catalyst for your developments? How?

Dennis: Parks and trails help the development strategy. We consider parks and open space as a part of our business philosophy around development named the "*Principles of Place*". We believe that bringing more nature into urban environments is essential to improving quality of life for people in the community. "Access to nature" is a necessary component of twenty minute neighborhoods in order to be a livable community.

Janet: How do you spark economic development where there are no real attributes?

Dennis: It's really hard especially in this economy. Gateway is a real interesting case study to consider. Land values went up in Gateway before the development could start and now that area really languishes.

*"THERE IS AN
INCREDIBLE
POWER TO
OPEN SPACE
AND DRAW TO
THE PUBLIC..."*



Figure 11: Elizabeth Caruthers Park and the John Ross Tower - Portland, Oregon.

INTERVIEW

Dennis Wilde
Gerding Edlen
October 27, 2011



Figure 12: Illustrative drawing of proposed design of South Waterfront Greenway - Portland, Oregon.

*“THE ACTUAL IS
BETTER
THAN THE
PROMISED....”*

Development is springing up on the HighLine Park in New York. It's wall to wall people. You could barely get in the park – you could go wall to wall, building adjacent to it.

5. Does the park location positively or negatively affect property values in your development? Are certain kinds of parks better for return on investments or property values? (Nature Parks, tot lots, urban squares, neighborhood parks, etc.)

Dennis: Yes, absolutely the park location positively affects the property values, but it depends on the type of development. Fountains are play areas in parks and it doesn't matter what time of year, kids love the water. This is a great park activator. There's a lot of attention and investment for the South Waterfront Willamette Greenway Trail (Figure 12). There's the educational piece for the aesthetics, that “nature” is not always groomed and manicured. Allowing that wild piece into the city is important. There are multiple types of open space. People want choices and different amenities.

Urban agriculture is also becoming more and more important. There are over one hundred garden plots in the community gardens in Portland and all are taken with waiting list. This is one of the most powerful community organizing activities that we have in the city. Urban agriculture needs to be linked to open space strategies.

6. Do you strategically locate parks and open space adjacent to higher density development? If so, do you see sales or leases occurring faster adjacent to the parks and open space areas?

Dennis: Essentially yes, we try to locate our developments near parks. The actual is better than the promised. Caruthers Park was not appealing as an open plot unbuilt. Most people have a hard time envisioning the final product. The Pearl District was very open and embraced the Brewery Blocks. We are strong believers in mixed use and urban density.

7. What is the greatest difficulty in providing parks and open space in your development strategy?

Dennis: The greatest difficulty is how are you going to pay for them. How do you incorporate other strategies that other cities use to develop parks and acquire land? A development agreement is one solution. Vancouver, BC has been very creative and strategic in order to make things happen there but there has to be value for both parties, private and public. Another consideration may include reducing density requirements in trade for building a park. More density, more height, a faster permit process, more transit options are all important negotiation factors that should be considered.

INTERVIEW

Dennis Wilde
Gerding Edlen
October 27, 2011

We use tools like WALK score (Figure 13) to determine the attributes of a site as a part of due diligence. WALK score becomes a part of the objective values. A park across the street is a view asset. We do not apply a dollar value to parks and open space. It depends on the individual developer as a choice of development philosophy.



Figure 13: WALK Score is an internet site that considers different components when assessing a neighborhood for walkability such as:

- A center: Walkable neighborhoods have a center, whether it's a main street or a public space.
- People: Enough people for businesses to flourish and for public transit to run frequently.
- Mixed income, mixed use: Affordable housing located near businesses.
- Parks and public space: Plenty of public places to gather and play.
- Pedestrian design: Buildings are close to the street, parking lots are relegated to the back.
- Schools and workplaces: Close enough that most residents can walk from their homes.

INTERVIEW

Dave Wood
Newland Communities
October 17, 2011

*“YES, THERE IS
ALWAYS A
POSITIVE
RETURN ON
INVESTMENT
BUT IT IS NOT
ALWAYS
MEASURABLE.”*

1. From your experience, what is the relationship of parks and trails to development? Positive, negative, or neutral in what circumstances?

Dave: There is definitely a positive relationship. Parks get a gold star, people love parks. Providing linkages with the trails goes along with that and providing an interconnected trails system even if some of the connections are made with sidewalks.

There's a direct correlation of parks, trails, and open space to the densities provided. For example in Fisher's Landing, Vancouver, Washington, we understood that everyone wanted a 10,000 square foot or 11,000 square foot lot. But we did focus groups and one of the outcomes from an efficiency point of view was that the extra 3,000 square foot lot could become public or private open space. By giving up a portion of your backyard you were able to have a congregate total that was greater than the individual unit and in the end provide a greater good.

In Fisher's Landing, we built so many parks that the parks department instructed us to stop building parks. Then we went with private linear parks and trails that were able to eliminate some sidewalks requirements.

Initially trails were not a selling point, but now trails and connections are an important component of the development. Overall, trails are a plus for development. In numerous market studies, people prefer natural open spaces in their backyards.

2. Is the influence of parks, trails and open space different for specific types of development such as commercial, housing or office development? How so?

Dave: Yes, it is very important for residential and office markets it is not so important for commercial projects. I could see park value associated with a larger campus office park, but most people visiting commercial/retail don't need parks.

3. Is there a positive return on investment in parks and open space to the overall development? If parks and open space are developed privately, is there a return on investment? If parks and open space are public investments is there a private property benefit?

Is there a relationship between the size of the park in the overall scale of the development in order for it to be profitable?

Dave: Yes, there is always a positive return but it is not always measur-

able. Similar to the exercise of re-configuring the lot size to find the square footage to create park space, it doesn't necessarily give you the overall delta, but instinctively, it makes a difference.

Newland always designs and builds to public park standards. There is a fine line of knowing when you get a sense that the park is too big such as Homestead Park (Figure 14) in Homestead Acres which is almost too big. And then consider what may be too small in size, 1 ¾ acres is almost too small such as Four Fire Town Center. Parks have to go in first; people don't believe it until you put them in.

Janet: Do houses sell faster?

Dave: It depends. It depends on people's preference and the market. Playground equipment makes sense in all parks within developments and spray parks help as well. A large natural open area for un-programmed play is essential but not a formal area for recreation or recreational field. Recreational fields are not attractive amenities. We had carloads of people coming to use a full size court in a development in Camas, Heritage Development. We ended up having to convert the court into two half size courts in order to deter the attractiveness to outside users.

4. Do you use parks or trails as a catalyst for your developments? How?

Dave: Parks are required.

5. Does the park location positively or negatively affect property values in your development? Are certain kinds of parks better for return on investments or property values? (Nature Parks, tot lots, urban squares, neighborhood parks, etc.)

Dave: Yes, the park location positively affects property values! Park location even positively affects sale values but it hasn't been studied and financially tracked all the way through a project. We know that builders charge more per lot if it is adjacent to open space or parks.

We do not want to encourage people in the parks after dark so we do not provide lighting in parks at night. Neighborhood parks are number one for neighborhood development. A community park is always a detriment and always has way too much activity. David Douglas Park (Figure 15) is used late at night. I would question who would want to live next to that type of use Skate parks are truly noisy and do not project a desirable amenity for adjacent residential areas.

INTERVIEW

Dave Wood
Newland Communities
October 17, 2011



Figure 14: Homestead Park -
Vancouver, Washington.

*"I LOVE
BUILDING THE
PARKS, IT'S ONE
OF THE MOST
ENJOYABLE
THINGS I DO..."*



Figure 15: David Douglas Park -
Vancouver, Washington.

INTERVIEW

Dave Wood
Newland Communities
October 27, 2011

6. Do you strategically locate parks and open space adjacent to higher density development? If so, do you see sales or leases occurring faster adjacent to the parks and open space areas?

Dave: Traditionally yes, we take our densities much higher but we don't have formal research about this relationship. It's not so literal. Traditionally, yes, we see sales occurring faster adjacent to open space.

7. What is the greatest difficulty in providing parks and open space in your development strategy?

Dave: The inflexibility of the public agencies is the biggest difficulty in our open space development strategy. For example every one of our projects has a large BPA powerline or gas line that could be used creatively for park space. The public agencies have blinders on about what a neighborhood park can be as well as the high expectations that are placed on parks. I would question the public agencies about what they are offering in return. It has to be give and take.

I love building the parks, it's one of the most enjoyable things I do. Ball fields are really an industrial use...it fulfills a small population and a small need demand, but has a very high impact. Formal ball fields are not a calling card for the developments.

Matt Brown
Loci Development
September 29, 2011

1. From your experience, what is the relationship of parks and trails to development? Positive, negative, or neutral in what circumstances?

Matt: Parks and trails provide all positive relationships for development! Urban development needs quality open space, not as an amenity but as necessary infrastructure. Parks and open space are a basic service, an integral part of any great neighborhood. Urban areas need relief and parks provide that sense of place and orientation. Thinking of trails alone without parks and open space, they can become a part of a functional network and transportation strategy for an integrated community. Trails are a part of a convenience factor as far as transportation options; however, that doesn't necessarily make a development opportunity more appealing. If trails become part of an overall development strategy with multiple amenities, then they are highly important.

There are negative aspects to parks such as a regional park which attracts a lot of people from the outside. In these cases, the negative impacts are greater than positive effects. For example, the Tualatin Hills Athletic Center does not appear to have a relationship to the adjacent neighborhood. The Tualatin Hills Athletic Center does not really contribute to the neighborhood, there is no positive effect.

The Pearl District would not be as successful without the parks, Jamison Square (Figure 16), Tanner Springs Park and the Fields. The parks provide a sense of place. You cannot market a successful neighborhood without park space. Urban parks are needed to complete the urban neighborhood. Everything that happens at the ground floor is crucial to a neighborhood success.

2. Is the influence of parks, trails and open space different for specific types of development such as commercial, housing or office development? How so?

Matt: There is a very specific relationship directly related to the development model. If you are working with a high density development with minimum setbacks and no real open space then you absolutely need park space. Housing definitely has more of a relationship and need for parks, trails and open space.

In the Forest Heights development, one third of land is trail and open space. Forest Heights is centered on common trail areas associated with the stream corridors which were additionally used for marketing of the development. Communities always want more in return for increased density and the more is MORE open space.



Figure 16: Jamison Square - Portland, Oregon.

“THE PEARL DISTRICT WOULD NOT BE AS SUCCESSFUL WITHOUT THE PARKS. JAMISON PARK GIVES IT A SENSE OF PLACE.”

INTERVIEW

Matt Brown
Loci Development
September 29, 2011

*"YOU HAVE
TO DELIVER
ALL THE PIECES
CREATING
A COMPLETE
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STRUCTURE
INCLUDES
PARKS, TRAILS,
AND TRANSIT."*

3. Is there a positive return on investment in parks and open space to the overall development? If parks and open space are developed privately, is there a return on investment? If parks and open space are public investments is there a private property benefit?

Is there a relationship between the size of the park in the overall scale of the development in order for it to be profitable?

Matt: In general, yes! Absolutely there is a positive return on investment. It is very complicated to determine the return on investment because it is so difficult to find concrete values and the market is always so dynamic. In general, one can consider that you can afford "x" amount of dollars of infrastructure costs associated with a development strategy.

In the Pearl District, the two developments were sold before Jamison Park was actually built. The park facing units were sold at a higher value because of the view and those units facing the park sold first. The equation is all wrapped up into everything else.

Matt: In thinking about Lake Oswego and the Foothills area, the interesting piece is that the parks and the plazas are already there. They have already been built. This is important because we did not have to create the parks, the system is already there. If we had to build the parks, the project would not pencil out. The Foothills development is also a community benefit story. Lake Oswego is privately owned, while this development will provide a crucial link from downtown Lake Oswego to the Willamette River for everyone.

Janet: An additional selling point for the Foothills development? And you can walk to Tryon State Park?

Matt: Of course! Of course! The day lighting of Tryon Creek has always been important— the disconnection of this stream as steelhead and salmon bearing habitat has been a habitat loss. It is very important to reconnect and restore this area. The costs associated with the flood plain mitigation actually provide other benefits from that investment and in addition, this amenity can be marketed as a restored natural area as a part of the development package.

4. Do you use parks or trails as a catalyst for your developments? How?

Matt: It can't be alone; parks and trails have to be combined with other strategies as a necessary amenity. South Waterfront marketed heavily parks and open space as amenities for the developments. If you are marketing a unit with these open space attributes, you also need to deliver

it. You have to deliver all the pieces and create a complete community package the neighborhood infrastructure has to have all the pieces in place. Streetscape and parks are just part of the marketing story for a development.

5. Does the park location positively or negatively affect property values in your development? Are certain kinds of parks better for return on investments or property values? (Nature Parks, tot lots, urban squares, neighborhood parks, etc.)

Matt: Yes, there is a positive relationship to property values and sale values. You need the full range of parks; however, the full range of park types doesn't typically show up on a park inventory. Park inventories need to include the neat little pocket parks such as plazas, entries, courtyards all the way up to a full scale neighborhood park, community park and regional park. You need places where you can throw a frisbee, a place for the dog and the natural areas to make a complete system. It's not necessarily that I use the natural areas or open space every day but it's nice to know that it's there and it's nearby.

6. Do you strategically locate parks and open space adjacent to higher density development? If so, do you see sales or leases occurring faster adjacent to the parks and open space areas?

Matt: Yes, we strategically locate our developments within proximity to park space. South Waterfront is strategically designed and sited to maximize values. One side faces the river, while the other side faces Caruthers Park (Figure 17) which helps to buffer the interstate. In general, we consider parks as a part of the development package. At this time; the higher price per square foot is not selling as fast in the South Waterfront Towers. The speed of sales in good times was much better and of course the park units went faster.

7. What is the greatest difficulty in providing parks and open space in your development strategy?

Matt: The biggest difficulty is getting the finances to work. At some point you are taking square footage of a buildable footprint out of the development equation to make the pro forma work. You are essentially sacrificing land for the sake of the park piece. The park amenity also has to be built and deliver the benefit. The later it comes in the process, the harder it is to deliver the amenity. The cost element really has to balance overall. If it works through entitlements or if it's a trade-off it works better for the developer. Ultimately, in order to move forward with a development the pro forma has to pencil out.

*"YOU CANNOT
MARKET A
SUCCESSFUL
NEIGHBORHOOD
WITHOUT PARK
SPACE."*

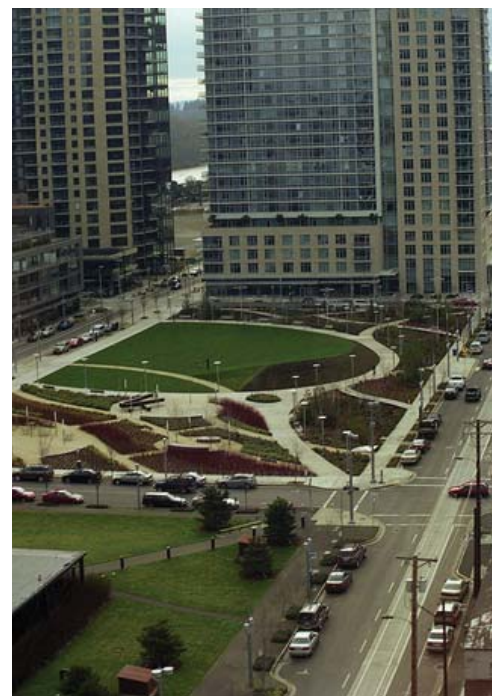


Figure 17: Elizabeth Caruthers Park - South Waterfront - Portland, Oregon.

INTERVIEW

Matt Brown
Loci Development
September 29, 2011



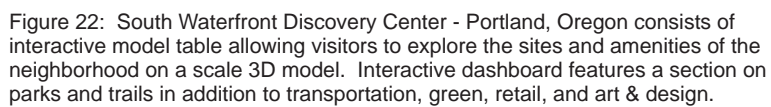
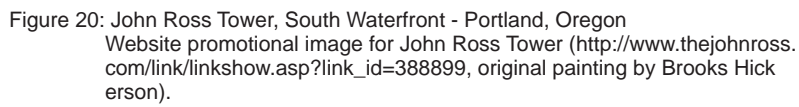
Figure 18: South Waterfront - Portland, Oregon.

Hillary: Do you test for the marketing?

Matt: We do not test for marketing. In the Foothills development, we have not used testing. South Waterfront (Figure 18) had hard marketing and overall branding completed by Ziba Design. Open space and access was a theme of the marketing which was selling a lifestyle related to the Willamette River. Even Jamison Square was marketed even before it was built.

The LEED for Neighborhood Development Rating System integrates the principles of smart growth, urbanism and green building into the first national system for neighborhood design. LEED Neighborhood Development has a checklist for parks which includes access to civic and public spaces and access to recreational facilities.

Matt Brown
Loci Development
September 29, 2011



INTERVIEW

Jim Winkler
Shawn Sullivan
Winkler Development
November 7, 2011



Figure 23: Washington Park - Portland, Oregon.

1. From your experience, what is the relationship of parks and trails to development? Positive, negative, or neutral in what circumstances?

Jim: The importance is proximity based, the closer you can get to a park, the higher the value of the land and the development opportunity. For example, in Chicago there is 36 to 1 FAR in the central city. There is no prescriptive design requirement for parks in Chicago and there are tons of pocket parks that become a part of commercial real estate and the urban fabric. Parks are good, especially if you are living in denser areas. Our homes are no longer the recreational resource they used to be. There is no question that parks are necessary given the Metro density requirements. We are more attracted to good locations as a part of the development equation. Parks are one of many components making for a good location.

For example Washington Park (Figure 23), a park can be a destination but not a driver. System Development Charges (SDCs) are a trust fund for east Portland in my opinion. The Headwaters development in Southwest Portland which was built on the banks of a once buried creek generated a SDC fee. I met with Zari Santner, City of Portland Director of Parks and Recreation, and I was able to negotiate the allocation of the SDC to jumpstart Springbrook Park which is just to the west of the Headwaters Development. In this case, the SDC actually benefitted the community where the development occurred.

The parks system development fee is huge. I am now paying a million dollars on a commercial development on Naito Parkway. I am curious about what the value of the SDC is versus the value to the park system. Seattle has one fifth of the amount of SDCs of Portland. Seattle is much more sensitive to the cost burden imposed on developers.*

**Note: After consulting with Brett Horner, City of Portland Parks and Recreation Assets Interim Manager, the City of Portland System Development Charges (SDCs) are collected by the bureaus of Environmental Services, Parks and Recreation, Portland Water Bureau and the Portland Office of Transportation to help offset the impact of a commercial project that adds to the City's infrastructure of storm and sanitary sewer systems, parks and recreation facilities, water and street systems. Commercial SDC fees for Parks went in to effect January 1, 2009.*

2. Is the influence of parks, trails and open space different for specific types of development such as commercial, housing or office development? How so?

Jim: I have a few examples to share based on my experience with parks and development. Back in the day, I had 10 to 20 acres, roughly 10 acres of forest land that I developed in the City of Fairview. Fairview Woods Park (Figure 24) was actually land that I donated to Fairview Housing

INTERVIEW

Jim Winkler

Shawn Sullivan

Winkler Development

November 7, 2011

Authority. We built the park and donated the land to the City of Fairview. There was no quid pro quo for the donation. We worked with Americorps creating trails and bird blinds for the park. It was over run by gangs and completely destroyed. The City of Fairview wanted to give it back, because it was an economic burden.

Another example is Adidas Village located on North Greeley. We developed Adidas Village (Figure 25) with a parking lot, basketball court, and children's play area and then connected it to Madrona Park (Figure 26). Again, we built the park, donated the land and the park. There was no quid pro quo for the donation. We wanted to project the image of athletic types who would want to come to this athletic village. Adidas would conclude that after 9/11, they would have preferred a less open site for safety and security reasons. If you want to know a real value enhancer for developments, it's a light rail line.

People love parks within 5 or 6 blocks. The place I'd like to see more parks is in dense urban areas, but unfortunately the City wants them in East Portland.

3. Is there a positive return on investment in parks and open space to the overall development? If parks and open space are developed privately, is there a return on investment? If parks and open space are public investments is there a private property benefit?

Is there a relationship between the size of the park in the overall scale of the development in order for it to be profitable?

Jim: Parks have never been on our list for site selection. Parks are great if they are there but we haven't gone out and looked for it. We look for number 1: mass transportation, number 2: schools, and number 3: shopping convenience. We look at established areas such as NW 21st, NW 23rd, Belmont, and Hawthorne. We develop in places where people want to be.

Consider the Gateway example; the source of the sense of place is being defined as a regional shopping center. Sense of place at Gateway is struggling. Parks are really nice things if you can find available land across from a park for a development.

There is also the flip side of parks. They can be places for bad things to happen and it depends on demographics. It involves knowing your demographics for a development package. A single woman in her late 30's wants security, a controlled entry, lighting, and lots of people. They are not looking for parks when making a purchase decision.

The distinction is between urban and suburban area, if it is urban and has all the components of a complete community except a park then the park is necessary. Looking at suburban development, it's hard to put a metric



Figure 24: Fairview Woods Park - Fairview, Oregon.



Figure 25: Adidas Village - Portland, Oregon.



Figure 26 : Madrona Park - Portland, Oregon.

INTERVIEW

Jim Winkler
Shawn Sullivan
Winkler Development
November 7, 2011

*"WITH
DENSITY, YOU
NEED PLACES
TO GO OUTSIDE.
IN THAT
CONTEXT,
PARKS BECOME
MORE
IMPORTANT AS
AN AMENITY."*

to it. If you ask people if they want to buy a sweater, do they really want to buy a \$600.00 sweater if that is the additional cost for the park?

4. Do you use parks or trails as a catalyst for your developments? How?

Jim: No, we do not use parks or trails as catalysts for our developments.

5. Does the park location positively or negatively affect property values in your development? Are certain kinds of parks better for return on investments or property values? (Nature Parks, tot lots, urban squares, neighborhood parks, etc.)

Jim: LEED has become the accepted standard. When we were marketing Killingsworth we asked people, "what's driving you in your purchase decision?" Not a single person responded that they wanted something new such as, "I really like the new washer dryer" or, "the new floors are nice." The building philosophy of "greenness" was not mentioned. Green buildings are just the new standard that's expected. No one mentions the proximity to a park as a determinant for selection of one of the units. Yet parks are a wonderful amenity that helps makes a neighborhood. It's just not a driver for development. It's an important component but it needs the rest of the infrastructure package.

A large public park is one block of urban open space nicely designed in the urban areas. Blocks and blocks of soccer and baseball fields are not economic drivers. Irving Park, Portland was the park I used growing up that serves different people but I would have a hard time saying it is an economic driver. Duniway Park in Portland is a successful park that is very urban but I am struggling labeling it as an economic driver. It is a quality of life amenity but its value is not transferable.

6. Do you strategically locate parks and open space adjacent to higher density development? If so, do you see sales or leases occurring faster adjacent to the parks and open space areas?

Jim: No, we do not strategically locate development adjacent to parks and open space.

7. What is the greatest difficulty in providing parks and open space in your development strategy?

Jim: What I see as the future trajectory in development is apartments and tighter units. With density, you need places to go outside. In that context, parks become more important as an amenity.

ADDITIONAL DISCUSSION

Chris Neamtzu, Planning Director
Kerry Rappold, Natural Resources
Program Manager
Villebois Development
City of Wilsonville

An additional discussion was held with Chris Neamtzu, Planning Director, City of Wilsonville and Kerry Rappold, Natural Resources Manager, City of Wilsonville, regarding the development of neighborhood Villebois. Villebois was a planned unit development that went through a lengthy collaborative process with the developer, Costa Pacific Communities and the City of Wilsonville. Construction began in 2005, and about 800 homes have been completed so far. About 2,400 homes will be built in all by four different builders: Costa Pacific Homes, Arbor Custom Homes, Legend Homes and Polygon Homes. A variety of housing types are available, including detached single-family homes, attached rowhomes, townhomes and apartments. Villebois is a pedestrian-friendly community connected by more than 130 acres of trails and open green spaces. The master plan of the community actually exceeded City of Wilsonville Parks and Recreation standards. As Chris indicated in the discussion, the parks, trails, and open space were integral to the layout of the plan and were not based on typical parks level of service or numerical requirements, instead the parks and trails system was laid out according to what looked good and felt good to the plan. Indeed, the developers continued to polish the pearl by bringing more open space to the table for the project.

Chris and Kerry revealed that the timing of the park development was crucial for the project, the developers all wanted the parks in place before the development occurred. Chris admitted that the "developers who work here, do very well here. Our process is labor intensive with a rigorous public process, the City has a lot of rules and conditions of approval but the developers know it's a successful model and they know it's going to work well so they come back. The community sells itself." The pattern to date in the community is that there is stark difference in the sales performance. The West side of the site has large mature trees and substantial built neighborhood parks and has out sold the east side where there are less mature trees and less built parks. Overall, three main points were concluded from the discussion:

1. Homes in the areas with lots of old trees, new parks and direct access to trails sold faster and at a higher cost.
2. Homes on streets without trees or parks continue to be slow in selling.
3. The wetlands natural areas that is separated from homes by a large road does not appear to have helped the marketability of the lots.

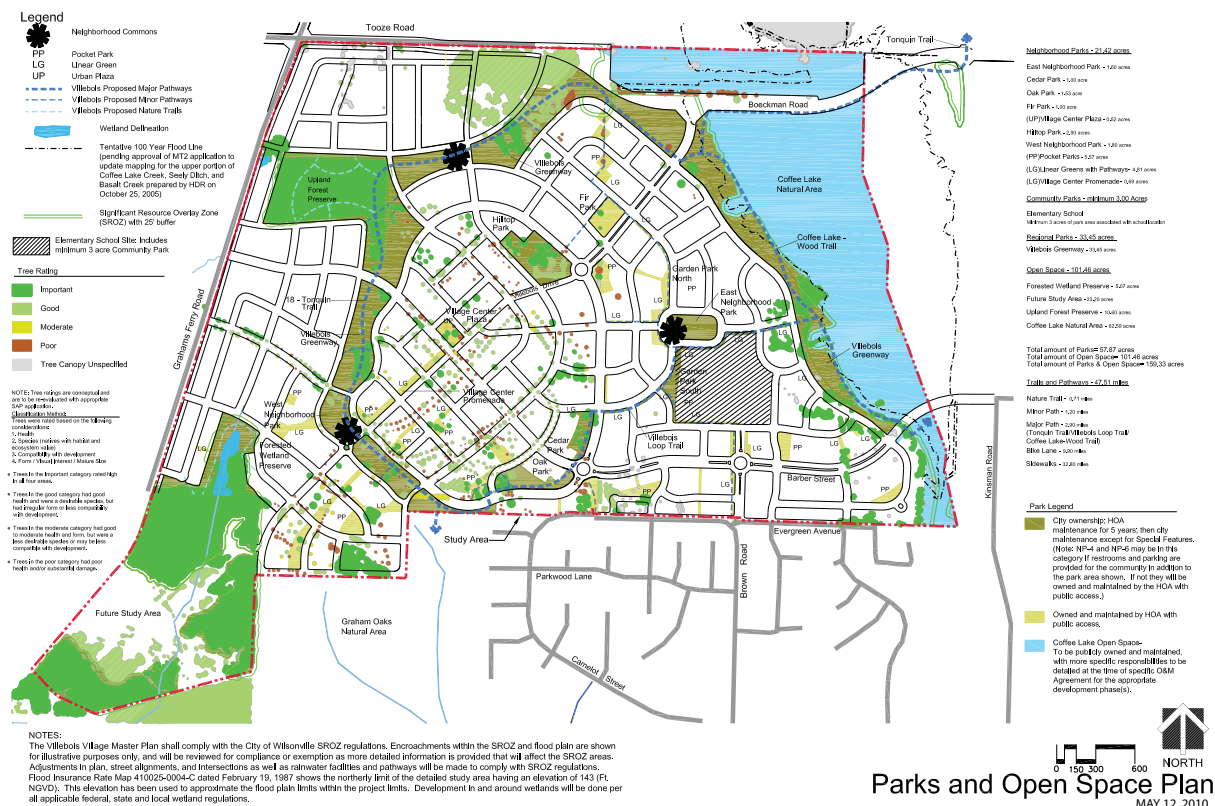


Figure 27 : Parks and Open Space Plan, Villebois Development - City of Wilsonville, Oregon.



Case Study: The High Line New York, New York

CASE STUDY

The High Line is a public park built on a defunct railway that runs 30 feet above Manhattan between 10th and 11th Avenues, from 34th Street to Gansevoort Street in the meatpacking district. The High Line, designed by a collaboration between James Corner Field Operations (Project Lead), Diller Scofidio + Renfro, and planting designer Piet Oudolf, is meant to offer a retreat from street life, a pastoral space floating 30 feet in the air with Hudson River views. It is owned by the City of New York, and maintained and operated by Friends of the High Line. Founded in 1999 by community residents, Friends of the High Line fought for the High Line's preservation and transformation at a time when the historic structure was under the threat of demolition. In addition to overseeing maintenance, operations, and public programming for the park, Friends of the High Line raised the essential private donations to support more than 70 percent of the park's annual operating budget.

The first section of the High Line, which runs near the Hudson River from Gansevoort Street to West 20th Street, opened to the public in June 2009. The second phase opened in June 2011 and runs from 20th Street through West Chelsea north to 30th Street, doubling the accessible length of the park. Work has not begun on the last section, which will run west on 30th before curving around the West Side Railyards and ending at 34th Street near the Javits Center. To date, the High Line has been visited by over 6 million people, has become the City's third most visited tourist attraction, and serves as a vibrant and unique park amenity for neighborhoods along Manhattan's far west side. However, this elevated rail structure witnessed years of neglect and was threatened to be completely demolished prior to the community support which rallied to save it.

A decade ago, many New Yorkers were united against saving the elevated freight tracks and the idea of the High Line appeared to be doomed. Owners of land and buildings throughout Chelsea wanted the decaying High Line viaduct demolished, and the administration of Mayor Rudolph W. Giuliani supported their intent. Ten years later, Mr. Giuliani's successor, Mayor Michael R. Bloomberg, proclaimed that preserving the High Line as a public park revitalized a swath of the city and generated \$2 billion in private investment surrounding the park. "All of that commerce more than makes up for the \$115 million the city has spent on the park and the

TOTAL COST:

\$152 million (Phases I & II)

PRIVATE DONATIONS:

\$44 million by Friends of the High Line

SIZE: 6.73 Acres

PROJECTED DEVELOPMENT VALUE:

2 billion in private investment

CASE STUDY



Park Boundary



Diagram A: The HighLine Location Map and Context Map.

deals it made to encourage developers to build along the High Line. Over 50 new residential, commercial, and cultural development projects have been planned or constructed as a part of the new economic vitality in the area. On top of the 8,000 construction jobs those projects required, the redevelopment has added about 12,000 jobs in the area,” stated Mayor Michael R. Bloomberg.⁹ Amanda Burden, the city’s planning director, indicates that High Line has boosted adjacent property values, saying that “in one building that abuts the lower section of the High Line, the price of apartments had doubled since the park opened, to about \$2,000 a square foot.”¹⁰

As a part of the due diligence, an economic and fiscal impact analysis was created for the High Line. The analysis demonstrated that converting the rail into a public park would produce economic and social benefits far outweighing the cost of the demolition of the elevated rail structure. As part of the design development strategies, the City of New York initiated re-zoning in the area that enabled air rights under and around the High Line to be transferred to nearby land parcels. The rezoning preserved private property rights and was able to catalyze real estate development that would protect the historic railway structure.

While the publicity around the design of the High Line is well known and supported by celebrities, fashion designers, and actors, the continued maintenance of the facility has had its challenges. Friends of the High Line have had to scramble to devise an income stream to cover the expected \$3.5 million to \$4.5 million annual cost of maintaining its jewel-box appeal.¹¹ Friends of the High Line thought they had a solution when they proposed a “Park

⁹ McGeehan, Patrick. “The High Line Isn’t Just a sight to See; It’s Also an Economic Dynamo.” New York Times: June 5, 2011.

¹⁰ McGeehan 2011.

¹¹ Cardwell, Diane. “When Parks Must Rely on Private Money.” New York Times: February 5, 2011.

Improvement District,” a first-of-its-kind tax on residents and businesses around the park to pay for upkeep. Neighbors rejected the proposal and objected to paying for what they saw as a tourist destination.¹² The proposal was eventually abandoned. The Friends of the High Line are now looking to increase concessions and to raise money for a maintenance endowment. Currently, the Friends of the HighLine provides over 70 percent of the High Line’s annual operating budget and is responsible for maintenance of the park with a license agreement with the New York City Department of Parks & Recreation.

¹² Cardwell 2011.



Case Study: The Mill District Minneapolis, Minnesota

CASE STUDY

The Historic Mill District, located between Downtown Minneapolis and the Mississippi River, includes numerous historically significant structures and sites. The Historic Mills District Master Plan was published in June 1998 and was the product of an in depth public participation planning process. The final Master Plan included an urban design plan and design guidelines for each block of the District and established design concepts to inform the redevelopment of the District. Early in 2000, the plan was updated by a task force including representatives from City, County, and State agencies and other major stakeholders. As part of the Historic Mills District Master Plan, there were four guiding goals or principles for the Minneapolis Riverfront District redevelopment. A fundamental goal of the project was to “Open public access to the riverfront as a social and environmental asset and amenity” and to “Create a vibrant new mixed-use community with enough housing to be a true neighborhood.”

By 2010, the Mill District has developed both banks of the Mississippi River as publicly owned open space and connects to the 52-mile Minneapolis Grand Rounds parkway system. Mill Ruins Park is considered to be the centerpiece of the revitalization of Minneapolis’ historic West Side Milling District. The development has created almost 140 acres of new riverfront parkland from 1977-2002. About 4,650 new housing units have been completed or are in construction and over a thousand more have been planned. Overall, the Mill District is an economic powerhouse generating jobs, taxes & economic activity with 8,300 jobs preserved and 1,400 jobs created with 4.2 million square feet of new office, commercial & industrial space. The continued public support and desirability of the area has increased real estate taxes (estimated market value) from \$25 million in 1994 to \$232 million in 2005.

PUBLIC FUNDING FOR DISTRICT:
\$289 million

TOTAL COST FOR PARKS: \$54 million

DEVELOPMENT VALUE:
\$1.382 billion in private investment

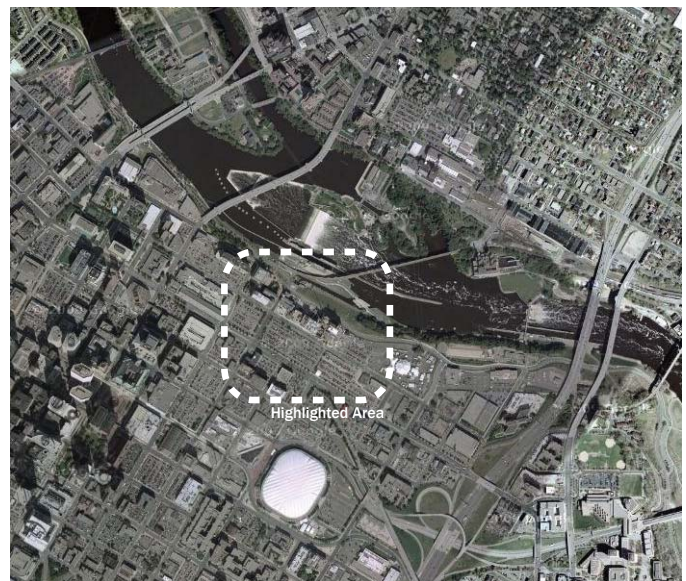


Diagram B: The Mill District Location Map and Context Map.



Case Study: The BeltLine Atlanta, Georgia

CASE STUDY

The Atlanta BeltLine is pursuing an extraordinary project that will transform the landscape of the city. The BeltLine gives Atlanta an opportunity to create a citywide system of parks and transit that loops the urban core of the inner city. The concept originated with a 1999 masters degree thesis by Georgia Tech student Ryan Gravel, who founded the non-profit Friends of the BeltLine. The BeltLine plan calls for the creation of a series of parks throughout the city creating what the working plan, The BeltLine Emerald Necklace, calls the thirteen “BeltLine Jewels.”¹³ These park jewels would be connected by the trail and transit components of the plan. The Trust for Public Land identified areas that would be appropriate for parkland, and spurred the inclusion of the park component in the current plan. As the planning process moved forward, the concept has expanded to combine parks and greenspace, transit and trails, transportation and pedestrian access, affordable workforce housing and public art along the 22 miles of historic rail segments that encircle the urban core and ultimately connects 45 neighborhoods. The BeltLine is one of the most comprehensive economic development efforts ever undertaken in the City of Atlanta and the largest most wide-ranging urban redevelopment currently underway in the United States.

During the past 20 years, metro Atlanta’s growth has occurred in widely spread and disconnected pockets of development which have strained the region’s quality of life and economic growth. Without an urban growth boundary, the city has expanded unchecked into neighboring rural areas with developers attracted to low property values for acquisition. By attracting and organizing some of the region’s future growth around parks, transit, and trails, the BeltLine will assist in changing these past patterns of regional sprawl.

The Atlanta BeltLine will increase Atlanta’s greenspace by nearly 40% as the project adds nearly 1,300 acres of new parks and greenspace throughout the next 25 years. The BeltLine will create a linear park with 33 miles of multi-use trails connecting 40 parks, including approximately 700 acres of existing parks. As a part of this plan 30,000 new jobs are expected to be created in the area in the next 20-25 years. This job increase is 50 percent greater than what would be created without the BeltLine. In addition, during the development of the BeltLine, 48,000 construction jobs will be created.

TOTAL PROJECT COST: \$ 2.8 billion

TOTAL COST FOR PARKS: \$755 - \$910 million

LAND ACQUISITION: \$480 - \$570 million

PARK AND TRAIL CONSTRUCTION: \$275 - \$340 million

DEVELOPMENT VALUE: \$20 billion

FEDERAL FUNDING TO DATE: \$24 million



Figure 28: BeltLine Construction Sign waits for construction - Atlanta, Georgia.

¹³ The BeltLine Emerald Necklace: Atlanta’s New Public Realm”
Prepared for The Trust for Public Land by Alex Garvin & Associates, Inc.:
December 15, 2004

CASE STUDY

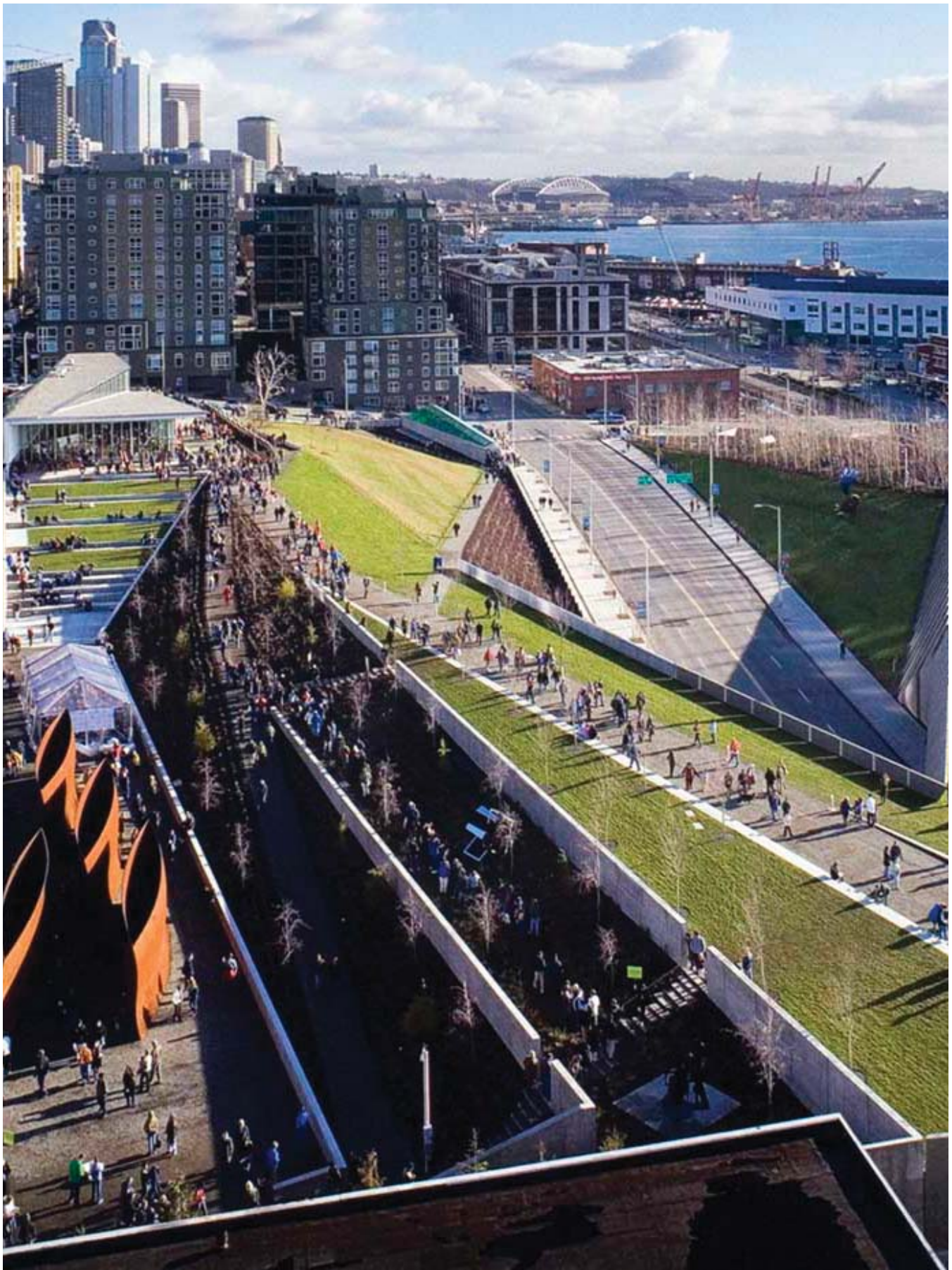


Diagram C: The BeltLine Location Map and Context Map.

The Atlanta BeltLine Five Year Work Plan has a strong focus on the creation of parks and trails to deliver early benefits for residents. The Five Year Work Plan includes acquiring 585 – 625 acres of greenspace and developing 260 – 300 acres, including: 480-490 acres of parks acquired with 155-165 acres developed, 5-7 miles / 90-100 acres of trails and 5-9 miles / 15-35 acres of spurs acquired and developed. These acquisitions and developments will help spur adjacent properties.

The investment in the five year work plan of \$180 million comes from a combination of sources including the BeltLine Tax Allocation District, the Capital Campaign, Park Opportunity Bonds, Department of Watershed Management funding, and Federal Funding for trails. To date, D. H. Stanton, Historic Fourth Ward Skate Park and Historic Fourth Ward Park have been completed and opened. After the completion of the Historic Fourth Ward Park, the neighborhood experienced an increase in new construction including two new loft developments as well as new single family homes. A number of affordable housing projects have also been completed as a part of the project so far to date.

The funding for the BeltLine has been creatively strategized by creating a Tax Allocation District (TAD) as the primary funding mechanism. The primary purpose of the BeltLine TAD is to create a network of high quality public amenities, parks, trails, transit, streetscapes, that are the driving force to attract development. The Atlanta BeltLine is expected to generate more than \$20 billion of new economic development throughout the 25 years of the Tax Allocation District. A Tax Allocation District is a financing mechanism that “freezes” property tax revenue within a specified boundary at the current baseline level. All future property tax revenue above the baseline level goes towards capital expenditures within the district. The fund has capitalized 8.8 million and has subsidized affordable housing adjacent to the BeltLine.



Case Study: Seattle Sculpture Park Seattle Art Museum Seattle, Washington

For many years, this former brownfield was a blighted piece of property at the heart of Seattle's waterfront. The 8.5-acre property where the Olympic Sculpture Park now stands was once a contaminated fuel storage and transfer site for Unocal Oil. Before Unocal could sell the property, it had to clean up 120,000 tons of contaminated soil and more than 28 million gallons of contaminated water. The Seattle Art Museum (SAM), which bought the property and operates the park, restored the waterfront as an important habitat for salmon as well as reconnected the city to its waterfront heritage. The site was also bisected by a four-lane road and active Burlington Northern Santa Fe rail lines.

The design, by Weiss/Manfredi Architecture/ Landscape/Urbanism, reestablishes the original topography of the site, which was an imposing bluff before it was leveled in the late 1800s. From a steel-and-glass pavilion at the top of the park, a Z-shaped path threads 2,200 feet through the parcel, rising above the highway and rail lines before descending to the restored beachfront at Elliott Bay. The park is open to the public free of charge.

The park itself has become an economic catalyst for the surrounding Belltown neighborhood, spurring construction of dense residential complexes, with new stores and restaurants replacing parking lots and vacant land. The park is bolstering nearby property values and encouraging a building spree in adjacent neighborhoods. In the first two weekends of its opening in late January, some 70,000 visitors flocked to the park. Nearby residential properties began advertising their closeness to it. A seven story luxury apartment building on the northern boundary of the Olympic Sculpture Park is currently in design review with the City of Seattle.

CASE STUDY

TOTAL PROJECT COST: \$85 million,
covered mostly by donations

SIZE: 8.5 acres

FEDERAL FUNDING TO DATE: \$5 million

KING COUNTY: \$1.7 million

STATE: \$8.1 million

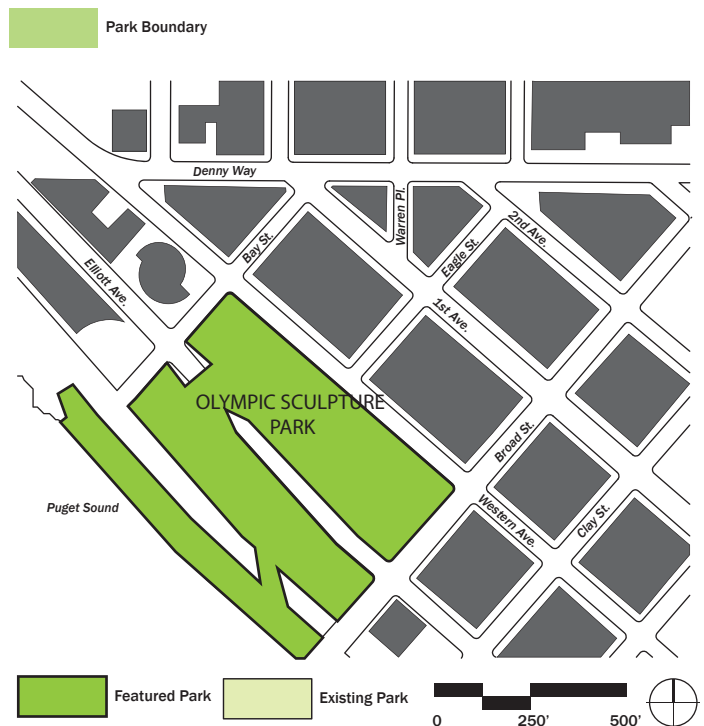


Diagram D: Olympic Sculpture Park Location Map and Context Map

PRINCIPLES

CONTEXT SPECIFIC PRINCIPLES



Figure 29: Jamison Square - Portland, Oregon.

A few key design principles can be ascertained from the research, the case study review and the developer interviews. Perhaps as important as identifying when parks have a positive relationship to market forces is the identification of circumstances where they are not important. The principles below begin to suggest contextual sensitivity and put forward a point a departure for discussion around the region.

I. Context Specific Principles

I.1: Parks have different effects on different types of development.

Context provides a significant design cue for the relationship of parks to its immediate surroundings. Dependent upon the variety of development types, parks provide different meanings and relationships to economic development.

- **Complete Communities and Mixed Use Developments** - Parks are key to the successful mixed use developments to foster complete communities.
- **Housing Development** - The strongest possible relationship is between parks and housing. Several developers said that not only are parks essential for housing development but parks need to be in place before they start marketing and necessary to sell their product.
- **Commercial Development** - Parks are less important for commercial development. However, in some circumstances, where a setting or sense of address is needed, parks may become part of the success.
- **Retail** - Parks have the least effect on retail success. In general, retail helps retail while restaurant development is an exception to this finding. Also, parks can help housing that in turn supports nearby retail.
- **Waterfronts** - Waterfronts have always been areas that attract and maintain levels of activity. A waterfront is an important public space in its own right and typically a part of a larger citywide destination. With the access to water and the associated views, waterfronts are naturally places where people want to be. Public access in the form of trails is beneficial in waterfront development. The side of development facing away from the waterfront may need parks to help increase sales.

1.2: Parks are integral to creating complete communities.

Parks, trails, and open space are integral to both urban and suburban areas when a setting is needed.

- With density, the value of parks, trails, and open space increases. Apartments, condos, and studio living in dense urban areas do not include private outdoor spaces. Valued as a commodity, public open space in urban areas can be considered as an integral component of a livable community and a necessary amenity for future development. Having accessible park space or open space adjacent to a development in an urban area is leveraged in marketing materials to sell units faster and at a premium.

- In suburban areas, parks and trails serve as valuable assets to place-making and are a required component of neighborhood infrastructure. In new housing development buyers are looking for parks as part of the overall quality of development. All around the U.S., real estate brokers and homebuilders are advocating parks as one of the top residential selling points and the desire to live near parks also translates into real dollars. A 2001 survey by the National Association of Realtors, "The 2001 Community Preference Survey: What Americans are Looking for When Deciding Where to Live" revealed that 57 percent of voters would choose a home close to parks and open space over one that was not. In addition, the survey found that 50 percent of voters would be willing to pay 10 percent more for a house located near a park or protected open space.¹⁴

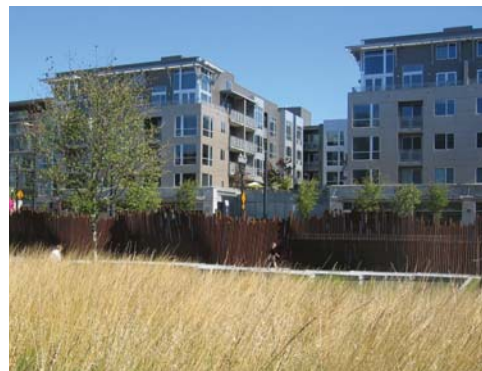


Figure 30: Tanner Springs Park - Portland, Oregon, provides an access to nature amidst the density of the Pearl District.



Figure 31: Laurelhurst Park - Portland, Oregon, provides a needed access to nature in the density of Southeast neighborhoods.

¹⁴Green Envy Report, National Parks Council, 2007.

PRINCIPLES



Figure 32: Mississippi Avenue - Portland, Oregon



Figure 33: South Waterfront Park prior to high rise development (2002) - Portland, Oregon

1.3: No Setting Required Principle

In some instances, a park setting is not necessary to foster economic development.

Main streets are active hubs of activity with an array of destinations and uses that serve as a community center and the local economic engine. Main streets do not necessarily include parks, trails, or open space as a part of its design components. Mississippi Avenue, Portland, Oregon (Figure 32), has prospered recently with the development of urban infill. The lively street does not include public open space except in the form of small, private plaza-like spaces adjacent to retail shops that are privately developed, owned, and maintained. The area is actively thriving without direct access to a park, trail, or open space area.

1.4 Signature Park Projects Principle

In addition to the modest investment of parks with local effects on housing and other types of development, there are examples of significant public and private investments in parks that have major returns.

Recent examples included here include the High Line in New York City. The project cost was \$152 million with a projected development value of 2 billion (page 25). The Mill District, Minneapolis had an initial investment of \$289 million and development value \$1.382 billion in private investment (page 29). The BeltLine in Atlanta had a cost of \$2.8 billion with development value \$20 billion (page 31). The conditions or principles for can be extrapolated from these types of projects include:

- An underutilized or abandoned area close to urban centers repurposes old infrastructure for parks.
- Significant effort is made toward a large vision with a high level investment typically combining local and federal funding with private donations.
- The project has an extremely high level of design excellence, using nationally or internationally renowned design teams.
- Public visibility is high often with a trail connection or other destination linkages that increase use. (Figure 33)
- Several cities have begun to re-purpose abandoned sites and/or brownfield sites with urban infill parks. As a part of this effort, existing

parks are also considered and re-purposed to create new energy in urban centers.

For example, the City of Philadelphia has prioritized creating quality open space in the city, recognizing the value of open space and its importance to the quality of life of its residents. GreenPlan Philadelphia sets lofty goals (Figure 34) that is based around a framework that evaluates the contribution of all projects and policies in terms of environmental, economic and quality of life benefits.¹⁵ Research in Philadelphia has shown that proximity to trees and well-maintained open spaces can positively influence housing prices, creating more valuable properties. GreenPlan Philadelphia recognizes that the city has quite a bit of vacant land, which presents an opportunity to become more productive land use if used as temporary or permanent open spaces, or if redeveloped. By enhancing its open space network, which provides recreational amenities and leads to more valuable properties, Philadelphia can cultivate a competitive economy and become a city of choice for attracting businesses, residents, and events.¹⁶ In the "Trust for Public Land's Center for Park Excellence Report: How Much Value Does the City of Philadelphia" receive from its Park and Recreation System, Mayor Michael Nutter emphatically states, "This report isn't really about parks. It's about cities and how to save them. If you care about cities, keep reading, you will see that Philadelphia's parks are an essential part of the city's economic and cultural infrastructure."¹⁷



Figure 34: Benefits Matrix from the *GreenPlan Philadelphia* - Environment, economy, and quality of life form the basis of GreenPlan Philadelphia's network of benefits, developed to clearly communicate goals, justify spending, objectively prioritize projects, and report progress. The Benefits Matrix highlights places and elements of places that positively influence economy including increasing property value, influencing productive land use, and encouraging a competitive market.

II. Maximizing the Benefit

II.1 Provide Certainty Principle

Parks need to be built as early and essential infrastructure in order to have them in place prior to marketing development. In some circumstances, it may be possible to market on a future promise but many buyers will not believe it. In a slow market, it's especially important to show the investment up front.

In residential communities, developed parks are crucial for sales. The Villebois development in Wilsonville revealed that sales languished in areas of the community without developed parks and mature trees. The areas with developed parks and mature trees sold first.

¹⁵ City of Philadelphia. "GreenPlan Philadelphia."

¹⁶ City of Philadelphia. "GreenPlan Philadelphia."

¹⁷ Trust for Public Land's Center for City Park Excellence for the Philadelphia Parks Alliance. "How Much Value Does the City of Philadelphia Receive from its Park and Recreation System?" June 2008.

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II.2 Passive Recreation Relationship Principle

Parks, trails, and open space with passive recreation areas are more conducive to economic development and overall place-making than active parks with intensive uses.

- Parks, trails, and open space with passive uses attract and maintain a level of activity that is desirable for economic development. Included in this principle are parks or natural areas and walking trails, specialty gardens such as the Rhododendron Garden, golf courses, and pocket parks.

- Parks with recreational sports (Figure 35) can be detrimental to development potential. Large sports fields can be incredibly active and are typically associated with a higher use by cars with significant lighting and noise that is detrimental to the perceived quality of a neighborhood.



Figure 35: Active recreational fields may deter development potential with the intensity and frequency of use.

II.3 Park Programming Principle

In urban settings, passive parks do not necessarily create a positive environment without park programming.

- Retail markets prefer populated places that create a buzz of activity. A constant calendar of programs at Pioneer Square keeps Portland's downtown living room a lively forum (Figure 36).

- Conversely, without these programmed events, parks can be perceived as "lifeless" and in the extreme, attract undesirable activities. Without "eyes" on the park, safety and overall care may suffer. In these instances, unprogrammed parks can be detrimental to economic development potential.



Figure 36: Pioneer Square - Portland, Oregon benefits from an active calendar of programmed events year round which translates to adjacent businesses.

III. Physical Properties Principles

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III.1 Proximate Principle

Parks, trails, and open space can have a positive effect on adjacent property values and can lead to proportionately higher tax revenues for local governments.

The proximate principle states that the market value of properties located in proximity to a park, trails or open space are frequently higher than comparable properties located elsewhere.¹⁸ The higher value of these properties means that their owners pay higher property taxes. A pair of studies conducted in 2000 and 2001 analyzed the same set of more than 16,400 home sales in Portland, Oregon using two different study methods. The first study found that the 193 public parks analyzed had a significant positive impact on nearby property values. The existence of a park within 1,500 feet of a home increased its sale price between \$845.00 and \$2,262.00 in 2000.¹⁹ A study of the effect of greenbelts on property values in three different areas of Boulder, Colorado showed that there was a \$4.20 decrease in the price of residential property for every one foot moved away from the greenbelt. This suggested that if other variables were held constant, the average value of properties adjacent to the greenbelt was 32% higher than those located 3,200 walking feet away.²⁰ In the study, they demonstrated that the proximate effect is substantial up to 500-600 feet (typically three blocks). In the case of community sized parks over 30 acres, the effect may be measurable out to 1500 feet, but 75% of the premium value generally occurs within the 500-600 foot zone. These studies suggested that a positive impact of 20% on property values abutting or fronting a passive park area is a reasonable point of departure for estimating the magnitude of the impact of parks on property values.²¹



Diagram E: Proximate Principle - An sample review of tax values for residences adjacent to Laurelhurst Park.

¹⁸ Crompton, John L. "The Impact Of Parks And Open Spaces On Property Values." Department of Recreation, Park and Tourism Sciences, Texas A&M University. Volume 63, No. 1, page 32, Winter 2007.

¹⁹ TBolitzer, B. and Netusil, N. "The Effect of Open Space on Property Values in Portland, Oregon." *Journal of Environmental Management*: 59 (3), pages 185 - 193, July 2000.

²⁰ Correll, Mark R., Lillydahl, J., Jane H. and Singell, Larry D. "The Effect of Green Belts on Residential Property Values: Some Findings on the Political Economy of Open Space". *Land Economics* 54(2), pages 207-217, 1978.

²¹ Correll, Lillydahl, & Singel 1978.

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Understanding the proximate principle enables developers a manner of capitalizing on the direct relationship of proximity to increased value. The design of the layout of adjacent lots can have a direct relationship on higher sales and tax values of the lots if the layout maximizes the frontage potential facing the park.

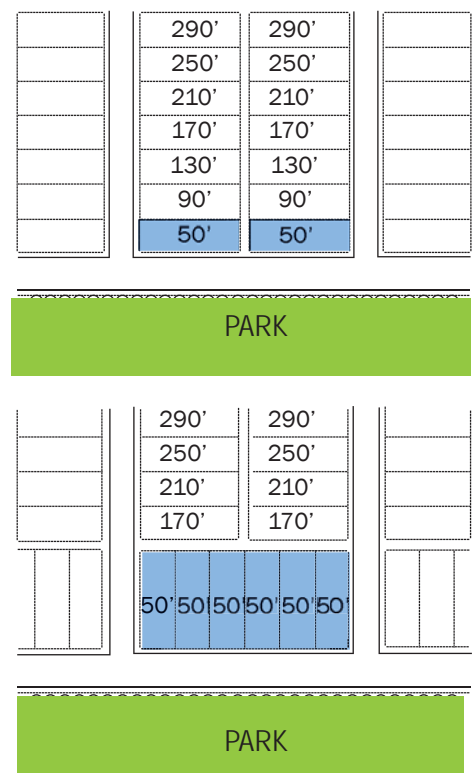


Diagram F: Proximate Principle
Design Rules - Andrew Ross Miller, "Valuing Open Space: Land Economics and Neighborhood Parks."²²

In Diagram F, the lots are configured parallel to the park and do not relate directly to the park. In this instance, there are only two lots within fifty feet of the park. The houses and lots should face onto the park rather than the adjacent streets which provides the advantage of having six lots within fifty feet of the park.²³ Maximizing the frontage onto park spaces directly provides economic benefits.



Figure 37: Graham Oaks Nature Park - Wilsonville, Oregon, provides an impressive link to trails and open space for the adjacent residential community of Villebois.

The importance of value of park frontage and a park view translates to parks and development regardless of the park size. In fact, larger parks provide a compelling relationship between adjacent housing and the park by fostering an access to nature and promoting an expansive "borrowed view". Graham Oaks Nature Park (Figure 37) in Wilsonville serves as an example of higher property values adjacent to a very large park site. Chris Neamtzu, Planning Director - City of Wilsonville, indicated that the developers were able to sell the lots adjacent to the park at a premium value first.

²² Miller, Andrew Ross. "Valuing Open Space: Land Economics and Neighborhood Parks." Department of Architecture, Massachusetts Institute of Technology, February 2001.
²³Miller 2001.

III.2 Park Size Principles

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Overall, the context for parks needs to be considered. In dense urban areas, smaller park sizes work to provide an adequate economic incentive whereas in suburban areas, larger park sizes add value and potential.

From a developer's point of view, park size in urban areas should range in size from one to two blocks as an optimal size in certain urban contexts. The interviews from local developers agreed that dense urban areas need parks. The developer's concern regarding size appeared to be an issue of the cost of the park infrastructure and the potential loss of that valuable urban real estate to actually develop. Small distributed parks in urban areas create multiple "parksheds". Parksheds represent the areas in proximity to the park that capture a quarter mile radius from the park. As seen in Diagram G, several small parks add more value than a centralized park of equivalent total area. The three parks capture three separate parksheds representing a greater area of impact than one single park.⁵ In some cases, multiple small parks located close to residential areas may have a larger impact on more houses than a large park that is located further away. An example of this principle is the Pearl District master plan which includes three parks strategically located with a perimeter of building pads. Jamison Park, Tanner Springs Park and the Fields effectively capture a greater parkshed area than a single park would provide in the same context (Diagram G). The sum of the parts is more compelling than a single park by itself.

Larger park sizes in suburban areas have been shown to create greater overall development value. Research on park sizes relative to economic value has shown that larger park sizes in suburban areas have a positive impact on a home's price. The relationship between a home's sale price and its proximity to different open spaces types in the city of Portland, within Multnomah County was studied between 1990 and 1992. Homes located within 1,500 feet of a natural area park, where more than 50% of the park is preserved in native and/or natural vegetation, are found to experience an average of the largest increase in sale price.²⁴ Natural area parks require the largest acreage to maximize sale price and are found to have a positive and statistically significant effect on a home's sale price for each zone studied. Homes located adjacent to golf courses (within 200 feet) are estimated to experience the largest increase in sale price due to open space proximity although the effect drops off quickly as distance from the golf course increases.²⁵

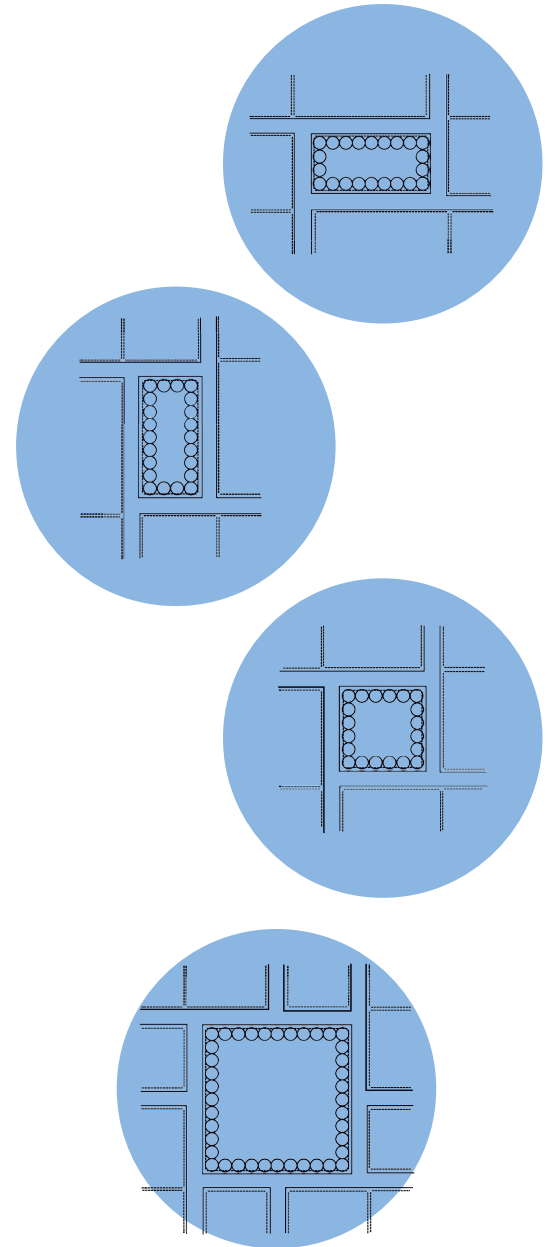


Diagram G: Design Rules - Andrew Ross Miller, "Valuing Open Space: Land Economics and Neighborhood Parks."

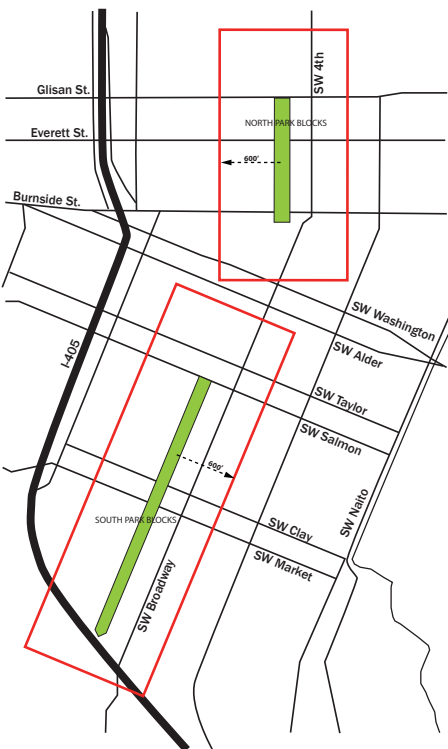
²⁴ Lutezenhiser, M. and Netusil, N. "The Effect of Open Space on a Home's Sale Price." *Contemporary Economic Policy*, 19 (3):291-298, July 2001.

²⁵ Lutezenhiser and Netusil 2001.

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Diagram H: Pearl District Neighborhood - Portland, Oregon. Diagram illustrates the “parkshed” capture radius of 600 feet into the surrounding neighborhood.



■ Featured Park

Diagram I: Park Blocks - Portland, Oregon

III.3 Linear Park Principle

Linear Parks can provide a greater amount of actual park frontage and maximize development potential in urban or suburban grids.

In urban or suburban grid systems, elongated parks increase park perimeter which can boost the net total of lots that have actual park frontage. In Diagram J, a rectangular park with the same area as a square park will have a 6% longer perimeter. An even longer rectangle with the same areas will in turn have a 15% longer perimeter than a park shaped as a square.²⁶ The advantage of increasing the perimeter access and frontage is dual fold. More units facing the park increase the number of “eyes” on the park which increases the perception of safety and security which then translates to acceptable behavior in the park. With a higher number of lots fronting the park, the developers can expect optimized development potential from higher value unit sales on the park frontage. This principle can be seen in use in downtown Portland in the North Park Blocks and South Park Blocks. Immediate access to the park and an office with a view has historically provided an intensity of uses and leases adjacent to the Park Blocks.

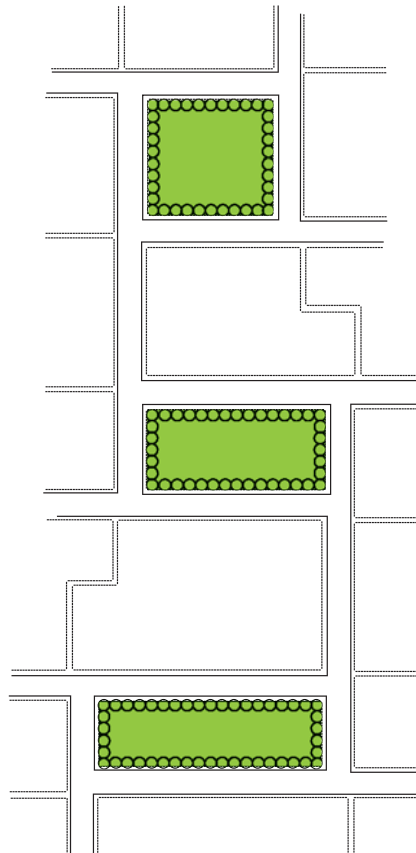


Diagram J: Linear Park Principle
Design Rules - Andrew Ross Miller, “Valuing Open Space: Land Economics and Neighborhood Parks.”²⁷

²⁶ Miller 2001.

²⁷ Miller 2001.

III.4 Connectivity Principle

Trails have become more important in contributing economic value to development based on their ability to enhance to overall connectivity.

Connectivity has become more important in urban and suburban developments as a component of a complete community. While not viable by itself, communities that offer trails that connect to overall transportation systems and have access to nature are providing a desired value that creates additional value of developments.

CONCLUSION

Considering Parks for the Future

The transformation of the meaning of the word park over time has changed from the point of view of ownership; however, the overarching need for open space has remained the same. The need for parks, trails, and open space in dense urban areas and in suburban markets reveals the innate human need for access to nature and serves as a common thread for all communities. This common thread also includes the potential for land uses adjacent to park sites to be more desirable for development and economic activity. The number of research studies nationwide in this area is compelling. Case studies from across the nation have shown parks, trails, and open space development that has successfully created catalytic activity to influence economic development. Local developer interviews have confirmed the need for parks, trails, and open space in proximity to housing and mixed use developments as part of creating complete communities.

The conclusion is that a strategy of investing in parks and open space is not contrary to a community's economic health, but rather it is an integral part of it. Both signature, significant projects such as the HighLine in New York as well as neighborhood parks that improve conditions for local housing are important to consider. Are there opportunities in the region that could contribute to an upturn in the housing market and also increase jobs? Have we sufficiently considered the role of public/private partnerships in funding parks and trails? Can we develop skill in anticipating the circumstances where investment in parks and open space will bring high returns?

Moving forward, there are successful examples of positive economic development that can be partly attributed to open space development in the Metro Region. Taking this study a step further would be to analyze the successful as well as the not so successful examples to highlight the properties that contribute to success. Positive urban examples include Pioneer Square, Director's Park, Caruthers Park, Jamison Square and Tanner Springs Park but what are the details that make these key components for economic success? This local analysis could then lead to local knowledge of characteristics of parks, trails, and open space that provide the appropriate elements that foster economic development in communities in the region. This analysis would supplement discussions regarding financial investment strategies for infrastructure for the region justifying parks, trails and open space as a necessary infrastructure for community success.



Figure 34: A View of the Metro Region

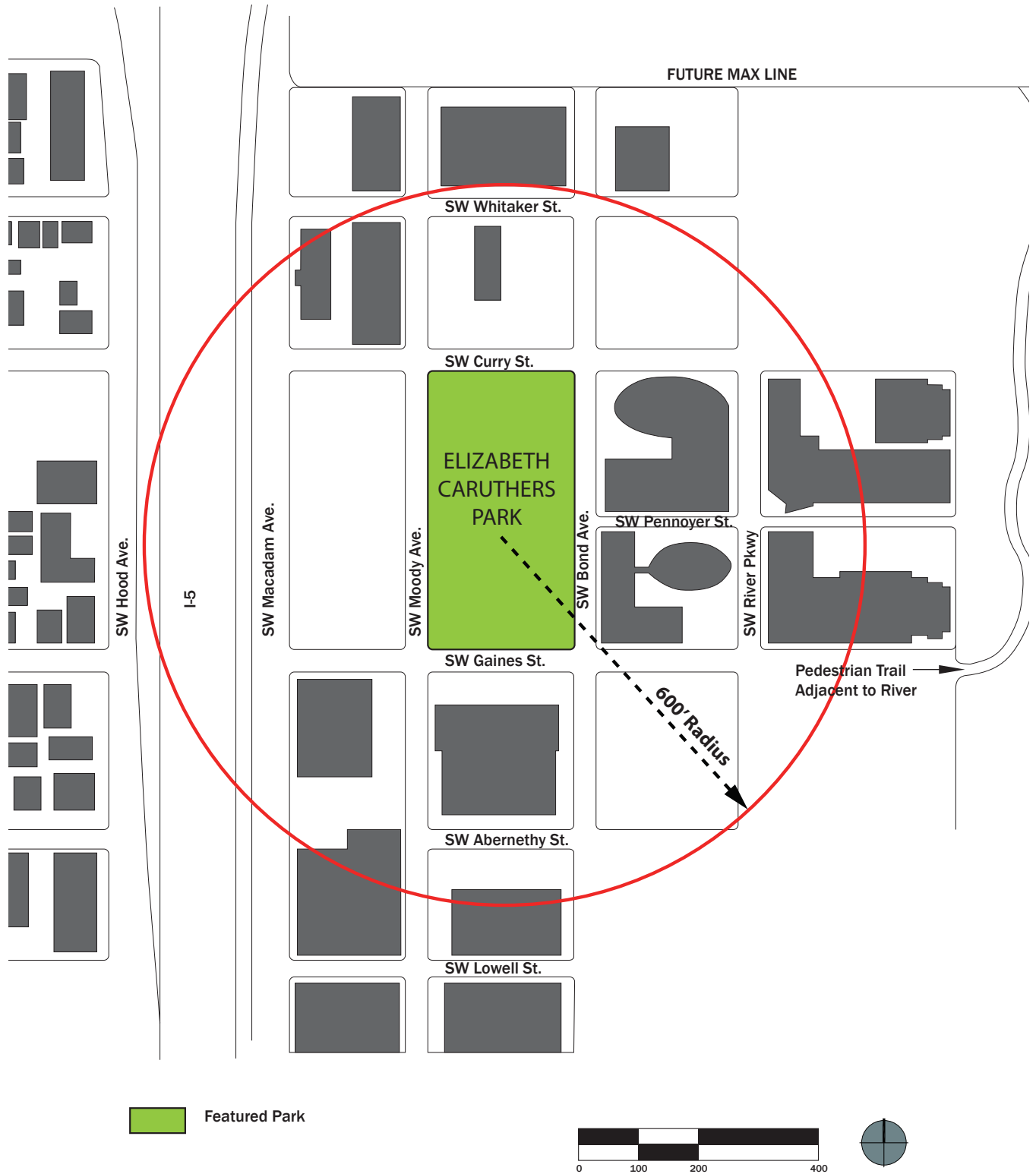


Diagram H: Elizabeth Caruthers Park - A sample of the elements of the relationship between park and economic development for consideration and study.

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