CALCULATING THE ECONOMIC AND OTHER VALUE OF PARKS: AN INNOVATIVE NEW APPROACH

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COO Sports Facilities Advisory
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Agenda

• Introductions
• The Value of Parks
• Why is this Important?
• How Much is a Park Worth?
• SFA & FRPA – Impact Calculator
Evan Eleff is the COO of Sports Facilities Advisory and a Partner in Sports Facilities Advisory (SFA) and Sports Facilities Management (SFM). Since joining SFA|SFM in 2012, Evan has led the SFA team in producing market studies, facility plans, financial forecasts, economic impact analyses, feasibility studies, and strategic funding initiatives for more than 1,500 communities around the world and a portfolio of more than $8 billion of planned assets. Additionally, Evan has been directly involved in the development, opening, programming, management, and/or optimization of more than 50 SFM-supported venues.
“Improving the health and economic vitalities of the communities we serve.”

Sports Facilities Advisory & Sports Facilities Management

- Founded in 2003
- 2,000 + Communities Served
- Over 100 Facilities Developed
- Over $500 Million in Developments Currently Out to Finance and/or Under Construction
- 20 Million + Visits to Client Facilities in 2018
- Over 700 Team Members
- The Largest Single Sports Tourism Network
THE VALUE OF PARKS

“People like living near parks”

“Exercise is good for people”

“Parks are good for the community”

“Parks help the environment”

“Playing outside is good for kids”

“Parks are good for fresh air”

“Being outside is healthy”

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People Value Parks

85% OF AMERICANS Support efforts such as the 10-minute walk campaign

9/10 OF AMERICANS Agree that parks & recreation is an important local government service

78% OF AMERICANS Indicate the want to increase park and recreation funding

76% OF AMERICANS Are more likely to vote for politicians who make parks & recreation funding a priority

Source: NRPA 2018 American’s Engagement with Parks Report
THE PROBLEM:

Parks departments struggle to justify investment because the value of parks is difficult to quantify, measure, and report.

Parks professionals and community decision-makers are often not equipped with data to determine and communicate value.
Funding and Obesity Since 2000

In 2002, the No Child Left Behind Act had unintended consequences on the health of our country – a shift in funding criteria led to the defunding of school sports and physical education.

As a result, access to and participation in healthy activities decreased dramatically among school-age children, contributing to the obesity epidemic.
Change in Participation:

Participants aged 6 - 17 in “core” sports 5-year change (%)

Source: NSGA and SFIA
Change in Obesity:

- Since 1980, rates of obesity in:
  - 6-11 year-olds has more than doubled (7% to 17.5%).
  - 12-19 year-olds has more than quadrupled (5% to 20.5%).

- In 2015, 73% of high school students and 80% of adults did not reach the recommended level of physical activity.

- Approximately 25% of young adults (ages 17 to 24) are too overweight to join the military.

- The average adult obesity rate is roughly 38%.

- Half of the states have an adult obesity rate of 30% or higher.
Parks offer a solution to these major issues and many others.
How much is a park worth?
SFA & FRPA – Parks Impact Calculator

The park benefits calculator and associated report will need to:

- **Be easy to use**, including limiting inputs, utilizing drop-down menus where possible, etc.

- **Include directions, resources, and references**, providing clear definitions, links to free sites/reports/databases that provide data, and citation/explanation of impacts.

- **Be location-specific**, allowing the director to address one location or asset type at a time and allowing the director to run a single-location report.

- **Create a comprehensive report**, allowing each location report to be saved and automatically run a community-wide (aggregate) report.

- **Allow for individual impacts to be assessed**, allowing a director to fill out each category individually and run a partial report.
PROJECT GOALS

1. EMPOWER
   Parks & Recreation directors, staff, and stakeholders to demonstrate the value of their parks

2. SUPPORT
   Community and decision-maker engagement around the importance of parks

3. ACT
   In the best interest of Parks & Recreation directors, giving them a simple and impactful communication tool that can improve communities

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Steering Committee

- Eric Call, Palm Beach County Director
- Felicia Donnelly, Planner & Asst. City Manager, Oldsmar
- Bryan Nipe, Director, City of Lake Mary
- Dr. Tom Tomerlin, Economist & Asst. City Manager, City of Lake Mary
- Dr. Janet Fulton, CDC
- T. Michael Stavros, Asst. City Manager, Winter Haven
- Nicholas Truitt, Economist at DEO
- Eleanor Warmack, FRPA Executive Director
Our team reviewed hundreds of studies. Committees and subcommittees debated the data.
6 IMPACT AREAS

1. PROPERTY VALUES
2. HEALTHCARE COST SAVINGS
3. ENVIRONMENT IMPACT
4. TOURISM SPENDING
5. PUBLIC SAFETY
6. JOB CREATION

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Distance from parks and trails is known to influence residential property values. Nationwide research shows that the premium for proximity to these spaces can affect market values up to 2,000 feet by 20 percent or more.

- **Number of Homes Within 500 feet of Park**: 200
- **Average Sales Price**: $250,000
- **Total Market Value**: $50,000,000.00
- **Incremental Market Value**: $1,650,000
- **Proximity Effect %**: 3.3
- **Millage Rate**: 5

**Increased Value of Nearby Homes**

Based on the Proximity Effect

**$1,650,000**

Incremental Property Tax Value Increase

**$8,250 TAX VALUE**

[More Information] [View Summary]
The CDC promotes physical activity guidelines that define sufficient activity for results as at least 150 minutes of moderate-intensity physical activity per week, which includes walking, biking, hiking, playing sports, using exercise stations, and other types of physical activity or exercise in parks and on trails.
IMPACT ON THE ENVIRONMENT

Parks have been proven to positively impact the environment and reduce the cost of environmental impacts for communities related to storm water management, pollution mitigation, energy consumption, and other issues. This calculator utilizes currently published data to quantify the positive environmental impacts in terms of the appropriate unit measurement (i.e. Gallons of storm water mitigated) and the monetary value of these impacts. The tree calculation considers a broad set of impacts based on the number of trees in a park while the acreage calculation considers only storm water mitigation impacts based on the number of acres of park land.

If the number of trees is not available or cannot be quantified, please use the number of acres of park land to calculate the impact of storm water mitigation.

1. **Number of Acres**

2. **# 20**
   - **Number of acres of park land**

3. **X 0.04**
   - **Cost/Cubic Feet**

**Calculate**  
**View Summary**
TOURISM DOLLARS GENERATED

From majestic parks to oceanside beaches and sports tourism destinations, visitors are attracted to Florida’s natural resources and spend money on food, travel, and lodging during their stay, bringing new dollars and tax receipts into the region as tourists.

$9,057,840

ANNUAL SPENDING GENERATED THROUGH RECREATION AND/OR EVENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
<th>Multiplier</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Visitors to the Park for Recreation</td>
<td>200,000</td>
<td>5</td>
<td>$1,200,000</td>
<td></td>
</tr>
<tr>
<td>Non-local Visitors (Recreation)</td>
<td>10,000</td>
<td></td>
<td>$124,060</td>
<td>70%</td>
</tr>
<tr>
<td>Total Visitors to the Park for Events</td>
<td>90,000</td>
<td></td>
<td>$124,060</td>
<td>70%</td>
</tr>
<tr>
<td>Non-local Visitors (Events)</td>
<td>63,000</td>
<td></td>
<td>$124,060</td>
<td>70%</td>
</tr>
</tbody>
</table>
PUBLIC SAFETY

Research suggests that parks that offer spaces that are well-maintained, and activated can have a positive impact on the public safety of the communities they are located in. Additionally, Parks that offer out-of-school time programming can help deter youth from engaging in risky behavior. Furthermore, Parks and Recreation is the leading provider of low-cost/free aquatics programming. These programs can help to lower drowning cases, which is one of the leading causes of death for children ages one through four.

100
Total kids participating in out-of-school time programs

250
Total kids participating in swim lessons/water safety

Calculate
View Summary
Parks have been proven to be drivers of significant economic activity, having a positive impact on the economy through supporting jobs in local communities. The calculator strives to utilize currently published data to quantify the total jobs supported.

147 JOBS SUPPORTED

$300,000 + $120,220 = Total Operating and Capital Budget Amount/Job

$9,057,840 + $82,500 = Total Annual Spending Generated Through Recreation and/or Events Amount/Job
Final Report

• Professional and Visually Appealing

• Communicates Key Data, Includes Descriptions, Provides Back-Up and Sources

• Achieves the Goals:
  • Empowers Parks Professionals and Stakeholders
  • Supports Decision Makers
  • Acts in the Best Interest of Parks and Communities
DATA DRIVES US FORWARD.
There are tools emerging from various national/regional associations to provide related reports.

When not available, firms like ours exist to serve as advocates for parks, recreation, sports, and wellness investments.
THANK YOU

Questions?