



## Metro Parks Economic Impact Analysis Fact Sheets

January 2010

### Fact Sheet 1: Background and Research Goal

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Cities hold the economic key to the future of the global economy. Nations that foster liveable cities that support vibrant populations and highly skilled workforces will be winners in the intensely competitive global marketplace of the future. World-class workforces now have unfettered location options worldwide and are actively choosing to live in urban centers that support their needs. Knowledge workers, workers in creative industries, families and young people all will choose urban areas that offer a diverse economic base and amenities that contribute to an excellent quality of life.

One of the most important but least recognized essentials to an attractive and healthy urban environment is a well-designed and well-maintained network of city parks—an essential component of any city's infrastructure. Parks support public health, the economy, the environment, education, and community cohesion. They are also critical to workforce development, particularly green career tracks. Parks make our cities sustainable, liveable and vibrant.

The goal of this research is to quantify some of the economic impacts and value that Metro Parks Tacoma's parks and recreation system brings to the community. The findings from this research will assist in the allocation of financial resources both public and private and the creation of public policy that recognizes the positive impact of parks on making Tacoma a desirable community to live in and visit.

Park systems are important economic drivers because they:

- Encourage localized spending
- Contribute to tourism
- Contribute to property valuation and taxation
- Generate jobs which feed back into the regional economy

## Overall Economic Impact

Economic Impact			
	Expenditures	Total Economic Impact	Net Economic Impact
Total Spending by Park Users (Visitors and Residents of Tacoma)			\$22,199,476
Total Incremental Property Tax Increase as a Result of All Local and Community Parks			\$9,985,815
MPT Expenditures (ZEED, Parks, General Fund & Capital Improvement Plan, CIP)	\$52,855,709	\$67,610,968	\$14,755,259
<b>Total</b>	<b>\$52,855,709</b>	<b>\$67,610,968</b>	<b>\$46,940,550</b>

## Reliability

Utmost care was used to reference and apply data which would provide reliable projections. A sample size of 16 representative parks was used to estimate spending across all like-sized parks based on user surveys in the month of August, 2009.

- Two parks in each of the four planning areas were used for the property value research.
- The IMPLAN study of direct, indirect, and induced spending was based on review of 4 specific facilities (Point Defiance Zoo and Aquarium, Meadow Park Golf Course, the Marina Complex, and Northwest Trek), the General Fund spending and the Capital Improvement Program.

Because Metro Parks Tacoma offers a number of additional sport, historic and leisure facilities not itemized, these findings can be considered a conservative estimate. Additional measures of health and quality of life benefits provided by parks were also not quantified.

# Fact Sheet 2: Park Visitor and Resident Spending

The majority of all visitors, more than 85%, traveled to attractions and signature parks by car, however, residents tended to walk or ride the bus to more neighborhood and community parks (up to 85%) depending on public transportation availability and the safety of the travel routes available.

### Spending During Park Visits

Residents of Tacoma	Spent at Park	Spent in Tacoma
Local/Neighborhood Parks (27)	\$162,975	\$145,591
Community Parks (21)	\$26,313	\$574,127
Regional Parks (4)	\$2,733,732	\$494,520
<b>Total Spent by Residents of Tacoma</b>	<b>\$4,137,258</b>	
Visitors to the City of Tacoma	Spent at Park	Spent in Tacoma
Local/Neighborhood Parks (27)	\$333,241	\$731,555
Community Parks (21)	\$180,740	\$825,631
Regional Parks (4)	\$12,452,281	\$3,538,770
<b>Total Spent by Visitors to Tacoma</b>	<b>\$18,062,218</b>	
<b>Total Spent by All Park Users</b>	<b>\$22,199,476</b>	

### Tacoma Residents

The majority of the economic impact of Tacoma residents, just above 89%, was derived from economic activity at Point Defiance Zoo and Aquarium (\$1,009,065.00), Northwest Trek (\$894,129.60), Meadow Park Golf Course (\$368,577.00) and Ruston Way Parks (\$117,600.00). 52.3% of all respondents surveyed reported being residents of Tacoma and 47.7% reported they did not reside in Tacoma, however many of the sites surveyed were signature or regional in nature.

### Residents Outside of Tacoma

At facilities in which an admission or fee is assessed the majority of respondents reported residing outside of Tacoma. Specifically, 83.3% of respondents at Northwest Trek, 75.0% of respondents at Point Defiance Zoo and Aquarium and 59.2% of respondents at Meadow Park Golf Course reporting residing outside the City of Tacoma. The majority of the economic impact, over 95%, was derived from economic activity at Point Defiance Zoo and Aquarium (\$6,803,440.00), Northwest Trek (\$3,138,622.40), Meadow Park Golf Course (\$624,030.00) and Ruston Way Parks (\$652,763.00).

## Fact Sheet 3: Property Values, Property Taxes and Home Sales

For residential properties, Hebert Research used available market-based data to assess the impact of Metro Parks on home values and property taxes in Tacoma. Hebert Research created a series of “rings” around each park block by block and investigated the average property value per block in the influenced zones. The average value per square feet of these properties was computed, property tax paid in 2008, and date of last sale of home was recorded and analyzed. Neighborhood parks, because of their small size, have a smaller *Zone of Influence* compared to larger community parks. After the average value inside each block was assessed, Hebert Research compared that value to the estimated value of the Zone of Non-Influence to determine the impact of property values as a function of distance from park.

Incremental Property Tax Attributed to Parks by Region

NW Region	
Average Per Local/Neighborhood Park	\$128,451
Local/Neighborhood Parks (13)	\$1,669,864
Average Per Community Park	\$274,248
Community Parks (7)*	\$1,919,738
Total Incremental Property Tax Increase - NW Parks	\$3,589,602
NE Region	
Average Per Local/Neighborhood Park	\$168,705
Local/Neighborhood Parks (3)	\$506,115
Average Per Community Park	\$1,082,603
Community Parks (3)*	\$3,247,810
Total Incremental Property Tax Increase - NE Parks	\$3,753,925
SW Region	
Average Per Local/Neighborhood Park	\$31,287
Local/Neighborhood Parks (4)	\$125,149
Average Per Community Park	\$173,367
Community Parks (4)*	\$693,469
Total Incremental Property Tax Increase - SW Parks	\$818,618
SE Region	
Average Per Local/Neighborhood Park	\$76,203
Local/Neighborhood Parks (7)	\$533,423
Average Per Community Park	\$184,321
Community Parks (7)*	\$1,290,246
Total Incremental Property Tax Increase - SE Parks	\$1,823,669
Total Incremental Property Tax Increase as a Result of All Local and Community Parks	\$9,985,815

## Fact Sheet 4: IMPLAN – Economic Impact Modeling

Economic models assessing the direct, indirect, and induced effects on the economy of the city of Tacoma were created using IMPLAN economic modeling software. The software is an input-output model which upon entering an input amount, an output amount is computed which quantifies the direct, indirect and induced economic impact of the respective parks on the City. The input data was gathered from Metro Parks’ budget data, categorized by major fund and enterprise attractions, in conjunction with intercept data collected from park visitors. The data was then analyzed and broken into three components including the following:

1. **Direct impacts** take place only in the industry immediately affected e.g. the salary paid to employees of Point Defiance Zoo and Aquarium.
2. **Indirect impact** are the subsequent increases in purchases from other industries in Tacoma due to the direct impact for example, construction of housing, restaurants, hotels, etc., as a result of the employees and visitors to Point Defiance Zoo and Aquarium.
3. **Induced impacts** are the increase in purchases of local goods and services by households due to their increased income e.g., restaurant, grocery, and additional food purchases made by Point Defiance Zoo and Aquarium employees and visitors.

### Total Net Economic Impact of District Spending on the Local Community

Metro Park/CIP	Expenditures	Total Economic Impact	Net Economic Impact
Point Defiance Zoo and Aquarium*	\$11,018,035	\$13,718,839	\$2,700,804
Meadow Park Golf Course*	\$1,605,777	\$1,999,394	\$393,617
Northwest Trek*	\$4,750,742	\$4,647,714	(\$103,028)
Marina Complex*	\$1,001,658	\$1,247,190	\$245,532
2009 General Fund*	\$21,625,257	\$28,849,461	\$7,224,204
2009 Capital Improvement Plan	\$12,854,240	\$17,148,370	\$4,294,130
<b>Total</b>	<b>\$52,855,709</b>	<b>\$67,610,968</b>	<b>\$14,755,259</b>

\*All expenditures were calculated for 2009 based on biennial data for 2009-2010.

Assumptions are made concerning the level of revenue spent locally, for the purpose of this research expenditures by both Meadow Park Golf Course and Point Defiance Zoo and Aquarium are noted to be spent 70% locally. In the case of Northwest Trek because it is not located in the City of Tacoma, it is assumed that 55% of expenditures are spent locally.