Can Urban Parks be Catalysts for Real Estate Investment?

Urban Land Institute
Priorities

Frederick Law Olmsted, 19th Century Landscape Architect, believed that great urban parks are an excellent investment and not a luxury. They’re what make cities so livable, adding incalculable value to quality of life and the economy.
Challenges

McGraw Hill Construction / Construction Market Forecasts, 3rd Quarter 2012 Report:

“The construction industry faces a difficult environment with regard to public financing of projects”.

“While bank lending standards are now showing signs of easing, there’s not been much improvement in loan availability”.

2012 ULI Fall Meeting and Urban Land Expo
Our Panel

Gary Sorge, FASLA, CSLA, AICP
Senior Principal
Stantec
New York, NY

Donnie Burke, CET, PMP
Project Director
Sydney Tar Ponds Agency
Sydney, Nova Scotia

Emil J. Martone, AIA
Vice President
New York City Economic Development Corporation
New York, NY

Nancy Brennan
Executive Director
Rose Fitzgerald Kennedy Greenway Conservancy
Boston, MA 02111
Session Format

• Opening Remarks

• Case Study Presentations / Q&A:
  - Sydney Tar Ponds, Sydney, NS
  - NYCEDC / New York City
  - Rose F. Kennedy Greenway, Boston, MA

• Q&A (All)
Sydney Tar Ponds and Coke Ovens Cleanup
Sydney, Nova Scotia

Donnie Burke, CET, PMP
Project Director
Sydney Tar Ponds Agency
Sydney, Nova Scotia

2012 ULI Fall Meeting and Urban Land Expo
Sydney, Nova Scotia

Statistics:

• Cape Breton Regional Municipality Population: 97,000

• Population trend: Decline of 4.7% between 2006-2011

• Steep decline 1996-2001 following Steel Plant and Coal Mine closure (-7.1%)

• Highest out-migration in 20-34 year-old cohort (Gen Y)
Unemployment rates in the region have dropped from 22.5% (1996), 19.4% (2001), 15.9% (2006) to 13.6% (2011). Rate decline attributable to exit of skilled tradesman travelling west for oil field work.

Lack of industrial development is the largest contributor to out-migration.

Development hesitant due to stigma of the former Tar Ponds. Site remediation and park space development to reverse trends.

Cheap brownfield sites with deep port frontage and access to rail, highway and major seaway are local strengths.

Tourism continues to grow through the cruise ship industry.
Coke Ovens Site

- 72 hectares (178 acres)

- 300,000 tonnes of soil contaminated with PAHs & VOCs (no PCBs)

- Tar cell at northwest corner of site contains 25,000 tonnes of coal tar
The Tar Ponds

- 33 hectares (81 acres)
- 700,000 tonnes of sediments contaminated with PAHs
- 45,000 tonnes of sediments contaminated with more than 50 ppm PCBs
- An average of 13 million litres per day of sanitary sewage now treated
2012 ULI Fall Meeting and Urban Land Expo
The Plan

- $400M (CA $) public investment (site remediation and redevelopment)
- $20M 125-acre park development plan
- Downtown location
- Reverse demographic trends
- Encourage investment on industrial lands (500+ acres) with park at center
- Enhance property values in neighboring communities
- Create temporary and permanent local jobs
- Create a desirable place to live!
Active Recreation, Commons, Greenway

......& Civic Amenities

2012 ULI Fall Meeting and Urban Land Expo
Before

After

2012 ULI Fall Meeting and Urban Land Expo
Can Urban Parks be Catalysts for Real Estate Investment?

Urban Land Institute

Questions?

2012 ULI Fall Meeting and Urban Land Expo
Emil J. Martone, AIA
Vice President
New York City Economic Development Corporation
New York, NY

2012 ULI Fall Meeting and Urban Land Expo
Key Points

- Design is important
- People = Development
- Appropriate Programming is critical
- Maintenance as a design driver
- Four case studies in New York City
The High Line

2012 ULI Fall Meeting and Urban Land Expo
The High Line

2012 ULI Fall Meeting and Urban Land Expo
The High Line

- $210 Million in design and construction (Phases 1,2 & 3)
- Friends of the High Line maintain the park through a municipal agreement
- Rezoning of adjacent parcels contributes to park maintenance/capital fund
The High Line

- Generated more than $2B in private investment
- Contributed to the addition of thousands of new residential units, 1,000 new hotel rooms, and numerous restaurants, galleries, and shops
- Projected to generate over 8 million sf. of development upon completion
- More than 10 million visitors since opening in 2009
The High Line

Before

After

Before

After

2012 ULI Fall Meeting and Urban Land Expo
The High Line

Before

After

Before

After

2012 ULI Fall Meeting and Urban Land Expo
Long Island City

• 37 blocks rezoned in 2001 to become NYC’s 4th Central Business District

• Over $60M public investment:
  – **Queens Plaza**, the gateway to area with streetscape improvements and 1.5 acre open space
  – **Jackson Avenue**, the central spine of the CBD accompanied by open spaces around Court Square
  – Queens Plaza and Jackson Avenue Park projects completed in 2010 and 2011, respectively
Long Island City

- Over 1,500 new residential units added
- Over 1,000,000 sf new commercial development
- Potential for an additional 4.3 million sf. of commercial development
- JetBlue Airlines relocated to Long Island City in 2011
Queens Plaza Streetscape

- Streetscape improvements and 1.5 acre Dutch Kills Green Park

2012 ULI Fall Meeting and Urban Land Expo
Jackson Avenue Streetscape

- Created four vest-pocket parks
- Enhanced pedestrian environment: landscaped medians, streetscape improvements, new lighting and tree-planting
Hunters Point South

- 30-acre site
- Largest middle-income housing development since the 1970’s
- 5,000 residential units, 60% set aside for middle income families
- 11-acres of waterfront parkland
- City investment is $175M in infrastructure and park land
Hunters Point South

- Will generate over $2B in private investment
- Phase 1 parkland ($65M) to be completed in Spring of 2013
- First 900+ residential units (2 towers) to be completed by 2015
Yankee Stadium City Work, Bronx, NY

2012 ULI Fall Meeting and Urban Land Expo
Yankee Stadium City Work

- $2.65B of public and private investment within a ½-mile radius
- $310M investment in 27+ acres of parks and infrastructure
- $252M in parking facilities at the New Yankee Stadium
- $90M Metro North rail station and pedestrian bridge
- $500M in 1,000,000 sf, shopping center
Yankee Stadium City Work

- Metro North averages 5,000 riders on game days and also serves the community on non-game days.
- Has energized a new Business Improvement District
- The City rezoned parts of the area to allow for high-rise, professional office and hotel development
- Potential sites identified for affordable housing development, new hospitality and conference facilities on former parking areas to help further future growth opportunities
Yankee Stadium City Work

2012 ULI Fall Meeting and Urban Land Expo
Key Points

- Identify maintenance partners early in the design process
- Establish and adhere to design guidelines
- Recognize the value of small public spaces and linear parks
- View parks as a valuable **community amenity** and economic driver
- Parks are an emotional respite. Programming matters!
- Sustainability: Green infrastructure in parks may provide unique amenities and reduce infrastructure costs to private development
Can Urban Parks be Catalysts for Real Estate Investment?

Urban Land Institute

Questions?
What is the Greenway?

Nancy Brennan
Executive Director
Rose Fitzgerald Kennedy Greenway Conservancy
Central Artery Construction 1951-1959

By the late 1960s, transportation planners began considering the next round of congestion-relieving highway construction.
Overview of the Greenway and Conservancy

GREENWAY
• Created by the “Big Dig” atop the I-93 highway
• 15+ acres across 1.5 miles. Opened in 2007.
• Reconnecting the City and the harbor, from Chinatown through Financial and Wharf Districts to the North End
• Annual operating budget $4.4M

CONSERVANCY
• Non-profit established as a public-private partnership in 2004 by the State, City, MA Turnpike Authority
• Legislative mandate: “The conservancy shall be...dedicated to ensuring that the greenway is operated, maintained, managed and actively programmed, financed and improved to the highest standards.” Pioneering model in MA
• Leverages $1 of public funding with >$1 of private funds
Create a Complimentary Urban District

- Activate inactive building edges
- Reinforce street wall
- Reinforce connections to water
- Orient buildings to Greenway AND waterfront
- Enhance harborwalk continuity
- Leverage tourism-oriented pedestrian activity and connection to Quincy Market

2012 ULI Fall Meeting and Urban Land Expo
2012 ULI Fall Meeting and Urban Land Expo
Value and PlaceMaking

- Free Wi-Fi
- Tables, chairs, and umbrellas
- Public art
- New garden spaces
- Planters

2012 ULI Fall Meeting and Urban Land Expo
Maintenance and Operations

Vermiculture

Brewing

Compost tea application

Your parks, the Greenway

ORGANIC LAWN + PLANT CARE

2012 ULI Fall Meeting and Urban Land Expo
Greenway ROI / Usage
Patronage of park offerings increased by 73% (to 372,000 in 2011)
The public-private model:

Government (40%) has leveraged other support (60%)

Total FY05-FY11 revenues and support = $35.2M

- Private philanthropy: $18,167,464 (52%)
- Government support: $14,143,388 (40%)
- Other: $515,060 (1%)
- Endowment income, including unrealized gains: $2,344,861 (7%)
• “Government” includes cash and in-kind
• “Private philanthropy” includes cash and in-kind contributions, Inaugural event revenue, Gala, Annual Fund, & Mother’s Walk
• “Endowment income” includes interest and dividends, as well as realized and unrealized gains
• “Other” includes earned income and insurance recoveries
Things your mother didn’t tell you about Public/Private Partnerships!

- “No money - No mission”
- Volatility of the deal
- Revolving door of government personnel
- Politics and culture clash
Illustrative expenses
Now vs. with proposed Business Improvement District

Sources of funds

- BID ($0.8M)
- Conservancy ($0.6M)
- Conservancy ($0.6M)
- Conservancy ($0.2M)
- Conservancy ($0.2M)
- Conservancy ($0.5M) + BID ($0.3M)
- State (~$2M) + BID ($0.8M)

+ State (~$2M)
+ Conservancy ($2.1M)
+ BID ($1.9M)

= $6M TOTAL
"The Greenway is thrilling, brilliantly designed and wonderfully maintained. It is a huge asset to our entire northeast region. … We came home more relaxed than if we'd spent a day in the country. Now that is a feat of magic that you all have orchestrated."

– Email received from a visitor

"the Greenway is getting more beautiful"

- Quote from Robert Campbell, The Boston Globe
“the most unconditionally happy spot in all of Boston”

- Quote from Peter Schworm, The Boston Globe, “Refreshing Change”
Can Urban Parks be Catalysts for Real Estate Investment?

Urban Land Institute