Parklands and Open Space:

Austin Falls Short of "Competitor" Cities

The Greater Austin Chamber of Commerce commissioned Market Street Services in 2003 to do a study comparing Austin to cities deemed as our competitors for new business: Denver, Phoenix, Seattle, and Raleigh/Durham. Their report concluded that Austin is "behind" these cities in transportation infrastructure, workforce quality, and regulatory climate and cost.

Their report did not analyze an increasingly important factor in business and employee location and retention: access to open space. We took it upon ourselves to determine how Austin stacks up to our competitors in this important criterion.

When Austin is compared to Phoenix, Denver, Seattle, and Raleigh/Durham in acreage of protected lands, Austin places second to last by a long shot. Adding together city parks and preserves, plus state parks and federal lands within 100 miles of each city, Austin is far behind Phoenix, Denver, and Seattle, and only slightly ahead of the much smaller Raleigh/Durham region.

*Figure 1: number in acres; sources available upon request*

<table>
<thead>
<tr>
<th>City</th>
<th>Municipal Parks</th>
<th>Preserves, County and Regional Parks</th>
<th>State Parks</th>
<th>Federal lands¹</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>16,814</td>
<td>60,819²</td>
<td>49,484</td>
<td>19,819³</td>
<td>146,936.0</td>
</tr>
<tr>
<td>Phoenix</td>
<td>39,011</td>
<td>121,670</td>
<td>6,943</td>
<td>6,786,419.5</td>
<td>6,954,043.5</td>
</tr>
<tr>
<td>Denver</td>
<td>20,500</td>
<td>14,000</td>
<td>42,896</td>
<td>4,872,776</td>
<td>4,950,172.0</td>
</tr>
<tr>
<td>Seattle</td>
<td>6,200</td>
<td>25,000</td>
<td>12,839</td>
<td>3,502,242</td>
<td>3,546,281.0</td>
</tr>
<tr>
<td>Raleigh/Durham</td>
<td>10,525</td>
<td>2,345</td>
<td>45,268</td>
<td>50,077</td>
<td>108,215.0</td>
</tr>
</tbody>
</table>

*If there is acreage we missed in our research, we will gladly update this chart.

Our study found that protecting open space helps economic growth in at least four measurable ways: open space protection (1) increases property values of nearby property (which benefits local tax rolls), (2) attracts new businesses and employees of the "creative class," (3) improves bond ratings, and (4) stimulates tourism. Our conclusion is that if Austin and Travis County are to "compete" as the Chamber wants, we should aggressively pursue acquisition of open space and "catch up" where we are really lagging.

¹ Includes all federally maintained land, including national parks, forests, monuments and Bureau of Land Management areas.

² Includes City of Austin watershed protection lands, LCRA parks, Travis County parks, and Balcones Canyonlands Program land

³ Includes Balcones Canyonlands National Wildlife Refuge
Economic Benefits of Open Space

Businesses are increasingly attracted to amenities such as greenways, parks, preserves, and trails, which improve the lives of their employees. In a 1996 report, Arthur Anderson Consulting Company found that middle and high level executives increasingly choose to work in areas that offer a high standard of living, including proximity to open space.\(^4\)

Other studies have also documented firms’ attraction to areas with parks and open space.

- Seventy firms that moved to Arizona said they did so because of the state’s outdoor and recreational opportunities.\(^5\)
- Owners of small businesses ranked open spaces/recreation and parks as the highest priority in choosing a new location for their businesses.\(^6\)
- Reichold Chemical Company and Caterpillar, Inc. moved to Durham and Morgantown, North Carolina, respectively, because of the presence of greenways.\(^7\)

In Colorado, concern that losing open space would lose businesses prompted Larimer County voters to pass an eight-year \(\frac{1}{4}\) cent “Help Preserve Open Space” sales tax to purchase open land or development rights and to keep farms and ranches in agricultural use.\(^8\)

A 2000 report by Richard Florida, Professor of Economic Development at George Mason University, entitled “Competing in the Age of Talent,” gives a factual and analytical basis for why it is important to “keep Austin weird.” Florida suggests that a new 21\(^{st}\) century development plan should value “talent jobs;” that is, “knowledge has replaced natural resources and the efficiency of physical labor as the source of wealth creation and economic growth.” Almost any Austinite should recognize this; the migration of the young, well-educated entrepreneurial and computer-savvy class has helped give Austin nationwide recognition as a hot spot for the high tech world.

\(^4\) Lerner and Poole, \textit{The Economic Benefits of Open Space}, Trust for Public Land, 1999. pg. 15
\(^5\) National Park Service, 7-1
\(^6\) Lerner and Poole, pg. 13
\(^7\) Lerner and Poole, pg. 13
\(^8\) Lerner and Poole., pg 9
This new wave of residents thrives on the culture and natural beauty in Travis County. However, a recent article in the *Austin Business* Journal reports that some of the highly coveted young tech workforce is considering leaving because "Austin is turning into North Dallas." Florida’s point is that for Austin and Travis County to stay competitive in the new economy, we must use the environment and culture we already have to our advantage. Florida concludes that “quality-of-place is the missing piece of the puzzle. To compete in the age of talent, regions must make quality-of-place a central element of the economic development efforts.”

**Property values**

Dr. John Crompton, professor at Texas A&M University, reports that parks “often increase the value of proximate properties, and the resultant incremental increase in revenues that governments receive from the higher property taxes is frequently sufficient to pay the acquisition and development costs of the amenities.”  

Numerous studies have shown that properties located close to parks and greenbelts are valued higher than those located just 1,000 feet away.

The market responds to proximity to open space by increasing property values because people are willing to pay a high premium to live next to protected lands that they know will never be intensely developed. According to research conducted by American Lives, Inc. for the real estate industry, 77.7 percent of all home buyers and shoppers in the study rated natural open space as either “essential” or “very important” in planned communities. In another study, people listed access and green space as crucial elements for a satisfactory quality of life.

- A study of property values near greenbelts in Boulder, Colorado demonstrated that housing and land prices were 32 percent higher for housing next to a greenbelt than 3,200 feet away.

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9 “The Impact of Parks and Open Spaces on Property Values and the Property Tax Base,” Dr. John Compton, Texas A&M University.
10 National Park Service, pg. 1-1
11 Lerner and Poole, pg. 14
12 National Park Service, 1-1
• In Salem, Oregon, land was valued $1,200 per acre higher in a rural area next to a greenbelt than 1,000 feet away.\(^\text{13}\)

• Homes in Worcester, Massachusetts, were valued $2,675 more if they were located next to a park than those situated more than 2,000 feet away.\(^\text{14}\)

• In Philadelphia, Pennsylvania, Pennypack Park accounted for 33 percent of the value of a plot of land located 40 feet away and 4.2 percent of properties located at a distance of 2,500 feet.\(^\text{15}\)

• In Columbus, Ohio, properties facing a park were worth 7 to 23 percent than those one block away.\(^\text{16}\)

The presence of green space can make a difference of thousands of dollars in property values. One study in Boulder, Colorado showed that aggregate property values for a neighborhood near a greenbelt were approximately $5.4 million more than if there had been no greenbelt. The additional tax revenue was approximately $500,000, which could cover the cost of the $1.5 million greenbelt in just three years.\(^\text{17}\)

**Higher Bond Ratings**

Bond rating agencies have recognized that unlimited or mismanaged growth can threaten a community’s fiscal health while land conservation and sound planning can help sustain it. As a result, bond agencies have raised communities’ bond ratings because of their efforts to preserve open space.

Howard County, Maryland, which is in the rapidly growing Baltimore/Washington, D.C. corridor, received high bond ratings because of its growth management plans. In May, 1990, Fitch Investors Service gave the county an AAA bond rating for the issuance of over $55 million in bonds for capital projects because of its record and its specific plans for limiting and managing growth. Fitch’s Investors Service remarked: "The recently completed general plan for future county development is an example of the county’s superior planning skill. A conscious

\(^{13}\) Ibid, 1-1  
\(^{14}\) Ibid, 1-3  
\(^{15}\) Ibid, 1-3
decision has been made, after discussions with residents and business, to control future growth within the county to ensure that the quality of life continues to be desirable.”

**Tourism**

Parks also generate money from tourism, which helps generate money for hotels, restaurants, and other sectors of the local economy. Every year, Americans and international tourists flock to forests, deserts, beaches, and mountains to enjoy the vastness and recreation provided to them by nature. A U.S. Fish & Wildlife Services Report notes the overwhelming demand for parklands: “The National Park system as a whole received 277 million visitors for about 104 million visitor days. In 2002, the Bureau of Land Management lands received about 53 million visitors for nearly 68 million visitor days, and the National Forests hosted 214 million visitors.” National Wildlife preserves in the United States had a total of 35,088,222 visitors in 2002. For reference, the U.S. Census Bureau estimates that in 2002 the population of California is 35,116,033 and the population of the entire United States is 288,368,698. It should be obvious that expanding parks and preserve systems should be a top priority for leaders seeking to increase tourism in any region.

There are numerous benefits to preserving open space not detailed above. These benefits include preserving water quality in creeks, springs, and aquifers; protecting habitat for rare and threatened species; reducing the projected traffic counts on county roads; protecting the rural heritage of Travis County; protecting farm and ranch land; and providing outdoor and educational experiences for school children.

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16 Ibid, 1-4  
17 Ibid, 1-8  