

How Much Value Does the City of Philadelphia Receive from its Park and Recreation System?

A Report by The Trust for Public Land's Center for City Park Excellence for the Philadelphia Parks Alliance—
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Purpose: The main focus of this paper is to discuss the importance of parks to the city of Philadelphia regarding property values, tax revenues, pollution control, tourism spending, consumer saving, and residential health.

Location: All research was conducted for the city of Philadelphia; specifically for the Philadelphia Parks Alliance.

Study Design: Primary and secondary research was used to present the information in this report. Primary data was collected through surveys and calculated the majority of the values included in the report.

Key Findings:

- Overall Figures
 - Philadelphia's parks provide the city and its residents with: \$23 million in city revenue; \$16 million in municipal cost savings; \$729 million generated in wealth for residents; and \$1.1 billion in cost savings for citizens—about 100 times the amount the city spends on parks—each year (i).
- Managing Air and Water Pollution
 - Trees and shrubs remove air pollutants such as NO₂, SO₂, CO, ozone, and some particulate matter—improving air quality, which in turn helps urban residents avoid costs (health and monetary) associated with pollution (4-5).
 - “The result of the Air Quality Calculator for the park system...is an economic savings value of \$1,534,000” (5).
 - Storm water run-off can carry pollutants into waterways. “Green spaces” provide the city with a way to manage the costs of capturing and storing precipitation, and slowing down run-off. (5-6)
- Hedonic (Property) Value
 - Hedonic Value, an economic term, means that all else equal, the majority of people are willing to pay more for a home located near a well kept park than for a home somewhere else. Hedonic value can also be applied to other amenities such as schools, emergency services, and public transit stops (7).
 - In 2007, it was found that there were 97,964 properties within 500 feet of a “significant park” (one acre or more); and these residential units had a combined assessed value of \$4,387,574,062 (8).
- Direct Use Value
 - In the case of parks, direct uses are activities such as team sports, biking, walking, and picnicking—activities performed in the actual park.
 - Parks are considered public goods; therefore, consumers can use the park at no cost. However, economists can calculate the value of Philadelphia parks' direct uses by determining a consumer's willingness to pay for recreational activities if these activities were only offered in the private market. The values found represent the amount of money a consumer saves by using a public park than a private establishment.
- Promoting Human Health
 - The researchers at TPL found that about 255,000 Philadelphians engage actively enough in parks to improve their health—about 96% of them were under the age of 65. Philadelphia residents saved \$69,419,000 in health costs for the year 2007 (10).
- Income from Out-of-Town Tourists
 - About 41% of tourists visited a park while in Philadelphia, and it is estimated that 20% of park visitors came because of the parks (11).
 - Overnight tourists spent \$75.4 million and day tourists spent \$39.6 million while visiting Philadelphia Parks. The city's tax revenue from strictly park visitors in 2006, equaled \$5,177,000 (12).