

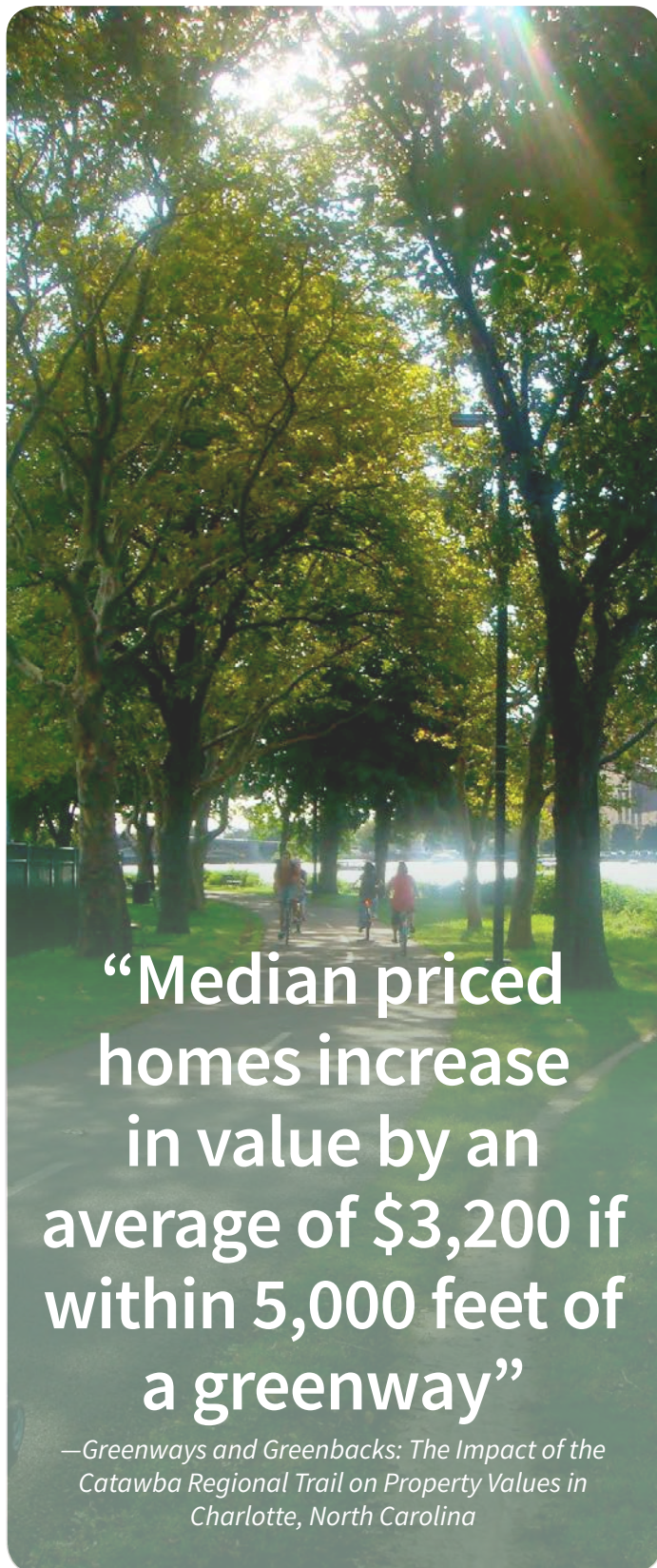
Section V

The Economic Benefits of Greenways



Section VI

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“Median priced homes increase in value by an average of \$3,200 if within 5,000 feet of a greenway”

—*Greenways and Greenbacks: The Impact of the Catawba Regional Trail on Property Values in Charlotte, North Carolina*

Introduction

Greenways provide a variety of amenities including open space, vegetated corridors, attractive views, recreation opportunities, and multi-use connectivity. It’s no surprise that these amenities often have direct impacts on neighboring property values. In a 2002 survey by the National Association of Realtors and National Association of Home Builders, trails were selected as the second most desired community amenity by 2,000 home buyers¹. Trails consistently rank in the top five amenities desired by home buyers and rank “important to very important” just behind highway access. Trails outranked neighborhood playgrounds and pools as coveted neighborhood amenities. As consumers continue to demand access to greenways, properties adjacent to greenways will be in high demand.

Property Values on the Rise National & Regional Data

The nation’s longest and oldest paved Rail-Trail, the Silver Comet Trail (SCT), extends 61.5 miles and connects seven cities in Georgia. The economic impact of this trail system is estimated at \$2 million in annual property tax gains and \$182 million in increased property values². A planned expansion of the project would double the length and produce an estimated return on investment of \$4.64 in direct and indirect economic benefits for every \$1 spent.

One reason why greenways increase property values is that consumers place a premium on access to greenways as a space for recreation, socializing, and commuting. A 2007 Texas study that statistically modeled 10,000 real estate transactions estimated that greenways add a 5% purchase premium³. The closer a property is located to a greenway, the more its value is boosted by proximity to the trail.

A 2007 study on the impacts of the Catawba Regional

1 Rails to Trails Conservancy. (2002). Home Buyers Sold on Trails. Rails to Trails Magazine. Washington, D.C.: Rails to Trails Conservancy

2 Econsult Solutions, Inc. (2013). Silver Comet Trail Economic Impact Analysis and Planning Study. Bike Walk Northwest Georgia (BWNWGA).

3 Huffman, P. A. (2009). The Relative Impacts of Trails and Greenbelts on Home Price. Journal of Real Estate Finance and Economics, 408-419.

Trail on property values in Charlotte, North Carolina, concluded that median priced homes increased in value by an average of \$3,200 if within 5,000 feet of the greenway⁴. A 2008 study at the University of Cincinnati's School of Planning analyzed 376 properties that sold near the Little Miami Scenic Greenway in Ohio. Their results showed that single-family residential property values increase by \$7.05 for every foot closer the property is located to the greenway⁵.



Figure 52—Example of a residential development incorporating a greenway into the design. Image courtesy of Dan Burden

Knoxville & Knox County Trends

Real estate agents working in Knox County are well aware of greenway impacts on properties for sale. Sales Agent Robin Aggers from Coldwell Banker stated that “most clients love the idea of green space and walking/biking trails and are willing to pay a little more for the home based on the location.” She believes that an increase in the range of \$10-25k would be appropriate for a home adjacent to a greenway⁶. Christine McInerney, Lead Agent of The McInerney Team, has noticed the increasing trend of biking in Knoxville. Although it's difficult to quantitatively determine impacts on property values because of so many variables, she recognizes greenways as a big selling feature of homes and communities. Island Home in South Knoxville, West Hills, and Sequoyah Hills are all examples of neighborhoods that promote their proximity to greenways to potential buyers as selling points.



Figure 53—Third Creek in Knoxville. One Knoxville real estate agent said that the connectivity of this greenway is a draw to home buyers. Image courtesy of www.letsmove.org

According to McInerney's experience, not all greenways and parks are created equal. Longer stretches of greenways, like the Third Creek Greenway, tend to be more desirable to clients than short stretches of separated greenways with on-road sections, and people will often wait for these properties to be listed. McInerney recently had several clients relocate from West Knoxville to the Sequoyah Hills area just to be closer to greenways for commuting⁷.

Public/Private Partnerships

The Business Advantage

It's not just home buyers who are demanding greenways. Business communities are also benefiting from them. The Swamp Rabbit Trail, a 17.5-mile rails-to-trails greenway in Greenville, South Carolina, had instant impacts on the surrounding Greenville economy based on a survey of businesses within 250 yards of the trail that was conducted at Furman University. Multiple businesses opened as a result of the trail being built. Multiple businesses also changed locations to be closer to the trail, resulting in an average range of 30%-50% increase in sales with the move. All businesses surveyed within the 250 yards showed an increase in sales with an average increase of 47%⁸.

4 Munroe, H. C. (2007). Greenways and Greenbacks: The Impact of the Catawba Regional Trail on Property Values in Charlotte, North Carolina. *Southeastern Geographer*, 118-137.

5 Karadenis, D. (2008). *The Impact of Trails on Single-family Residential Property Values*. Cincinnati: University of Cincinnati, School of Planning.

6 Aggers, R. (2014, October 1). *Economic Impacts of Greenways in Knox County*. (D. Chandler, Interviewer)

7 McInerney, C. (2014, October 1). *Economic Impacts of Greenways in Knox County*. (D. Chandler, Interviewer)

8 Reed D.J. (2013). *Greenville Health System Swamp Rabbit Trail Impact Study*. Greenville: Furman Study.

Private/public partnerships are becoming more common as residents and businesses see positive returns on investment. Colorado beer producer New Belgium Brewing Company located its East Coast brewery in Asheville, North Carolina, partly in support of the company’s environmental ethic, as well as its company bike culture. One of the stipulations with building along the French Broad River was the City would construct a greenway on a donated easement that ran through the property. When construction is complete, the company is likely to have invested an estimated \$150 million in Western North Carolina’s economy.

Tennessee Precedents

The following are examples of Tennessee greenways that exhibit noteworthy public/private partnerships in planning, funding and/or construction.



Length
*4.5 miles constructed,
10 miles total planned
(longest rails-to-trails in
Tennessee)*
Gravel Fines Trail

Connections
*Founders Park in
Johnson City to
Downtown Elizabethton,
TN*

Destinations
*Shopping, Business,
Parks, Restaurants, Golf
Course*

Funds Raised
*All private money -
\$800,000 to date*

Big Idea
*Eventually connect to Roan
Mountain*

Unique Features
Refurbished train depot

The Tweetsie Trail Greenway

The first section of the Tweetsie Trail opened on August 30, 2014, after eight years of planning and private donations. A master plan was accepted by Johnson City in 2012 with an original price tag of almost \$6 million. Johnson City put together the Tweetsie Task Force to tackle fundraising, raising \$800,000⁹ to date to construct 4.5 miles of trail.

Property owners donated land and easements, while individuals, businesses, and local governments donated money and materials, from single bricks and benches to entire bridges. The iconic gateway sign at the trailhead was donated by Snyder’s Signs, and the materials for the entrance to the trail were donated by General Shale.

One local business that pushed planning efforts forward was Tupelo Honey Café. The owner approached Johnson City and promised to build a restaurant in the old train depot if a greenway connection was built. The cafe owner purchased the vacant depot and refurbished it, adding not only jobs but also a destination on the trail.

Other local businesses were in step to take immediate advantage of the Tweetsie Trail after construction. One apartment complex along the trail changed their name from Cedar Grove View to Tweetsie Trail Village Apartments after construction of the trail was complete. The owner, Sammy Hubbard, said that they have experienced noticeably more calls inquiring about vacancies since the trail was constructed, and they consistently have to turn potential renters away. They are considering raising rents at the beginning of next year¹⁰.

9 Casey, T. (2014, September 2). Tweetsie task force talks trek turnout, troubles, more. Johnson City Press.

10 Hubbard, S. (2014, September 30). Tweetsie Trail Name Change. (D. Chandler, Interviewer)

The Maryville-Alcoa Greenway

This first section of the Maryville-Alcoa Greenway was completed in 1998. Funding was provided by an \$850,000 federal grant. Private partners also contributed to the greenway, including Blount Memorial Hospital, Alcoa Inc. and other local businesses. Donations were worth \$300k in value, including easements and land donations. Total project cost to date is \$2,979,020¹¹.

The greenway has been a valuable marketing tool to lure business interests in the immediate area. Ruby Tuesday moved corporate headquarters to be on the edge of the greenway after considering several cities in 1999. Samuel E. Beall, III, chairman and CEO, stated, “I was very impressed with the beauty of the park, which helps provide a sense of community to this area, as well as the many benefits it provides to our more than 300 employees.”¹²

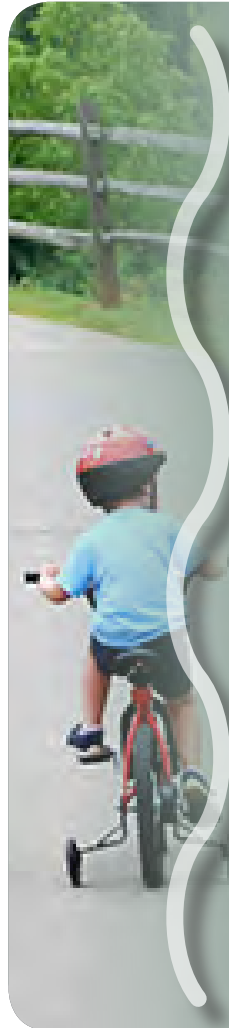
ProNova Solutions, a medical research company, announced a \$52 million investment in its corporate headquarters along with research laboratories. The project is situated on 26 acres of Pellissippi Place, a mixed-use development park at the end of Pellissippi Parkway directly accessible via a greenway. This project has the potential to lead to several thousand jobs in the region.

Blount Partnership, the business development agency for the county, promotes greenways as a community benefit to relocating or expanding within the county. Bryan Daniels, President and CEO, said that not only were greenways and walkability a selling point for the expansion of ProNova, but for other businesses as well¹³.

- 11 US Department of Transportation, Federal Highway Administration, “Enhancing America’s Communities: A Guide to Transportation Enhancements,” Greenway Trail, p. 32, 2002.
- 12 Rails to Trails Conservancy. (2003). Economic Benefits of Trails and Greenways. Washington, D.C.: Rails to Trails Conservancy.
- 13 Daniels, B. (2014, October 7). ProNova Expansion. (D. Chandler, Interviewer)



Figure 54—The Maryville-Alcoa Greenway
Image courtesy of www.knoxnews.com



Length

Main Spine is a 10-mile paved trail

Springbrook Park in Alcoa to Bicentennial Greenbelt & Sandy Springs in Maryville

Destinations

Shopping, Business, Nature Areas, Fitness Stations, Picnic Pavilions

Funds Raised

*Total Project Cost \$2,979,020;
Federal: \$1,681,000;
Match: \$1,298,020;¹¹*

Big Idea

Eventually connect to Great Smoky Mountains National Park

Unique Features

Views of Greenbelt Lake



Figure 55—The Maryville -Alcoa Greenway
Image courtesy of www.siteselection.com