

RED FIELDS TO

Creating Jobs & Investments for Philadelphia



Introduction

Outlined in this booklet is what we believe to be a visionary concept that we can, through the use of an innovative green redevelopment strategy (Green Fields), define and transform Philadelphia from a city challenged with underutilized land to an active, vibrant, healthy and economically-sound major American city. Gaining control of fallow lands to foster both short term changes and long term improvements, Green Fields will 'clean and green' land to repurpose for new uses, develop parks and greenspace, and construct a riverfront trail system to create jobs, spur investment and revitalize the City's environment.

With Green Fields, Philadelphia has the opportunity to reclaim the utility and beauty of its landscape and the bustle of its economy. Plans for economic development, new open space along the river's edge, or newly created parks within the City's neighborhoods will kick start a resurgence of interest in urban living so that Philadelphia can realize its promise as the 21st Century City of Choice.

This can be done by turning Red Fields into Green Fields.

Urban greening and the development of urban parks and community greenspace are factors in the move towards environmental and economic renewal for the neighborhoods of Philadelphia.





Problem No. 1: Since 1950, the city's population has declined while the city's economy (and the world's) has changed significantly.

Population Change

Many of Philadelphia's problems stem from the City's decline in population over the past half century.

From 1950 to 2008, the City's population fell from its peak of 2.1 million to 1.45 million, a decline of 31%.

Much of this decrease is attributed to residents of the region choosing to "vote with their feet" and live outside the City and county limits.

Over the past decade, there has been a resurgence in downtown living that has increased land values and brought many new residents to certain desirable neighborhoods in and around downtown, or Center City. This area has the highest number of residents who walk to work in the country. Despite these successes, much of the City remains disinvested and segregated by income and race.

The population decline has stopped, yet future projections do not suggest a significant increase. Philadelphia eagerly awaits the findings of the 2010 census and a continuation of the resurgent interest in downtown and urban living.

Philadelphia's Population



Unemployment

Despite an overall increase in national unemployment rates, Philadelphia remains 2% above the average.



Manufacturing Employment

Once a manufacturing center, Philadelphia's percentage of jobs in this sector has shrunk from its peak of 36% in 1950 to 3.8% today; a 90% drop. This long-term trend has led to large swaths of unproductive and underutilized "stranded" land.



An Economy in Transition

Of the 96.2% of all non-manufacturing employment, almost half was in the knowledge economy, with almost 30% being in the educational and medical sectors.

Industrial Property and Land Transactions

Philadelphia has a growing vacancy rate for industrial properties. In the fourth quarter of 2009, the City had an industrial inventory of 60 million square feet and a vacancy rate of 9.1%, up 0.9% from the previous year.

As of mid-2010, approximately 700,000 square feet of additional industrial space had been planned or was under construction, suggesting an increase in supply. Further, suburbs of Philadelphia have 144 million square feet of industrial inventory with a vacancy rate of 8.5%.



Transaction Volume & Median Price Per Acre



Viaducts in the Philadelphia area are often underutilized and abandoned, creating physical barriers between residential neighborhoods. They are unlikely to be purchased, used, or redeveloped in the future given their size, shape and physical conditions, yet they have enormous potential to be a beautiful and architecturally interesting addition to the park and trail system.

NEW AND USED CARS

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Philly Skyline



Problem No. 2:Equitable access to great parks and green space does not exist.Some neighborhoods have great parks, yet others suffer from a lack of quality green space.

Current Parks and Recreation Center Service

Large sections of Philadelphia lack viable access to parks. They are represented here by the white/non-color areas while neighborhoods that have good access to parks are represented by the green areas. Improving equitable access to parks and recreation centers for the entire City can be realized by converting Red Fields to Green Fields.





Summary of the Problems

(0) • Job & population loss for decades

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- » Trend compounded by shift to service/knowledge-based economy
- » These trends are projected to continue
- » The result is a surplus of underutilized land
- » Underutilized land = "stranded assets" These lands do not generate economic activity or tax revenues and are not neighborhood amenities.
- The re-purposing of this abandoned land to a constructive use represents one of Philadelphia's largest structural challenges, in one of America's largest cities

• There is not equitable access to existing parks and green space



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The Benefits of Parks

Health Benefits

Research has shown that Americans can substantially improve their health by including moderate amounts of physical activity in their daily lives, yet only one fourth engage in the recommended levels. Many Americans simply do not have adequate access to facilities to engage in physical activity or they live in unwalkable neighborhoods. When people have nowhere to walk, they tend to gain weight. Yet, strong evidence shows that when people have access to parks, they exercise more. Although fortunate to have many wonderful parks and green spaces, Philadelphia currently does not offer equal access to them citywide. In some neighborhoods, residents are not able to safely walk or bike to a park near their homes. In other instances, the parks accessible to residents are neither safe or inviting. Additionally, some neighborhoods do not offer safe and pleasant pedestrian connections to retail centers and other important destinations. This access to parks, green spaces and neighborhood retail centers is the most important factor in creating quality neighborhoods. By looking at safety and access to parks and green spaces as part of its land use planning, and through Red Fields to Green Fields, Philadelphia would be able to offer its citizens both improved health and wellness.

Economic Benefits

Parks symbolize community, life, relaxation and health. It's no wonder that "many people are willing to pay a larger amount for a property located close to parks and open space areas than for a home that does not offer this amenity," writes John L. Crompton, a professor at Texas A&M University who has published extensive research on parks and recreation. A number of studies conducted in the Philadelphia region, including two written by prominent real estate market economist Professor Susan Wachter from the University of Pennsylvania's Wharton School, have found that a significant increase in real estate values is associated with parks and green space. In 2005 and 2006 Professor Wachter analyzed the impact that the cleaning and greening of vacant land performed by the Pennsylvania Horticultural Society (PHS) in partnership with the City of Philadelphia had on real estate values. The study found that blighted vacant parcels, that often collect trash and offer a matrix for crime, reduced adjacent property values by as much as 20%. In contrast, the study also found that the cleaned and greened parcels maintained by PHS as temporary and permanent green spaces increased adjacent property values by 17%. The economic benefits of parks are apparent. If people choose to invest in real estate near parks to improve the quality of life, economic revitalization of the area is a natural consequence. Parks and walkable spaces contribute to the City's healthy environment and will encourage population growth.

Environmental Benefits

Green space in urban areas provides substantial environmental benefits. Flourishing parks would revitalize crippled city life: the beneficial addition of trees and nature would replace the detrimental effects of unbalanced urbanization. Parks also act as natural air conditioners.





What if we invest \$3.5 billion in Philadelphia to convert Red Fields to Green Fields?



We could reduce the oversupply of non-performing and "stranded" land, create jobs, greenspace and attract new residential and commercial development.

How will it work?

Invest in and complete park plans and projects that will leverage the value of existing real estate development and spur additional transactions and new development.

Existing Parks and Greening Projects

Philadelphia has a variety of excellent park and green space projects in the pipeline that could be implemented as part of Red Fields to Green Fields in conjunction with new acquisitions.

Planned Project: Cynwyd Regional Trail

65 acres total Regional trail connections and new park and green spaces

Acquisition Design Construction \$580,000 \$105,000 \$3,000,000

Timeline

Design complete as of May 2010

Status of Adjacent Development Conditional use hearings



Studio Bryan Hanes



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Planned Project: Penn Treaty Park

7.5 acres total Refurbish existing park, connect to neighborhood, and enhance planned riverfront trail system

Acquisition Design Construction

\$0 \$150,000 \$12,713,000

Timeline

Status of Adjacent Development

Design complete as of May 2010 Land for sale and casino under construction



PLAN ELEMENTS

- A. Rain gardens on street
- B. Penn Treaty Sculpture
- C. Treaty Ground Obelisk
- D. William Penn Sculpture
- E. Glass Canopy
- F. Water Feature
- G. Cafe

I. The Big Lawn

H. Promenade

- J. Children's Play Area
- K. Picnic Grove
- L. Seatwall
- M. Jetty
 - N. Wetlands

- O. Pebble Stone
- P. Cantilevered Pier
- Q. Boat Dock
- R. Sculpture
- S. Bike Path
- T. Future Bike Path
- U. Current Shoreline

Studio Bryan Hanes





A trail is planned for this idle rail right of way that has been purchased for conversion into a new trail and park system along the North Delaware River. This trail and park system touches a number of underused land parcels along the North Delaware and was planned in conjunction with their potential as real estate developments.

Delaware River City Corp.

Acquisition Summary

- An analysis was completed to estimate the amount of underutilized land that may be converted into green space.
 Factors including Philadelphia's underlying economic conditions, land assets, employment statistics and demographic trends were studied to evaluate future economic development opportunities.
- There are approximately 5,700 acres of underutilized commercial, industrial and residential land. To purchase it would cost between \$1.3 and \$4.2 billion.
- Red Fields to Green Fields has allocated \$3.5 billion to Philadelphia.
 Suggested 60% (\$2.1 billion) of that amount is for acquisition
- Median cost per acre, based on an analysis of CoStar database is \$483,000.
- At that price, \$2.1 Billion would purchase approximately 4300-4700 (about 76%) of the 5,700 acres of the underutilized and "stranded" land.

Type of Red Field	Acres	Value Acre	Cost
Buying land for existing parks projects	204	\$ 483,000	\$ 98,532,000
Land needed to create the riverfront trail system	332	\$ 483,000	\$ 160,356,000
Money left over for additional acquisition			
Commercial 26% Industrial 74%	1151 2965	\$ 600,000 \$ 388,000	\$ 690,600,000 \$ 1,150,420,000
Total for Acquisition	4,652		\$ 2,099,908,000
Total for Design, Construction, Maintenance, Operations & Security			\$ 1,400,092,000
Total Spend			\$ 3,500,000,000

GREENSPACE LOCATIONS

Economic Impact of Park Projects

These are past projects that have utilized the Red Fields to Green Fields approach: the acquisition of non-performing real estate and conversion into productive use. The positive impact of each project was assessed and used to model the program proposed by Red Fields to Green Fields on Philadelphia's real estate market



Economic Impact of Existing Red to Green Projects



House Price Appreciation (1994-2009)

Parks and accessible green space are important to the future of Philadelphia because they complement existing uses and increase the property values for nearby landowners.

Cumulative Additional Property Tax Revenue due to Greenfields Conversions





Determining the Potential Economic Impact of Red Fields to Green Fields in Philadelphia

Potential and hypothetical real estate development scenarios were created to estimate the economic impact of converting underutilized properties into a combination of land uses and park space in Philadelphia. The expenditures and economic impacts of these scenarios were calculated using CoStar market data and the RIMS II Regional Input Output Modeling System.



Scenario #1

An abandoned building becomes a new temporary greenspace with a riverfront trail and over time is developed into light industrial.

Total Ten Year Economic Impact

Costs/Direct Expenditures	\$87,105,528
Indirect Expenditures	\$44,488,034
Total Economic Impact	\$131,593,563
Total Salaries & Wages	\$22,126,254

Economic Impact of Operating the Light Industrial Buildings

Direct Retail & Office Expenditures	\$21,080,000
Indirect Expenditures	\$11,355,796
Total Economic Impact	\$32,435,796
Total Salaries & Wages	\$6,690,792

An example of an underutilized rail viaduct leading to the riverfront. Wallace Roberts and Todd LLC & The City of Philadelphia 100

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Scenario #2

Vacant and underutilized urban land adjacent to an elevated rail line becomes a new park and over time is developed as a Transit Oriented Development retaining the new park as well as a new series of plazas and pedestrian connections.

Total Ten Year Economic Impact

Costs/Direct Expenditures	\$107,196,087
Indirect Expenditures	\$50,862,081
Total Economic Impact	\$158,058,168
Total Salaries & Wages	\$25,697,882

Economic Impact of Operating the Mixed Use Buildings

(assumes 30% retail and 70% office)

Direct Retail & Office Expenditures	\$124,615,971
Indirect Expenditures	\$73,587,011
Total Economic Impact	\$198,202,981
Total Salaries & Wages	\$109,633,928



Scenario #3

Underutilized land along a neighborhood commercial corridor becomes a series of new parks and over time is redeveloped into a commercial corridor destination, respecting and enhancing existing residential units and enhancing commercial prospects by adding additional residential units.

Total Ten Year Economic Impact

Costs/Direct Expenditures	\$111,758,311
Indirect Expenditures	\$54,167,112
Total Economic Impact	\$165,925,428
Total Salaries & Wages	\$27,240,949

Economic Impact of New Development on the Commercial Corridor

(assumes 30% retail and 70% office)

Direct Retail & Office Expenditures	\$84,896,525
Indirect Expenditures	\$50,132,270
Total Economic Impact	\$135,028,795
Total Salaries & Wages	\$74,689,781

Summary of Potential Economic Impacts

The potential acquisition of 4700 acres of underutilized land and its conversion into a greenspace combination of temporary and permanent parks with \$3.5 billion, based on the hypothetical expenditures and impacts described above, could have the following economic impacts:

- Remove 4,700 acres of underutilized real estate from the market.
- Create jobs through property acquisition, demolition and construction activities.
- Revitalize Philadelphia's waterfront to attract economic development opportunities.

The Schuylkill Banks is a new park running alongside the Schuylkill River adjacent to Center City Philadelphia. The trail attracts thousands of users a day on weekends and has unlocked significant value for the adjacent real estate. It has also paved the way for enhanced physical connections to West Philadelphia, providing an easy way for people to walk to the University of Pennsylvania, Drexel University, and the Science and Technology Corridor.



View of the City of Philadelphia skyline from treasured Bartram's Garden, a historic landscape and park in southwest Philadelphia.

Coordinating with Other Initiatives in Philadelphia

There are important and ongoing multi-year municipal and public/ private partnership efforts which Red Fields to Green Fields must be synchronized with to be effective including:

- Philadelphia Industrial Development Corporation Industrial Land
 Use Study expected completion Summer 2010
- City of Philadelphia Zoning Code rewrite and remapping ongoing
- Phila2035 The City of Philadelphia's Comprehensive Plan ongoing



- Mayor Nutter's Greenworks Plan (specifically a 500 acre park expansion) - ongoing
- The Center City District's Planning Initiatives
- Green 2015: An Action Plan for 500 Acres of New Public Open Space in Philadelphia
- Other initiatives to be determined



Red Fields to Green Fields Philadelphia: Participant List





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We would like to acknowledge the Speedwell Foundation for their generous support.

We also acknowledge and thank the following individuals and organizations for providing insight, advice, graphics support, technical expertise, and background information:

Glen Abrams	Philadelphia Water Department
Laurie Actman	City of Philadelphia (formerly)
John Ball	Keating
Todd Baylson	Pennsylvania Horticultural Society
Lisa Beyer	Philadelphia Water Department
Blaine Bonham	Pennsylvania Horticultural Society
Cathy Califano	The Reinvestment Fund
John Carpenter	Philadelphia Redevelopment Authority
Keith Choper	Keating
Martine Decamp	Philadelphia City Planning Department
Michael DiBernardinis	Philadelphia Dept. of Parks & Recreation
Alice Edgarton	Pennsylvania Horticultural Society
Patty Elkis	Delaware Valley Regional Planning Commission
Terry Gillen	Philadelphia Redevelopment Authority
Eva Gladstein	Zoning Code Commission
Nancy Goldenberg	Center City District
Andrew Goodman	Penn Design
Danielle Gray	Schuylkill River Development Corporation

Alan Greenberger	Philadelphia City Planning Department /
	Philadelphia Commmerce Department
Prema Gupta	Phila Industrial Development Corporation
Bryan Hanes	Studio Bryan Hanes
Bridget Keegan	Penn Design
Chris Leswig	Lower Merion Planning Commission
Paul Lonie	Delaware River City Corporation
Dennis Martin	Keating
Shawn McCaney	William Penn Foundation
Deborah McCulough	Philadelphia Office of Housing and Community Development
Catherine Nagel	City Parks Alliance
Michael Nairn	Penn Urban Studies
Al Parker	The Reinvestment Fund
Joan Reilly	Pennsylvania Horticultural Society
Maitreyi Roy	Pennsylvania Horticultural Society
Patrick Starr	Pennsylvania Environmental Council
Harris Steinberg	Penn Praxis
Gerard Sweeney	Brandywine Realty Trust
Kay Sykora	Manayunk Development Corporation
Joseph Syrnick	Schuylkill River Development Corporation
Sarah Thorp	Delaware River Waterfront Corporation
Rachel Vassar	Penn Future
Peter Williamson	National Lands Trust

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