

From Trail Towns to TrOD: Trails and Economic Development

Trails build strong, economically vital communities. Trails, according to a National Association of Homebuilders study cited by *The New York Times*, are the number one amenity potential homeowners cite when they are looking at moving into a new community.

Trails provide communities with a valuable amenity that translates into increased housing values. In Indianapolis, for example, the increased property value of trails was more than \$140 million.

Trails revitalize neighborhoods. In Minneapolis, the Midtown Greenway has spurred development of new housing and businesses to take advantage of the desirable location adjacent to the trail.

Trails build local businesses. Bicycle tourists, a growing, affluent segment of the tourist market, contribute significantly to local businesses that are well-connected to trails. Along the Virginia Creeper Trail in southwest Virginia, visitors spend \$1.59 million annually providing an estimated 27 new full time jobs.

August 2007

Rails-to-Trails Conservancy
National Headquarters
2121 Ward Court, NW, 5th Floor
Washington, DC 20037
tel 202.331.9696
fax 202.223.9257

www.railstotrails.org



The Capital Crescent Trail in Bethesda, Md. © HUGH MORRIS / RAILS-TO-TRAILS CONSERVANCY

Trails and Economic Development

Trails and green space are important community amenities that help to spur economic development. From home owners choosing to live along a park-like trail to bicycle tourists making their way from small town to small town, trails are important community facilities that attract people and dollars.

The relationship between well-designed green spaces and trails and economic development has long been understood. Fredrick Law Olmsted, the renowned landscape architect, conducted the first economic impact analysis of urban parks on Central Park, finding a strong positive relationship between this new amenity and property values. The evidence of the positive impact of green space on adjacent land values became “conventional wisdom” (Crompton 2001, p. 9) for park planners and was used to fuel the early park movement in communities around the country. But with increasing competition for scarce resources, this conventional wisdom on the value of parks for economic development was supplanted by wariness to invest in purely recreational resources.

Over the last decade, however, community leaders and planners, buoyed by sophisticated new economic studies, have once again begun to use greenways, urban parks and trails as economic engines for community revitalization. Mounting new evidence shows an almost universal positive connection between well-designed open spaces and trails and important economic development indicators. As Donna Erickson, author of *MetroGreen: Connecting Open Space in North America* (2006), recently pointed out, trails and greenways are helping “shape urban growth, contribute [to] critical environmental values, and, indeed, place economic development and neighborhood revitalization” (p. 34).

Trail Towns: The Tourism Potential of Trails

Communities are realizing the economic potential of trails as highly desirable destinations that bring dollars into the places they serve. In addition to preserving critical open space and providing important transportation options, trails and greenways attract visitors from near and far—visitors who facilitate job growth in tourism-related opportunities like restaurants, local stores and lodging.

Communities around the country are increasingly utilizing this “Trail Town” model of economic revitalization that places trails as the centerpiece of a tourism-centered strategy for small-town revitalization. Trail Towns contain trails that are well-connected to downtown businesses. Based on the well-known National Main Streets economic model, Trail Towns are literally inviting trail users to spend time and dollars in their community. Researchers have found that the economic impact of this approach is significant. The Virginia Creeper Trail generates \$1.59 million in annual spending; supporting approximately 27 new full-time jobs (United States Department of Agriculture, 2004).

Through careful planning, communities are realizing the full economic potential of linking trails and local businesses. In Cumberland, Md., for example, local businesses, in partnership with elected officials, have crafted a well-organized Trail Town model that helps link bicycle tourists to downtown businesses. Cumberland Mayor Lee Fiedler points to the importance of this model for economic revitalization when he states that: “The revival of the city is driven, in part, by the trail. ... No one



Trailside businesses along the Pinellas Trail, Florida. © FRANZ GIMMLER / RAILS-TO-TRAILS CONSERVANCY

thought people with bikes would spend money, but they were wrong. Business is spreading back from the trail” (*Baltimore Sun*, December 13, 2006).

Trail-Oriented Development: Capitalizing on Trail’s Amenity Value

In addition to helping promote small-town revitalization, trails are increasingly being used to help more urban communities revitalize long-underutilized corridors. Trails are building strong, vital communities with increased property values for area residents and improved economic opportunities for local businesses.

One of the most innovative applications of this new wave of thinking involves the promotion of Trail-Oriented Development (TrOD). TrOD is an emerging planning tool that seeks to combine the active transportation benefits of a trail with the revitalization potential associated with well-designed and well-managed urban parks to help create more livable communities. TrOD

draws obvious inspiration from the Transit-Oriented Development (TOD) concept. TODs have a proven track record of economic success. TOD expert Robert Cervero notes that: “Studies over the past two decades show average housing value premiums associated with being near a station...are 6.4 percent in Philadelphia, 6.7 percent in Boston, 10.6 percent in Portland, 17 percent in San Diego, 20 percent in Chicago, 24 percent in Dallas, and 45 percent in Santa Clara County” (Cervero et al 2004, p. 162).

In much the same way that TODs aim to build places where people can live, shop and travel from a string of centralized community centers, TrOD aims to provide a network of local business and housing choices within a web of safe and enticing trails. The amenity of the trail provides a pull for home buyers and a new market for local businesses.

The potential synergy associated with well-designed trail corridors and revitalization planning has attracted several communities around North America to experiment with TrOD-type redevelopment projects. Minneapolis with its Midtown Greenway project and Montreal with the Lachine Canal redevelopment are at the forefront of this movement. Both have experienced success in encouraging redevelopment through the mix of new public space

“The revival of the city is driven, in part, by the trail,” says Mayor Lee Fiedler (Cumberland, Md.), who ordered bike racks installed on downtown corners. “No one thought people with bikes would spend money, but they were wrong. Business is spreading back from the trail.”

—*Baltimore Sun*, December 2006

amenities designed to lure new development to the edge of the corridors, and zoning changes designed to facilitate new mixed-use development to anchor the corridors.

The Midtown Greenway in Minneapolis provides a good example of how focused planning and outreach for trail development can help to enhance economic development along a corridor. The first phase of the Greenway was opened in 2000, converting a rail line trench into a new neighborhood amenity. The depressed former rail line, however, was not well-connected to communities around the trail. During the next several years, members of the Midtown Greenway Coalition worked to create zoning and land use plans designed to provide enhanced access to the trail. While there are many factors spurring redevelopment along the corridor, the new trail amenity and good planning appear to be key factors in helping create new nodes of positive development along the corridor.

While these recent developments in Minneapolis show promise, a more fully developed approach to integrated TrOD has emerged just to our north in Montreal. The Lachine Canal Trail shows how city investments in public space improvements, coupled with tax



Lachine Canal Trail, Montreal, Canada links to the Atwater Market. © BILLY FIELDS / RAILS-TO-TRAILS CONSERVANCY

“Builders say having a project on the Katy Trail has become money in the bank. Some builders say there is a “25 percent premium for having their product back up against the Katy Trail.”

—Dallas Morning News, December 2006

incentives and zoning changes, can encourage new development along a trail corridor. The trail, Sijpkes (1989) notes, “is a minor miracle and a major blessing. The miracle is that the canal was not filled in and asphalted over to bring yet more cars to downtown Montreal; the blessing is that it has allowed, on a nice Sunday, up to 50,000 Montrealers enjoy the stark beauty of the canal zone and discover its communities such as Pointe St Charles, Verdun, and St Henri” (p. 187). The renewed focus on the area, made possible through the trail, has helped jumpstart the wider revitalization plan geared at capitalizing on this great amenity.

Trails as Economic Engines

The amenity value of trails translates into increased property values and enhanced tax revenue for communities. In a study on the impact of trails on adjacent property values in Indianapolis, Lindsey et al (2003) found that proximity to a greenway generally has a statistically significant, positive effect on property values. The overall impact of trails on property values in Marion County was estimated at more than \$140 million dollars. They point out that while “the average effect on individual properties is fairly small, the total effect is substantial because so many homes are located in close proximity to greenways” (p. 9).

The link between well-designed trails and improved property values is strong. Trails are a positive community asset that people appreciate. While any single community asset will not significantly increase the value of a single piece of property, the aggregated impact on the whole community of the trail amenity can be dramatic. Nicholls and Crompton (2005) note that “linear green spaces, of which greenways are a prime example, maximize the number of

properties that can be positioned adjacent or nearby to them. As a result, a higher number of properties’ values are enhanced and the impact on the property tax base is greater” (p. 339 and 340). The authors conclude that the economic impact of the new amenity value associated with increased property values along a single trail corridor in Austin, Texas was \$13.64 million of new property tax revenue (p. 338).

Trails can be powerful tools for economic development. *The New York Times* recently noted a National Association of Homebuilders study that found that trails are the number one amenity that potential homeowners cite when choosing a new community. By consciously linking trails and businesses, and by providing new desirable housing choices along trails, communities around the country are building vital, economically stable neighborhoods that are truly sustainable.

An Economic Boon for Communities: Tourism and Trails

Across the country, trails and greenways are stimulating tourism and recreation spending. This spending is a catalyst to revitalization.

- Total visitor spending estimates for six trailheads along the Allegheny Trail in Pennsylvania ranged from \$5.4 million to \$14.1 million in 1998. Trips to the trail are expected to increase by more than 50 percent (Farber, 1999).
- The economic impacts of the Virginia Creeper Trail in two southwest Virginia counties are \$1.59 million annually. In addition, the visitors to the trail support approximately 27.4 new full time jobs (United States Department of Agriculture, 2004).

- A 1993 survey of 38 businesses along the Cape Cod Rail Trail in Massachusetts found that 24 percent of the business owners cited the rail-trail as one reason they opened or acquired their business (Massachusetts Department of Environmental Management, 1993).
- This same survey found that 60 percent of the businesses expanded their business and of those, one-half considered the rail-trail a prominent factor in this decision.

Trails provide places for a variety of users to enjoy the outdoors, translating into multi-faceted economic benefits for states. In 2001, the Maine Department of Transportation sponsored a study of the economic impacts of bicycle tourism and found that:

- In 1999, two million bicycle tourists spent an estimated \$36.3 million.
- The equivalent of 1,200 full-time jobs is attributed to bicycle tourism.
- Investments in three MDOT trails will result in approximately \$2.7 million per year.
- The East Coast Greenway route through Maine (primarily on rail-trails) is estimated to generate \$530,000 per year.

Impacts on Quality of Life

In rural, suburban or urban communities, more Americans demand that green places be protected as a way to maintain their quality of life. Trails and greenways are connecting all Americans with their communities, by preserving open space.

- “Trails are the No. 1 amenity potential homeowners cite when asked what they would like to see in a new community, ahead of public parks and outdoor pools, according to the National Association of Home Builders. Trails were cited by 57 percent of prospective buyers in a 2004 survey by the association” *New*

York Times Bradley Melekian (2006)

- In a businesses survey in Burlington, Vt., 96 percent of respondents stated that they felt the Burlington Bikeway had increased the quality of life (Leadership Champlain Project 2001).

Property Values

Trails and greenways increase the natural beauty of communities and have been shown to bolster property values.

- A 2003 study found that the amenity value of trails was associated with over \$140 million dollars in increased property values in Indianapolis (Lindsey et al, 2003).
- In Austin, Texas, increased property values associated with a single greenway were estimated to result in \$13.64 million of new property tax revenue (Nicholls and Crompton, 2005).
- In Dallas, developers report that there is a 25 percent premium for properties adjacent to the Katy Trail (*Dallas Morning News*, 2006).
- Realizing the selling power of greenways, developers of the Shepherd’s Vineyard housing development in Apex, N.C., added \$5,000 to the price of 40 homes adjacent to the regional greenway. Those homes were the first to sell (Hopey, 1999).

Works Cited

Thomson, Candus. “Trail’s opening eyed as path to prosperity.” *Baltimore Sun*, December 13, 2006.

Cervero, Robert et al. “Transit-Oriented Development in the United States: Experiences, Challenges, and Prospects.” TCRP Report 102. Transportation Research Board, Washington, D.C., 2004.

Crompton, John L., “The Impact of Parks on Property Values: A Review of the Empirical Evidence.” *Journal of Leisure Research*. 2001. 33: 1. 1–31.

Brown, Steve. “Making tracks to the Katy Trail: Urban path is an amenity that developers are rushing to incorporate into plans.” *Dallas Morning News*, December 22, 2006.

Erickson, Donna. “MetroGreen: Connecting Open Space in North American Cities.” Washington, D.C., Island Press, 2006.

Farber, Stephen. “An Economic Impact Study for the Allegheny Trail Alliance.” University of Pittsburgh and Pennsylvania Economy League, Inc. January 1999.

Hopey, Don. “Prime Location on the Trail,” *Rails to Trails* (magazine), Fall/Winter, 1999.

Leadership Champlain Project. “Island line Rail Trail: Analysis of Economic Impact and Outline of Marketing Strategies.” 2002.

Lindsey, Greg, Seth Payton, Joyce Man, and John Ottensmann. “Public Choices and Property Values: Evidence from Greenways in Indianapolis.” *The Center for Urban Policy and the Environment*. 2003.

Maine Department of Transportation, “Bicycle Tourism in Maine: Economic Impacts and Marketing Recommendations.” April 2001.

Massachusetts Department of Environmental Management, *An Executive Summary of a Business Survey Done on the Cape Cod Rail Trail*, 1993.

Melekian, Bradley. “From Kitchen to the Wild in 30 Seconds.” *New York Times*. September 7, 2006.

Nicholls, Sarah and Crompton, John. “The Impact of Greenways on Property Values: Evidence from Austin, Texas.” *Journal of Leisure Research*. 2005. 37: 321–341.

Sijpkens, Pieter. “The 4 Lives of Pointe St Charles” in Demchinsky, Bryan (ed) *Grassroots, Greystones, and Glass Towers: Montreal Urban Issues and Architecture*. Montréal: Véhicule Press. 1989.



National Headquarters
2121 Ward Court, NW, 5th Floor
Washington, DC 20037
tel 202.331.9696
fax 202.223.9257

