

THE VALUE OF THE GRAND RIVER CORRIDOR

THE ECONOMIC, FISCAL, AND QUALITY OF LIFE BENEFITS OF AN
ENHANCED REGIONAL RIVERFRONT AMENITY

FEBRUARY 2021

PROJECT OVERVIEW

CONTEXT

The revitalization of the Grand River Corridor will be an important part of boosting the region's competitiveness and enhancing its resilience to public health-related disasters in a post-COVID-19 landscape.

RATIONALE

Corridor improvements can substantially and equitably benefit the economy and quality of life of Grand Rapids, Kent County, and the greater West Michigan region.

IMPACT

By attracting talent and investment and equitably distributing the benefits, improvements will link the regional recreational system, expand health and wellness options, and grow business opportunity to strengthen West Michigan's economic position.

PROJECT OVERVIEW

Maximizing investment along the Grand River Corridor to date, improvements will enhance the hub of an interconnected regional open space system with a unique water amenity, a diverse and distinctive array of park spaces, and a regionally connected trail network, with economically transformative potential.



Rapids Restoration

Dam removal, boulder installation, and protections against invasive species to create a new rapids system.



Riverfront Parks

17 acres of new park space in initial project phases and up to 155 potential new acres in future phases, with a total potential riverfront park system of 1,780 acres.

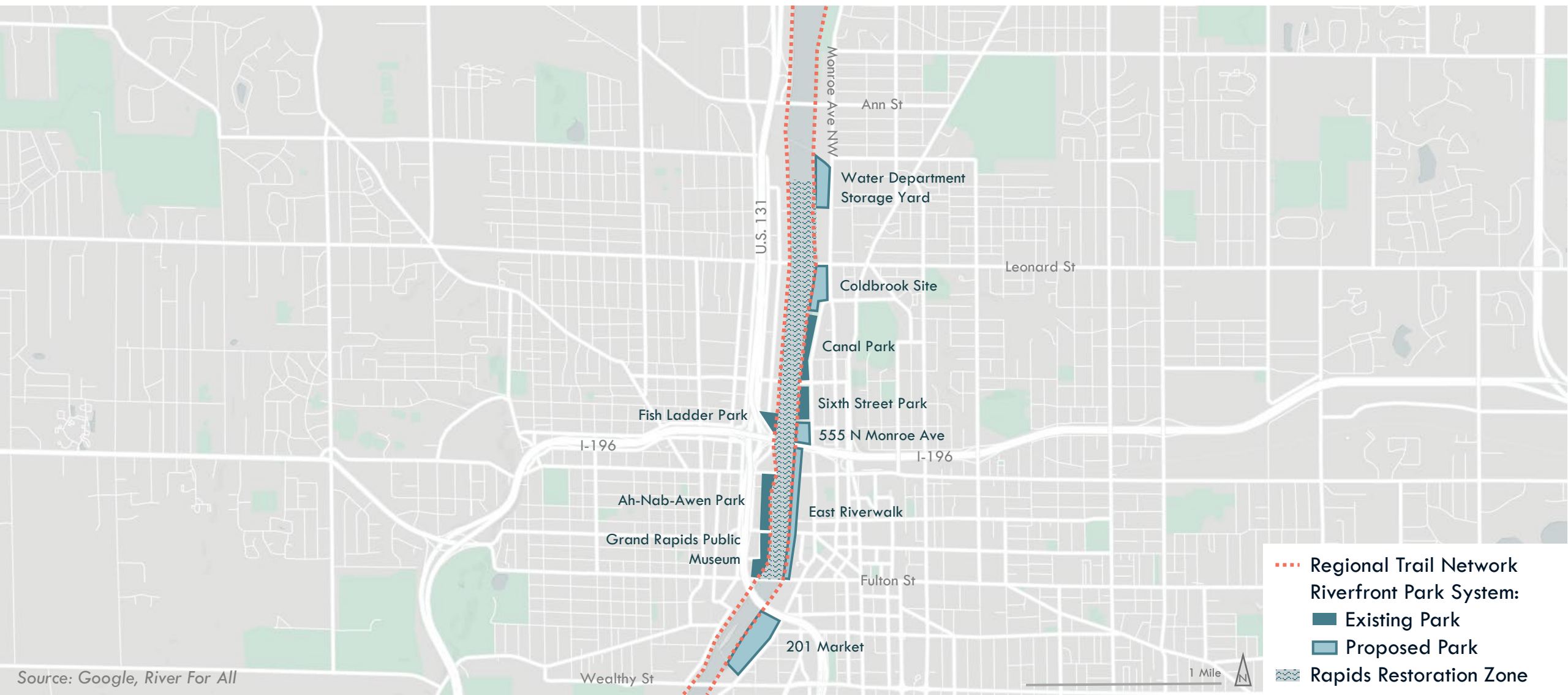


Regional Trail Network

Addition of 6 miles of trail connections between Millennium and Riverside Parks to link Grand Rapids to an extensive Western Michigan trail network.

PROJECT OVERVIEW

The downtown hub of the Grand River Corridor will benefit from both in-channel and riverfront improvements.



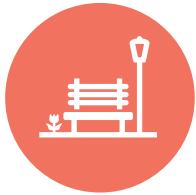
PROJECT OVERVIEW

The project presents a significant opportunity to cultivate a new regional economy that produces substantial impacts for the Grand Rapids and Kent County communities.



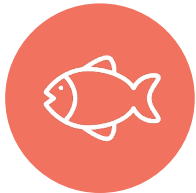
CONNECTIVITY

Strengthen regional and neighborhood connections to place and to the river



HEALTH AND SOCIAL BENEFITS

Increase opportunities to interact with a natural and recreational amenity and enhance social cohesion



ENVIRONMENTAL IMPACTS

Improve wildlife habitats, mitigate pollutive impacts, and enhance flood protection



EDUCATION

Provide opportunities for education related to the river



ECONOMIC DEVELOPMENT

Boost economic growth throughout the region



REAL ESTATE DEVELOPMENT

Spur new development along the riverfront



FISCAL IMPACTS

Increase revenue opportunities for the City and the County



TOURISM

Increase tourism and visitation to the region



TALENT ATTRACTION

Enhance quality of life in the region and increase its ability to attract and retain talent



EQUITY AND INCLUSION

Equitable access to the river, education, jobs, business opportunity

CONNECTIVITY

Expanded trails along the Grand River Corridor complement the existing bike network and will connect residential populations to job centers in Downtown Grand Rapids.

RESIDENTS

120k+

Residents within 2 miles of the revitalized riverfront

42k+

Residents within a 15-min transit commute of the revitalized riverfront

EMPLOYEES

54%

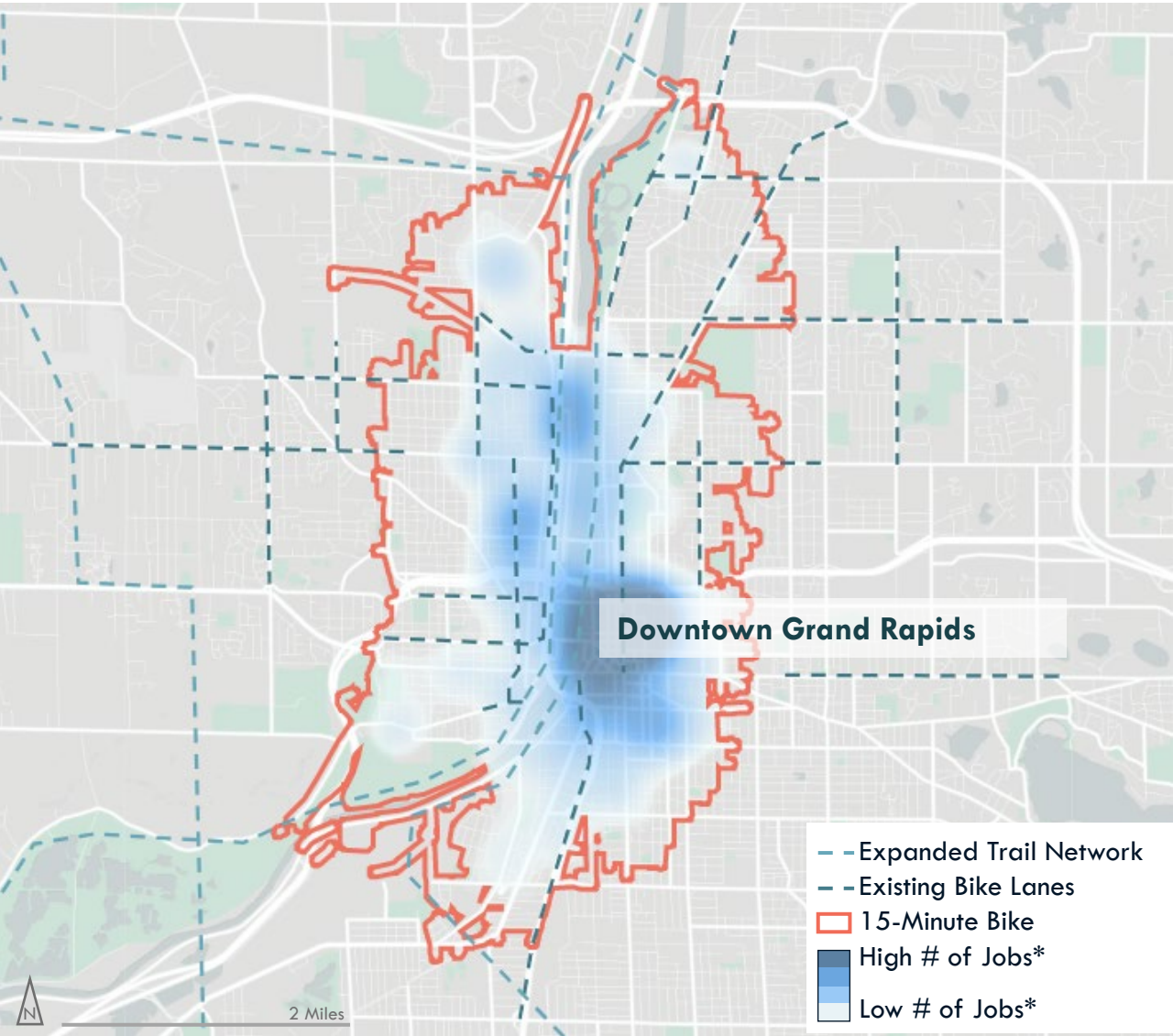
% of all jobs in GR located within a 15-min bike ride of riverfront

65k+

Jobs within a 15-min bike ride of riverfront

50%

% of jobs within 15-min bike ride of riverfront that do not require a Bachelors Degree

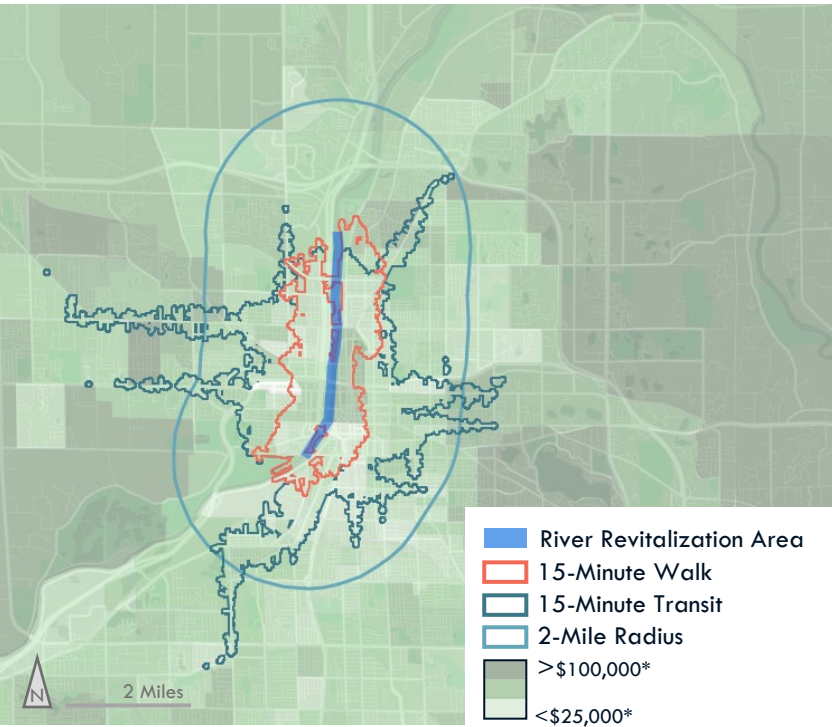


*Number of Jobs per Census Block Group
Source: LEHD On The Map 2017 Primary Jobs, ArcGIS Online, Greater Grand Rapids Bicycle Coalition, HR&A Advisors

CONNECTIVITY

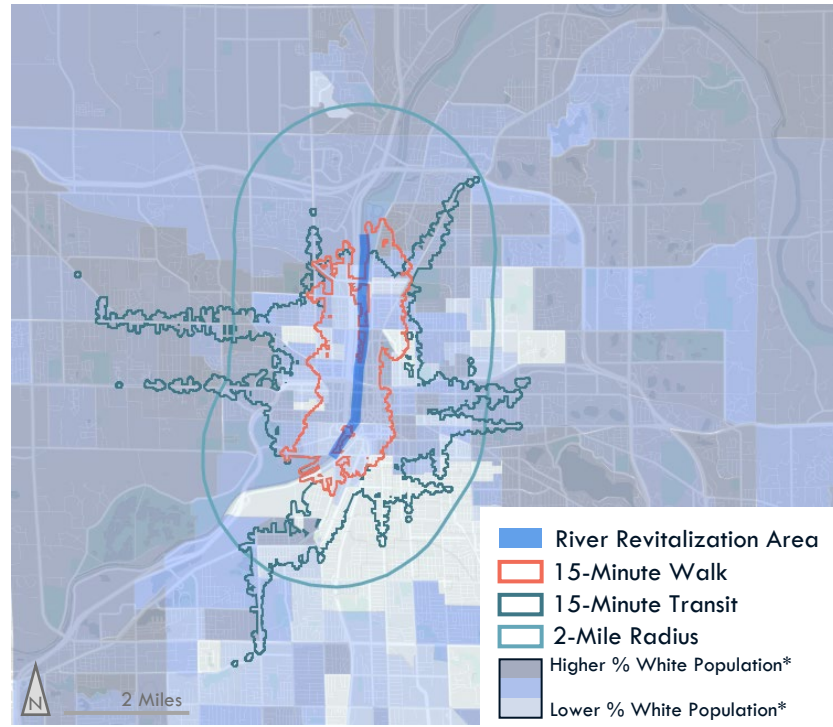
River revitalization efforts, including parks and trail development, will increase the amount of open space accessible to low-income populations, populations of color, and youth in the region.

LOW-INCOME COMMUNITIES



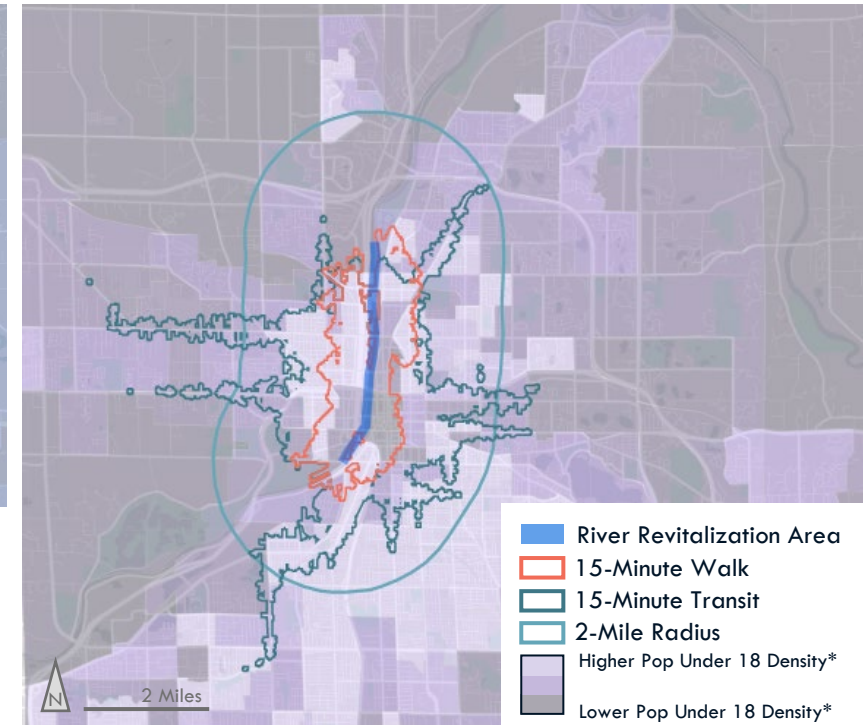
Median household income within 2 miles of the river revitalization area is 35% lower than the median household income in Kent County.

POPULATIONS OF COLOR



Non-white population within 2 miles of the revitalization area is 61% higher than the Kent County average.

YOUTH POPULATION



24% of the population within 2 miles of the river revitalization area is age under 18, compared to 18% in Kent County.

HEALTH AND SOCIAL BENEFITS

Open spaces along the Grand River will increase opportunities for recreation and social cohesion through community-oriented and programmed park space.

RECREATION

Activities such as swimming, kayaking, and fishing will increase opportunities for recreation on the Corridor. Outdoor recreation is associated with **lower long-term individual and public health costs** by improving physical fitness and social bonds.¹



COMMUNITY & SOCIAL CAPITAL

Programmed spaces will create a place-based identity and a sense of community along the riverfront. Studies show that **urban parks foster social interactions, enhanced place attachment, and social resilience.**²



PHYSICAL ACTIVITY & HEALTH

Park and trail development will create spaces that allow for physical distancing while staying in shape through jogging and biking. **Regular physical activity decreases risk for heart disease and increases lifespan.**³



1. Outdoor Industry Association, "The Outdoor Recreation Economy", 2017.
2. International Journal of Environmental Research and Public Health, "The Relationship between Social Cohesion and Urban Green Space: An Avenue for Health Promotion," February 4, 2019.
3. Center for Disease Control and Prevention, "Benefits of Physical Activity", 2020.

ENVIRONMENTAL BENEFITS

The project will leverage the opportunity to mitigate flooding and pollution through riverfront open space development as well as water management initiatives.

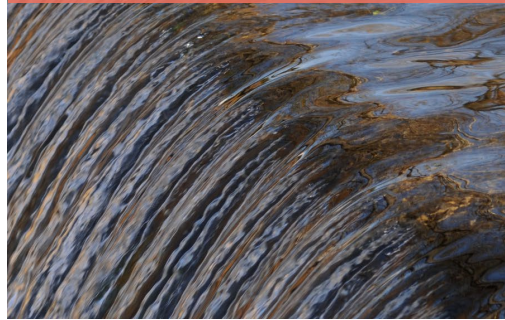
FLOOD CONTROL

Riverfront development will use landscaping improvements to achieve critical elevations, resist flooding, and encourage interaction with the river.¹



WATER QUALITY

Addressing pollutants and improving septic programs will maintain a safe and clean river for water recreation.¹



STORMWATER MANAGEMENT

Introducing green infrastructure will enhance the existing stormwater management systems and mitigate impacts during flood seasons.^{1 2}



RESTORE FISH HABITATS

Removing dams will increase spawning and restore fish populations.¹



CONTROL INVASIVE SPECIES

A sea lamprey barrier will prevent the invasive species from traveling further up-river and preying on native species.¹



1. GR Forward Downtown & River Action Plan, Goal 1: Restore the River, 2015
2. "Green infrastructure" is An approach to water management that uses natural or engineered systems that mimic natural processes to reduce water pollution and flooding, enhance overall environmental quality and provide utility services.

EDUCATION BENEFITS

Riverfront park development creates space for interactive, outdoor education for the Grand Rapids regional community.

OUTDOOR LEARNING

Parks provide space for outdoor, learning centers and other educational programs.¹ Access to nature in learning environments can increase test scores, attention, and pro-environmental attitudes in children.²



EDUCATION AND ECOLOGY

Enhanced and expanded open spaces at the Grand Rapids Public Museum will allow for outdoor exhibits that integrate education, ecology, creating educational opportunities for all ages.³



PARTNERSHIPS

Opportunities for partnerships with public schools, community centers, or youth education organizations could facilitate learning about topics such as ecology and environmental science.

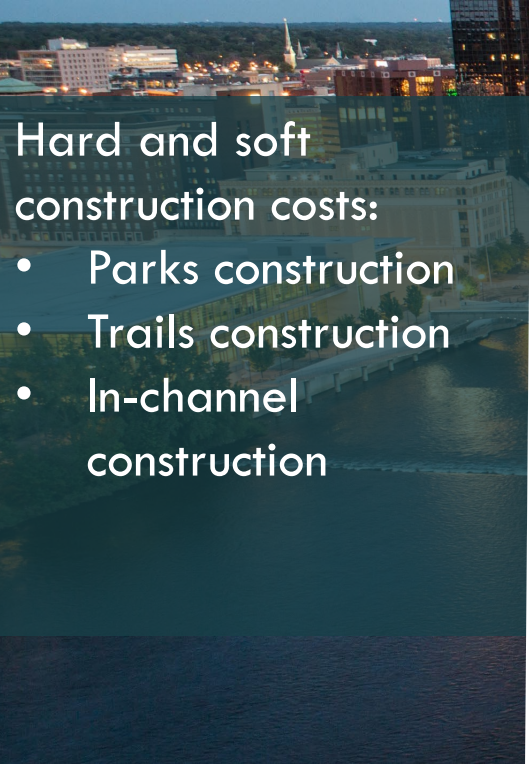


1. City of Grand Rapids Parks & Recreation Department, "Strategic Master Plan", 2017.
2. National Recreation and Parks Association, "How Kids Learn in Nature", 2017.
3. GR Forward Downtown & River Action Plan, Goal 1: Restore the River, 2015

ECONOMIC DEVELOPMENT

Estimating economic impacts of the Grand River Corridor revitalization involves determining one-time and ongoing impacts from construction and operations.

ONE-TIME IMPACTS



Hard and soft construction costs:

- Parks construction
- Trails construction
- In-channel construction

ONGOING IMPACTS



Operations and maintenance:

- Parks and trails landscaping
- Parks and trails administration
- In-channel system operations and maintenance (adjustable hydraulic structure)



Activity from park amenities, including:

- Parks concessions (food & beverage services)
- Public and private event programming
- In-channel recreation operations

ECONOMIC DEVELOPMENT

Kent County will see significant economic benefits from publicly-owned riverfront development through parks, trails, and in-channel construction jobs.

\$80M - \$120M

One-Time Direct Impact

\$70M - \$100M

One-Time Indirect + Induced Impact

\$150M - \$230M

Total One-Time Economic Impact

1,300 - 2,000

One-Time Jobs

ECONOMIC DEVELOPMENT

Kent County will continue to see ongoing economic impacts through parks and trails maintenance jobs, administration jobs, and concessions jobs.



\$8.2M - \$12.3M

Total Annual Impacts

100 - 140

Annual Jobs

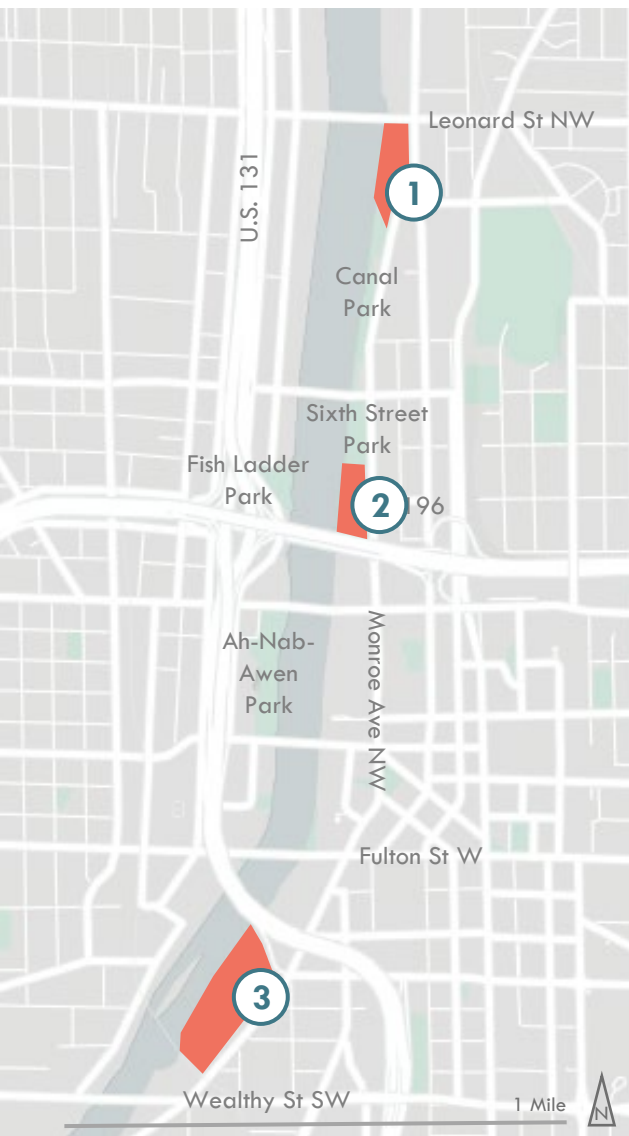
(Parks/trails maintenance, parks
administration, and concessions)

\$4.8M - \$7.2M

Annual Wages

REAL ESTATE DEVELOPMENT

Underutilized sites along the riverfront can accommodate greater value through development, with the potential to meet the region’s needs. Three publicly-owned parcels illustrate this potential value.



1. Coldbrook Site

Site Size: 6.9 Acres
Estimated Land Value: \$19.2M

2. 555 N Monroe Ave NW

Site Size: 3.7 Acres
Estimated Land Value: \$7.7M

3. 201 Market Ave SW

Site Size: 18.9 Acres
Estimated Land Value: \$57.3M

8,900

Rental housing units needed to meet demand in Kent County in the next 5 years

2,300

Rental housing units needed to meet demand in Downtown Grand Rapids in the next 5 years

FISCAL IMPACTS

Riverfront improvements would increase the values of existing properties close to the riverfront. Increases in value would in turn generate substantial new property tax revenue for the City and the County.

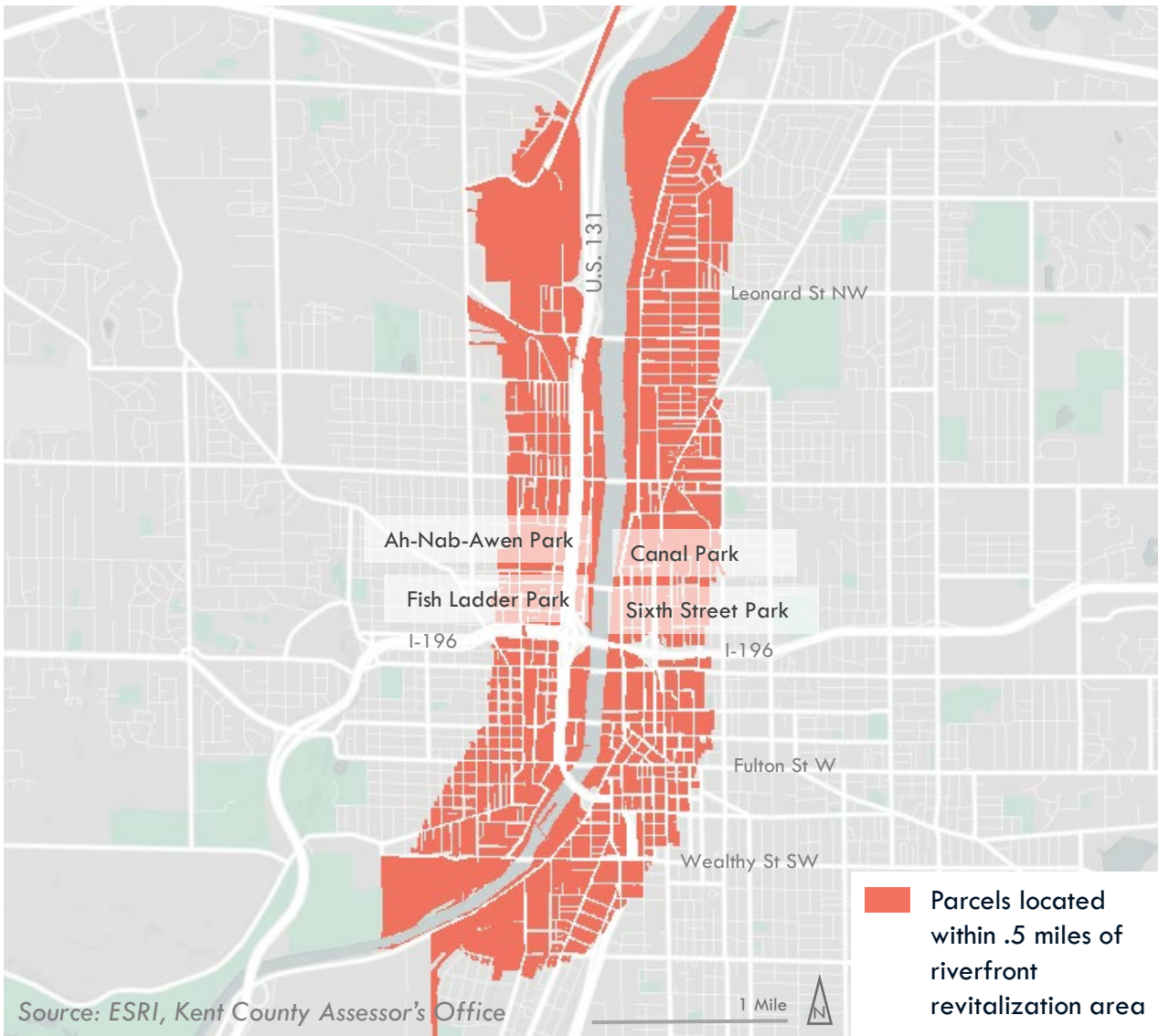
Properties located within a half mile of the Downtown hub of the Corridor would experience the greatest increase in value. Based on trends observed in comparable open space projects, these properties could generate:

+\$1.5 - 2.4M

Incremental Grand Rapids property tax revenue with riverfront improvements

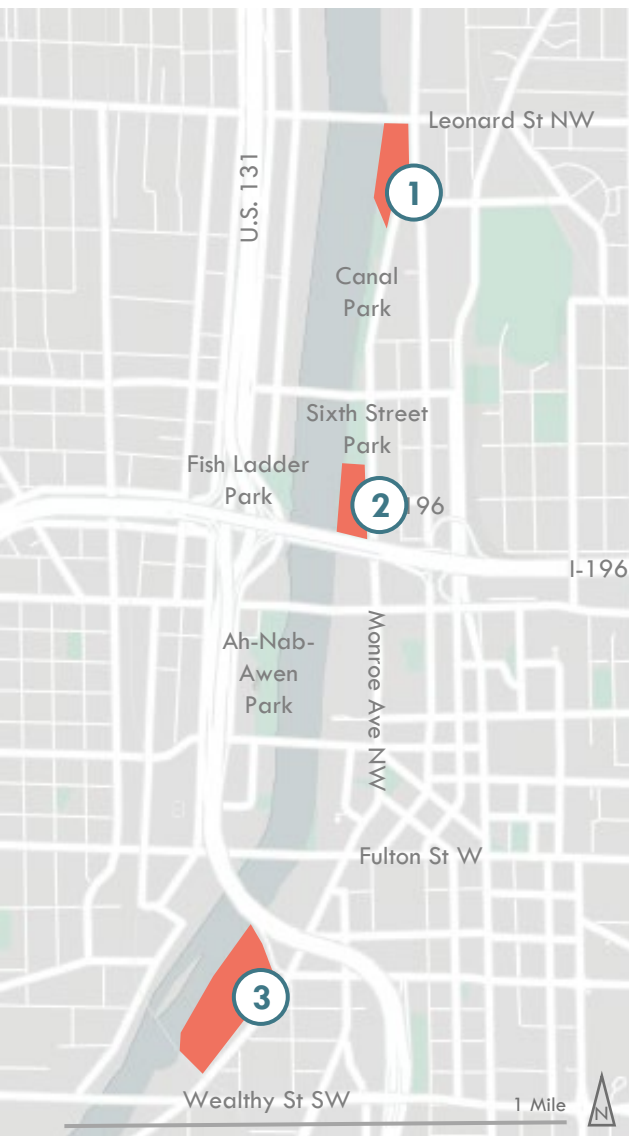
+\$1.0 - 1.6M

Incremental Kent County property tax revenue with riverfront improvements



FISCAL IMPACTS

Increasing the pace of development along the Corridor would also generate value through increased income tax revenue. Development at the three sites along the riverfront illustrates this revenue potential.



Site	Office Use		Residential Use	
	Potential New Office Workers	Projected Income Tax – Office Workers*	Potential New Residents	Projected Income Tax – Residents*
1. Coldbrook Site	1,500	\$5.5M	70	\$400k
2. 555 N Monroe Ave NW	800	\$2.9M	350	\$215k
3. 201 Market Ave SW	4,000	\$15M	130	\$1.1M

+\$1.7M - \$18M

Potential annual income tax generated for the State of Michigan

+\$350k – \$5.6M

Potential annual income tax generated for the City of Grand Rapids

Source: ESRI, EMSI, City of Grand Rapids, State of Michigan, Cushman & Wakefield

TOURISM

Improvements on the Grand River Corridor will create a set of natural and recreational amenities that can facilitate the long-term recovery of the region.

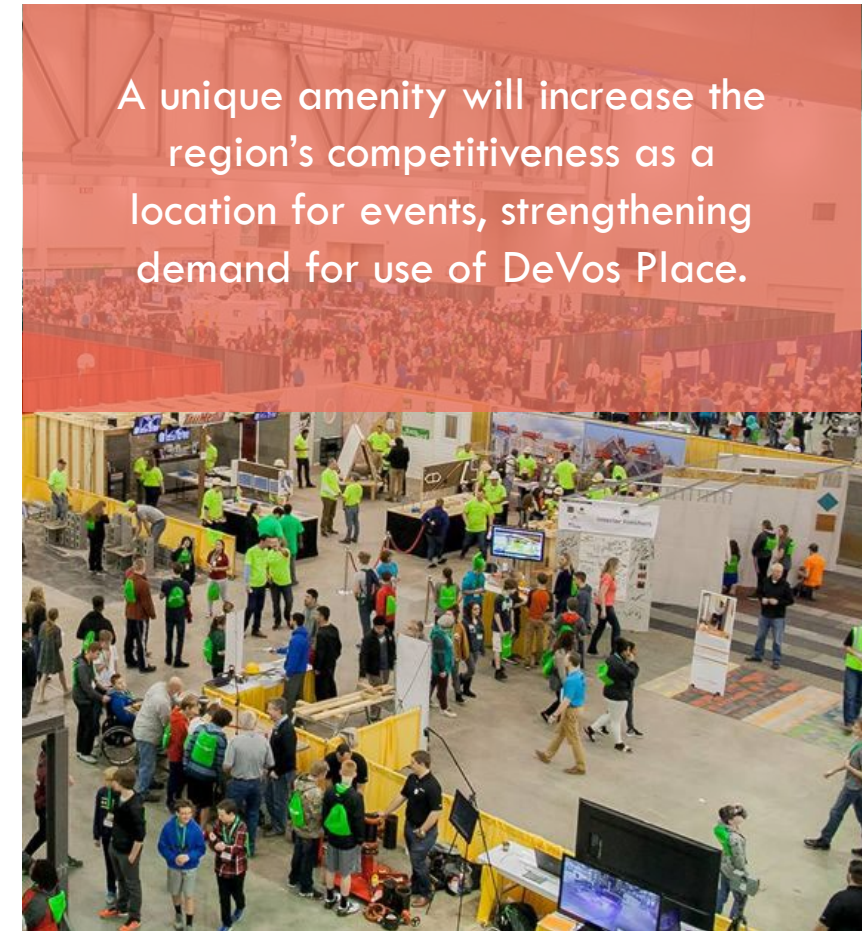
More visitors increase the potential customer base for existing businesses in Downtown and other neighborhoods adjacent to the river.



Greater demand for activity and services around the river will generate new businesses, particularly in recreation, retail, and food and beverage.



A unique amenity will increase the region's competitiveness as a location for events, strengthening demand for use of DeVos Place.

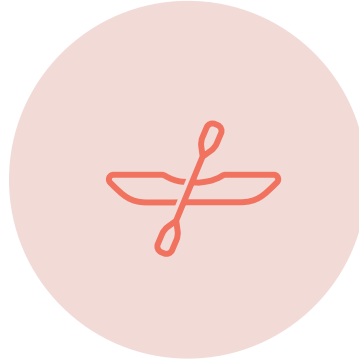


TOURISM

National trends have proved that investing in open space boosts cities' tourism economies.



Investing 10% more in parks and recreation is associated with a 2.3% **increase in leisure visits** and a 1.3% **increase in employment** in the tourism industry.¹



The cumulative attraction principle suggests that a cluster of recreational facilities and amenities can **spur greater visitation**, and a critical mass of such facilities will encourage people to **stay longer** in the area and **spend more**.²



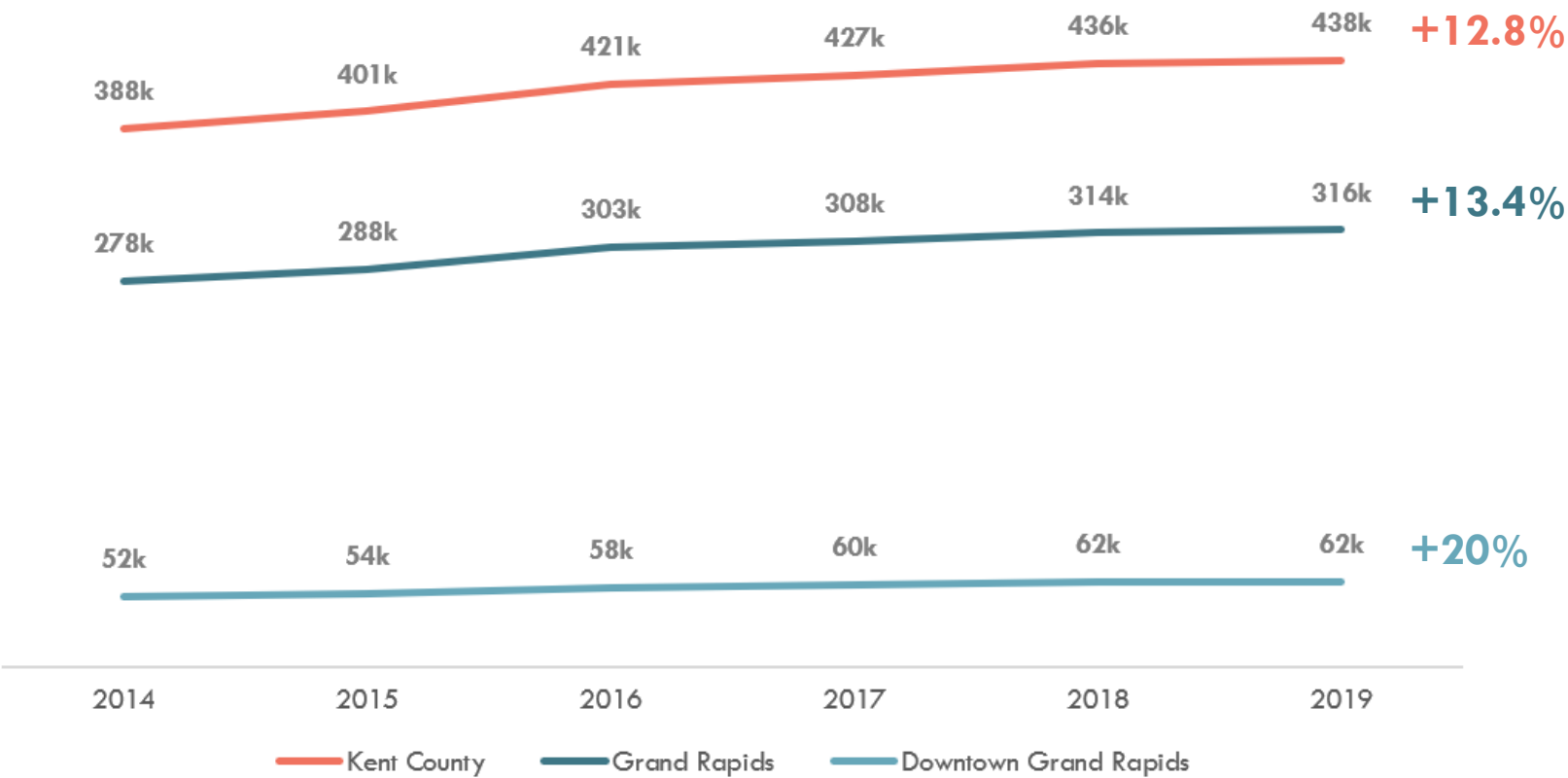
Parks-based tourism to the 100 largest cities in the US generated \$494 million in 2016.³

1. City Lab, "The Beauty Premium: How Urban Beauty Affects Cities' Economic Growth," 2019.
2. American Planning Association, "How Cities Use Parks to Promote Tourism," 2019.
3. National League of Cities, "Five Ways Parks Provide a Return on Investment," 2016.

TALENT ATTRACTION AND RETENTION

Grand River Corridor improvements are geographically concentrated in Downtown Grand Rapids, an area that has the potential to fuel the region's economy. Downtown saw substantial growth in employment opportunities in the past 5 years.¹

Grand Rapids And Kent County Employment Growth, 2014-2019



+10,000

Jobs added in Downtown Grand Rapids since 2014

42%

% of jobs added since 2014 in Downtown GR in middle- and high-wage occupations¹

53%

% of labor force under age 35 in Downtown GR¹

1. This study defines Downtown Grand Rapids as encompassing ZIP code 49503.
Source: EMSI

TALENT ATTRACTION AND RETENTION

Studies have shown that investing in urban amenities like open space plays a key role in talent attraction and retention. In particular, national trends show that young workers want to live and work in walkable, mixed-use environments with quality open space. Investing in open space in Downtown Grand Rapids will build on the area's existing attractiveness to young talent and lead directly to economic benefits.

1 in 5 leaders of fast-growing companies named quality of life as a key factor for business location.¹



Place-based investments are more important to young workers than to older workers by as much as 50%.²



Quality of place amenities matter 3X more to young people than they do to older age groups.³



SANDLOT | Baltimore

VETERANS PARK | Milwaukee

RENAISSANCE PARK | Chattanooga

1. Insight Endeavors, "What Do the Best Entrepreneurs Want in a City?" 2014.
2. Journal of Social Science & Medicine, 2015.
3. Happiness and Health Across the Lifespan in Five Major Cities; Journal of Social Science & Medicine, 2016.

EQUITY AND INCLUSION

Riverfront improvements and ongoing operations on the Grand River Corridor will build in the potential to address key equity and inclusion goals.

Equity and inclusion goals should include the following components:



Equitable Process

Intentional engagement of diverse set of residents of color, entrepreneurs, and businesses to weigh in on the planning and design of projects on the river. Equity language and metrics embedded in operations of the Corridor.



Economic Empowerment

Greater economic opportunities for underrepresented populations, including development of MWBE businesses and Micro Local Business Enterprises (MLBEs).



Representative Governance

An organization governing the Grand River Corridor with a diverse leadership and staff and consistent input from community organizations from throughout the County.



Access

A Grand River Corridor that is inviting to diverse audiences through a clean, safe, and welcoming environment and through enhanced physical access to open space for communities that are currently underserved by parks.

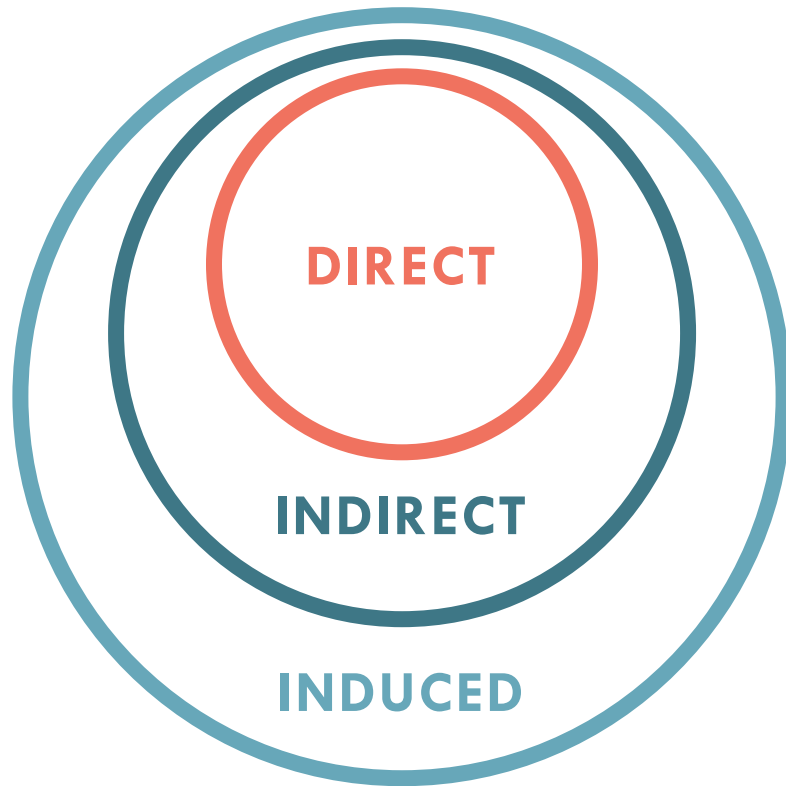
EQUITY AND INCLUSION

Equity and inclusion goals can be achieved through the ongoing operations of the Grand River Corridor with programming, economic opportunities, and governance.

GOAL	EXAMPLES OF POTENTIAL ACTIONS	IMPACT
Equitable Process	Concentrate community engagement efforts in historically disinvested areas that will newly benefit from access to open space. Seed potential park programming in neighborhoods throughout the City before it begins to engage the community in the production of programming.	Representative voices in the creation of a public asset on the riverfront.
Economic Empowerment	Prioritize local hiring of administrative and operations staff for Corridor operations. New real estate development on publicly-owned riverfront property creates opportunities for community-oriented uses. Concessions prioritize local and MWBE and MLBE businesses. Provide the community ample time to take advantage of employment opportunities, discounted space, and contracts through a carefully planned communications strategy.	Increased wealth creation and increased access to economic opportunity for communities of color and native populations.
Representative Governance	The board of Grand River Corridor management entity as representative of the larger Kent County community.	Assurance of continual integration of equity principles in the ongoing operations of the Corridor.
Access	Co-produce park programming with community groups, educational institutions, cultural centers, and neighborhood partners. Balance paid and free events and offer a discount to paid events to local and/or low-income residents.	Creation of a Grand River Corridor that is equitably enjoyed by all.

APPENDIX | Economic Impacts Methodology

HR&A's economic impact analysis considers direct spending and employment as well as indirect and induced impacts from business and household spending.



DIRECT impacts are effects from spending immediately associated with Grand River Revitalization initiatives (e.g. wages to park construction workers or wages to concessions operators).

INDIRECT impacts are effects from business spending resulting from direct spending activity (e.g. construction company spending on materials for parks construction, or food and beverage concessions spending on raw ingredients).

INDUCED impacts are effects from household spending resulting from direct spending activity (e.g. a parks administration employee spends wages in the community).

APPENDIX | Economic Impacts Assumptions

ONE-TIME INVESTMENT IN CONSTRUCTION		ANNUAL INVESTMENT IN OPERATIONS AND MAINTENANCE	
Construction Type	One-Time Investment from Construction	Annual Impact	Annual Investment from Operations and Maintenance
Trails Construction	\$47,000,000 ¹	Parks/Trails Landscaping	\$2,000,000 ¹
Parks Construction	\$28,000,000 ¹	Parks/Trails Administration	\$2,000,000 ¹
In-Channel Construction	\$45,000,000 ²	Parks Concessions	\$2,000,000 ¹
		In-Channel Water Systems	\$50,000 ³
TOTAL:	\$120,000,000	TOTAL:	\$6,050,000

1. HR&A Analysis
2. Grand Rapids Whitewater
3. Strengthening Urban Resilience BCA, Grant Application to the Department of Housing and Urban Development, 2015.

APPENDIX | Economic Impacts Detailed Results

ONE-TIME IMPACTS FROM CONSTRUCTION			ONGOING ANNUAL IMPACTS FROM OPERATIONS AND MAINTENANCE		
	One-Time Employment	One-Time Economic Impact		Annual Employment	Annual Economic Impact
Parks/Trails Direct Impacts	620	\$57,000,000	Parks/Trails Direct Impacts	90	\$6,000,000
Parks/Trails Indirect Impacts	100	\$19,000,000	Parks/Trails Indirect Impacts	10	\$2,000,000
Parks/Trails Induced Impacts	210	\$30,000,000	Parks/Trails Induced Impacts	10	\$2,000,000
Total Impacts from Parks and Trails Construction:	930 Jobs	\$106,000,000	Total Impacts from Parks and Trails Construction:	110 Jobs	\$10,000,000
Direct Impacts from In-Channel	490	\$45,000,000	Direct Impacts from In-Channel	<1	\$50,000
Indirect Impacts from In-Channel	80	\$15,000,000	Indirect Impacts from In-Channel	<1	\$20,000
Induced Impacts from In-Channel	160	\$24,000,000	Induced Impacts from In-Channel	<1	\$10,000
Total Impacts from In-Channel Construction:	730 Jobs	\$84,000,000	Total Impacts from In-Channel Construction:	<1 Job	\$80,000
TOTAL IMPACTS FROM CONSTRUCTION:	1,660 Jobs	\$190,000,000	TOTAL ONGOING ANNUAL IMPACTS:	110 Jobs	\$90,000,000

APPENDIX | Fiscal Impact Assumptions

INCOME TAX ANALYSIS

Michigan Income Tax Rate ¹	4.25%
Grand Rapids Income Tax Rate ²	
Residents	1.50%
Nonresidents	0.75%
Worker Density (per SF) ³	138
Conservative Worker Density (per SF)	175
Efficiency Factor	85%
% Labor Force Employed & Living in Grand Rapids ⁴	73%
% Labor Force Employed in Grand Rapids & Working Elsewhere ⁴	27%
Assumed COVID Impact on Tax Revenues in FY2021 ^{5 6}	0% - 20%

1. State of Michigan Department of the Treasury.
2. Ibid.
3. Cushman & Wakefield Global Occupier Metrics, Workplace Metrics.
4. LEHD OntheMap.
5. Michigan Treasury and Budget Office.
6. Metropolitan Policy Program, Brookings Institute.

APPENDIX | Fiscal Impact Assumptions

PROPERTY TAX ANALYSIS

Inflation	2%
Premium Study Timeframe (Years)	10
Millage Rates (2019)	
Grand Rapids ¹	.09565
Kent County ²	6.2967
Multi-Jurisdictional (KISD, GRCC, ITP) ²	8.9182
Value Premium	19%
Assumed COVID Impact on Tax Revenues in FY2021 ^{3 4}	0% - 20%

1. City of Grand Rapids Comprehensive Annual Financial Report 2019.

2. Kent County Comprehensive Annual Financial Report 2019.

3. Michigan Treasury and Budget Office.

4. Metropolitan Policy Program, Brookings Institute.

APPENDIX | Fiscal Impact Assumptions

PROPERTY TAX ANALYSIS – VALUE PREMIUM CASE STUDIES

Park	City	Premium	Metric	Year
Atlanta Beltline	Atlanta	10%	Premium on home prices in Ardmore Park, Collier Hills neighborhoods. ¹	2012-2016
Barton Creek Greenbelt	Austin	12.2%	Premium above mean sales price for Travis and Barton neighborhoods. ²	2005
Buffalo Bayou	Houston	13%	Average increase in median property tax revenue for owner-occupied homes in surrounding census tracts. ³	2013-2017
The 606 Trail	Chicago	31%	House prices within ½ mile of the trail increased by 31% between the trail's groundbreaking and 2016. ⁴	2013-2016
Indianapolis Cultural Trail	Indianapolis	37%	Properties within 500 feet of the trail increased by an average of 37% more than surrounding census tracts. ⁵	2008-2014

1. Knock.com, "Home Values West of the Atlanta BeltLine See Limited Growth," April 26, 2017.

2. Crompton, J., and S. Nicholls. 2006. "An Assessment of Tax Revenues Generated by Homes Proximate to a Greenway." *Journal of Park and Recreation Administration* 24(3): 103-108.

3. Landscape Architecture Foundation, *Landscape Performance Series Case Studies*.

4. Institute for Housing Studies at DePaul University, "Measuring the Impact of the 606," 2016.

5. Indiana University Public Policy Institute, *Assessment of the Impact of the Indianapolis Cultural Trail*, March 2015.