



THE ECONOMIC IMPACT OF INDY PARKS (2021)

BACKGROUND

As a department of the city of Indianapolis, Indy Parks and Recreation provides and manages various parks, green spaces, trails, and recreation activities in Marion County, Indiana. Across its system, Indy Parks offers 212 parks with a combined 11,258 acres of green space, and more than 3,000 annual sports, art, education, and recreation programs. Despite Indy Parks’ numerous natural and recreational offerings, less is known about the economic impact of these amenities on the community. As a result, Indy Parks partnered with the IU Public Policy Institute to understand the economic impact and community benefits of the park system on the local economy.

METHODOLOGY

To estimate the economic impact of the Indy Parks’ system, PPI researchers performed three analyses. First, because many park programs and amenities are offered at no- or low-cost, we estimated the true economic value of these offerings by comparing them to prices of similar programs offered in the private market. Secondly, we analyzed the impact of parks on surrounding assessed property values in Indianapolis and subsequent impacts on city-county tax revenues. Lastly, we estimated the ripple effects of Indy Parks’ spending on the local economy.

FINDINGS

VALUE OF INDY PARKS’ PROGRAMS AND SELECTED AMENITIES

The three park programs with the highest enrollment—traditional day camps, Bark Park passes, and aquatics programming—generated \$360,420 for the Indy Parks system in 2019. However, based on private competitor pricing, these programs have an estimated value of \$569,788 in the private market, representing a 58%

KEY FINDINGS

- The value of residents’ time spent in Indy Parks programming was estimated at nearly \$11 million in 2019.
- Properties within 250 feet of an Indy Parks location are valued more than \$14,000 higher than the Marion County average.
- Indy Parks and Recreation system had an estimated economic impact of \$107 million in 2019.
- Every dollar spent on Indy Parks generates an estimated \$3.13 in the local economy.

increase in value. Additionally, other popular Indy Parks’ amenities—such as open gyms, pools, and golf courses—generated \$4.3 million of revenue in 2019. Yet these services were worth 88% more on the private market, at \$8.1 million, accounting for \$3.8 million in added value.

Between all programs, the value of enrolled residents’ time spent in Indy Parks’ programming is estimated to be worth nearly \$11 million. These findings suggest that Indy Parks’ programs and amenities have a greater economic value than their current revenue generation suggests. It also shows that these services provide access to a public good that is not captured in program pricing.

TABLE 1. Value of residents’ time spent in parks programming (2019)

# OF HOURS	HOURLY WAGE RATE	VALUE OF PROGRAM HOURS
561,306	\$19.41	\$10,894,946

IMPACT OF INDY PARKS ON PROPERTY VALUES

Numerous studies have found that proximity to a park can increase property values. In Marion County, properties that are within a quarter-mile of a park have a lower average assessed value than the rest of the county. However, as proximity to the park increases, so does the assessed property value. Homes within 250 feet of an Indy Parks location are valued at around \$14,000 more than the average home in Marion County. Additionally, although parcels within a quarter-mile of a park have a lower average property value than the county, the value of these properties grew at a faster rate between 2016 and 2019. Parcels within 250–500 feet of a park saw the largest growth in property values during this four-year period.

Altogether, properties within a quarter-mile of a park were assessed at a combined \$281 million more than the expected amount in 2019, resulting in an additional \$1.9 million in city-county tax revenues.

IMPACT OF INDY PARKS' EXPENDITURES ON THE LOCAL ECONOMY

In the five-year period between 2015 and 2019, Indy Parks spent an estimated \$136.3 million in direct expenditures, which generated an additional \$98.5 million of ripple-effect spending in the local economy. Combined, this suggests that Indy Parks' spending added \$235 million to the local economy. Additionally, the organization supported an estimated 1,818 jobs during this time frame, both within the

park system itself and in other companies along the supply chain. These jobs produced an estimated additional \$106.5 million in employee wages and benefits.

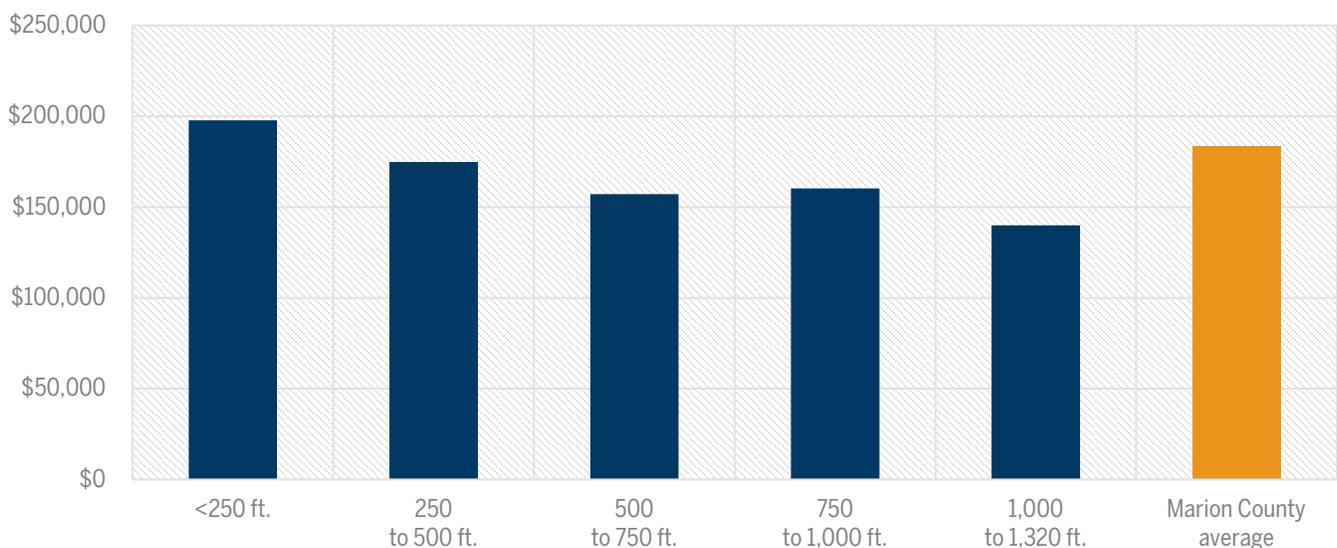
OVERALL IMPACT

Between parks programming, property value effects, and spending in the local economy, the Indy Parks and Recreation system had an estimated economic impact of approximately \$106.8 million in 2019, with every dollar spent on Indy Parks generating \$3.13 in the local economy.

TABLE 2. Overall economic benefit of the Indy Parks system (2019)

CATEGORY	VALUE
Value of residents' time spent in parks programming	\$10,894,946
Added value of selected Indy Parks' amenities	\$3,825,920
Tax revenue impact from increased property values	\$1,896,608
Impact of Indy Parks' spending on local economy	\$62,090,380
Impact of Indy Parks' spending on employee wages and benefits	\$28,085,790
Total	\$106,793,644

FIGURE 1. Average property value within 1/4 mile of an Indy Parks location (2019)



IMPLICATIONS

Indy Parks likely has additional economic impact beyond the areas that were focused on for this study. For example, research has shown that park systems can have a significant economic impact on various health and environmental factors, such as health care cost savings from increased physical activity in parks, stormwater retention value, and air pollution removal savings. Additionally, parks can further impact the economy by serving as a crucial marketing tool for cities to attract employees and businesses.

Our research adds to other studies' findings that suggest that, while park systems are viewed primarily as a public good that can improve residents' quality of life, it is important to remember that they can also have significant economic impacts within the community.

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