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# **THE CENTRAL PARK EFFECT:**

Assessing the Value of Central Park's  
Contribution to New York City's Economy

November 2015

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Douglas Blonsky  
President  
Central Park Conservancy  
14 East 60th Street  
New York, NY 10021

Dear Mr. Blonsky:

My colleagues at Appleseed and I are pleased to submit our report on *The Central Park Effect: Assessing the Value of Central Park's Contribution to New York City's Economy*. Like our 2009 report on Central Park's economic impact, this report views the Park's contributions to the City's economy from several perspectives, including:

- The impact of the Park as a cluster of enterprises, events and activities;
- The Park's role as a favorite destination for visitors from all over the U.S. and around the world, and as a preferred location for New York's hospitality industry and its leading cultural institutions;
- The Park's value as a resource for neighboring communities and for all New Yorkers;
- The premium that Central Park adds to the value of properties in the area surrounding the Park;
- The Central Park Conservancy's contributions to the development, revitalization, maintenance and operation of other parks in new York City;
- New York City tax and fee revenues attributable to the operations of the Conservancy and other businesses and organizations operating in the Park, to spending by visitors to the Park and to the Park's effect on property values.

In preparing this report, we have relied on data from several sources, including:

- Data provided by the Conservancy on its own operations and investments in the Park in 2014;
- Data obtained from Claritas, a provider of business data, from companies' websites and from media reports on companies and institutions that do business in the Park;
- Data on numbers and characteristics of Park users, taken from a survey conducted for the Conservancy in 2009;
- Data published by partner organizations such as Shakespeare in the Park and the New York Road Runners on attendance at or participation in events held in the Park;
- Studies conducted in the U.S. and elsewhere on the impact of access to parks on human health and well-being;
- Detailed data published by the New York City Department of Finance on the market and assessed values of real property in the area surrounding the Park in 2014;
- Hotel industry information obtained from NYC & Company;



- Other real estate market information obtained CoStar, CB Richard Ellis, the Real Estate Board of New York and real estate industry publications;
- Information on the development and impact of new parks in New York City obtained from previous reports on and media coverage of Hudson River Park, Brooklyn Bridge Park and the High Line; and
- Tax data from the New York City Department of Finance and the New York City Comptroller's Office.

We also used the IMPLAN input-output modeling system (an economic model commonly used in local and regional economic impact studies) to estimate the direct, indirect and induced economic impact of the Conservancy – concessions and other businesses and institutions that operate in the Park – and spending by non-New York City residents who visit the Park.

While the findings presented in this report may differ in detail from those we presented in 2009, the message is essentially the same. Central Park today retains its power as a generator of economic activity, a source of added value to the area surrounding the Park, a provider of human and intellectual capital to other parks and communities throughout New York City, a magnet for billions of dollars in private investment, and a generator of City tax revenues.

Central Park's value to New York City today is both a tribute to the foresight of the New Yorkers who created it more than 150 years ago, and a product of the Conservancy's and the City's investments during the past 35 years in the renovation, revitalization, improvement, maintenance and management of the Park. Preserving and building on this legacy is one of the wisest investments New Yorkers can make in their City's future.

Thanks again for giving us the opportunity to work with you on this project.

Sincerely,

Hugh O'Neill  
President  
Appleseed



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# HIGHLIGHTS

Central Park is an important contributor to New York City's economy – as a significant cluster of enterprises in its own right; as a magnet for visitors and a venue for major events; through the resources, services and opportunities it provides to New York City residents; through the assistance it provides to parks elsewhere in New York City; by attracting private investment; through its impact on the value of property near the Park; and through its impact on New York City tax revenues. This report examines the Park's contributions in all of these areas.

## Central Park as a cluster of enterprises

- In 2014 the Central Park Conservancy directly employed 453 people, with a payroll of nearly \$21.4 million; and spent approximately \$15 million on purchases of goods and services (including construction) from New York City businesses.
- Taking into account the multiplier effect, the Conservancy directly and indirectly accounted for 686 full-time-equivalent (FTE) jobs in New York City, with \$39.8 million in earnings, and \$63.3 million in City-wide economic output.
- Other enterprises operating in the Park – such as restaurants, the Central Park Zoo, carriage drivers, vendors and others – directly and indirectly accounted for 1,345 FTE jobs, with nearly \$67.5 million in earnings and \$153.7 million in City-wide economic output.

## Central Park as a venue and a magnet for visitors

- Visits to Central Park in 2014 are estimated to have totaled 41.8 million, an average of nearly 115,000 visits per day.
- Visits to the Park by people coming from outside the New York metropolitan area are estimated to have totaled 13.7 million, including 8.3 million by people visiting New York from outside the U.S.
- We estimate that in 2014, local spending by visitors from outside the metropolitan area who came to New York to attend or participate in special events in Central

Park (excluding the New York City Marathon), along with incremental spending by other visitors to the Park from outside the area, directly and indirectly accounted for 1,871 FTE jobs in New York City, with \$87.5 million in earnings and \$203.8 million in City-wide economic output.

- Many of New York City's leading hotels and museums are clustered around Central Park.
  - » As of 2014, we estimate that 58 hotels in the Central Park area employed approximately 15,445 workers – about 35 percent of all hotel workers in Manhattan – with earnings totaling approximately \$995 million.
  - » In 2014, attendance at 43 museums in the Central Park area totaled approximately 19.6 million. Together these institutions employed more than 6,500 people in full- and part-time jobs, accounting for nearly 60 percent of all museum employment in New York City.

## A resource for community residents

- Central Park provides a wide range of opportunities for both active and passive recreation, cultural and entertainment activities and other benefits for New York City residents.
- In 2014, New York City residents are estimated to have visited the Park approximately 27 million times. According to a 2009 survey of Park users, walking is the most common activity in which visitors to the Park engage.
- The opportunities for physical activity that the Park provides are estimated to have reduced health care costs in New York City and associated losses of labor productivity by approximately \$53 million annually.
- Central Park is also a leading venue for the development of “social capital,” through the Conservancy's volunteer programs; participation in team sports or other forms of group recreation; and major fund-raising events for a variety of charitable causes.

### Adding value to the City's most valuable property

- Using data obtained from the New York City Department of Finance, we estimate that in fiscal year 2014, proximity to Central Park added more than \$26.0 billion to the market value of properties on the blocks closest to the Park – from Lexington Avenue on the east to Amsterdam Avenue on the west, and from 53rd Street on the south to 116th Street on the north.
- The value of proximity to Central Park is also reflected in residential sales data. From the beginning of 2014 through the spring of 2015, 41 of the 50 highest-value apartment sales in New York City were located either directly across the street or within a few blocks from the Park.
- The value that the Park adds to residential properties is also evident from data on the value of Central Park views. Jonathan Miller of Miller Samuel estimates that sale prices for apartments along Fifth Avenue that have views of the Park exceed the price of apartments that don't by an average of \$1,239 per square foot.
- Of the 21 commercial office buildings with asking rents of \$125 or more as of the spring of 2015, 17 were located in the Central Park area. Three of New York City's four highest-value retail corridors (as measured by retail asking rents) are also located within a few blocks from the Park.
- Beyond the value of existing properties, the Central Park area continues to attract high-value private investment. Fifteen new residential projects with a total of more than 3,000 units have been completed since 2008, are under construction or are planned in the Central Park area. Together they represent a total investment of more than \$10 billion.
- Since 2013, 15 new hotels with a total of 3,451 rooms have opened in the Central Park area, or are scheduled to open by the spring of 2016.

### Sharing Central Park's intellectual capital

- Through its Center for Urban Park Management, the Central Park Conservancy provides assistance to other parks and community organizations in New York City – for example, by:



Restaurant in the Time Warner Center, with views of Central Park

- » Providing direct assistance in the maintenance of four historic parks in Harlem;
- » Providing training and on-site technical assistance to maintenance staff in parks in all five boroughs;
- » Serving informally as consultants on a wide range of topics, ranging from selection of materials and equipment to park conservancy membership drives to fundraising to development of conservancy boards.

In 2014, the Conservancy spent more than \$2.6 million on services to other parks.

- More broadly, the Conservancy has helped to strengthen the contribution that the City's parks make to the vitality of its communities and its economy by providing a road map for public-private collaboration in the revitalization, development, programming and management of City parks. The value of lessons first learned in central park can today be seen in settings as diverse as Prospect Park, Hudson River Park, Brooklyn Bridge Park and the High Line.

### Impact on City revenues

- We estimate that in fiscal year 2014, New York City tax and fee revenues attributable to the operations of the Conservancy and other Central Park-based enterprises, to spending by out-of-town visitors to the Park, and to the increase in property values associated with proximity to the Park, totaled more than \$1.045 billion.





### Central Park: At a Glance

- New York City's Central Park, designed by Frederick Law Olmsted and Calvert Vaux, first opened to the public in 1858.
- The Park is comprised of 843 acres, including 150 acres of water, 250 acres of lawn and 80 acres of woodland.
- There are more than 20,000 trees, 9,000 benches (4,000 of which have been "adopted"), 36 bridges and arches, 30 tennis courts, 26 ball fields, and 21 playgrounds in Central Park.
- There were nearly 42 million visits to Central Park in 2014 – an average of nearly 115,000 people per day.
- Since 1908, more than 300 feature films have been filmed in the Park, including two winners of the Oscar for Best Picture.







# INTRODUCTION

New York City's Central Park is one of the world's best-known urban parks – a favorite place for recreation, culture, entertainment and social activity for generations of New Yorkers, and a magnet for visitors from all over the world. Less familiar, however – and not as readily visible – is the role that Central Park has played in the evolution of New York City's economy, and its ongoing contribution to the City's economic vitality.

For more than 150 years, from Midtown to Harlem, the Park has been a catalyst for residential, commercial and institutional development. And today it remains a significant enterprise in its own right – a magnet for visitors to the City and for talent of all types – an invaluable resource for its neighbors and for other New Yorkers – a source of added value to, and ongoing investment in, New York's greatest concentration of real estate – and a generator of tax revenues for the City.

In order to understand more fully the Park's impact, the Central Park Conservancy – a non-profit organization that manages the Park under contract with the City of New York – asked Appleseed, a New York City-based consulting firm, to assess Central Park's value to New York City's economy. This report presents the results of Appleseed's analysis.

Part One of the report assesses the impact of the Conservancy itself and the other businesses and organizations that operate in the Park. Part Two explores the Park's role as a venue for major events and a magnet for visitors, and its related role as a focal point of the City's hospitality and industry and cultural institutions. Part Three of the report discusses the Park's value as a community resource, and why this is important to the City's economy.

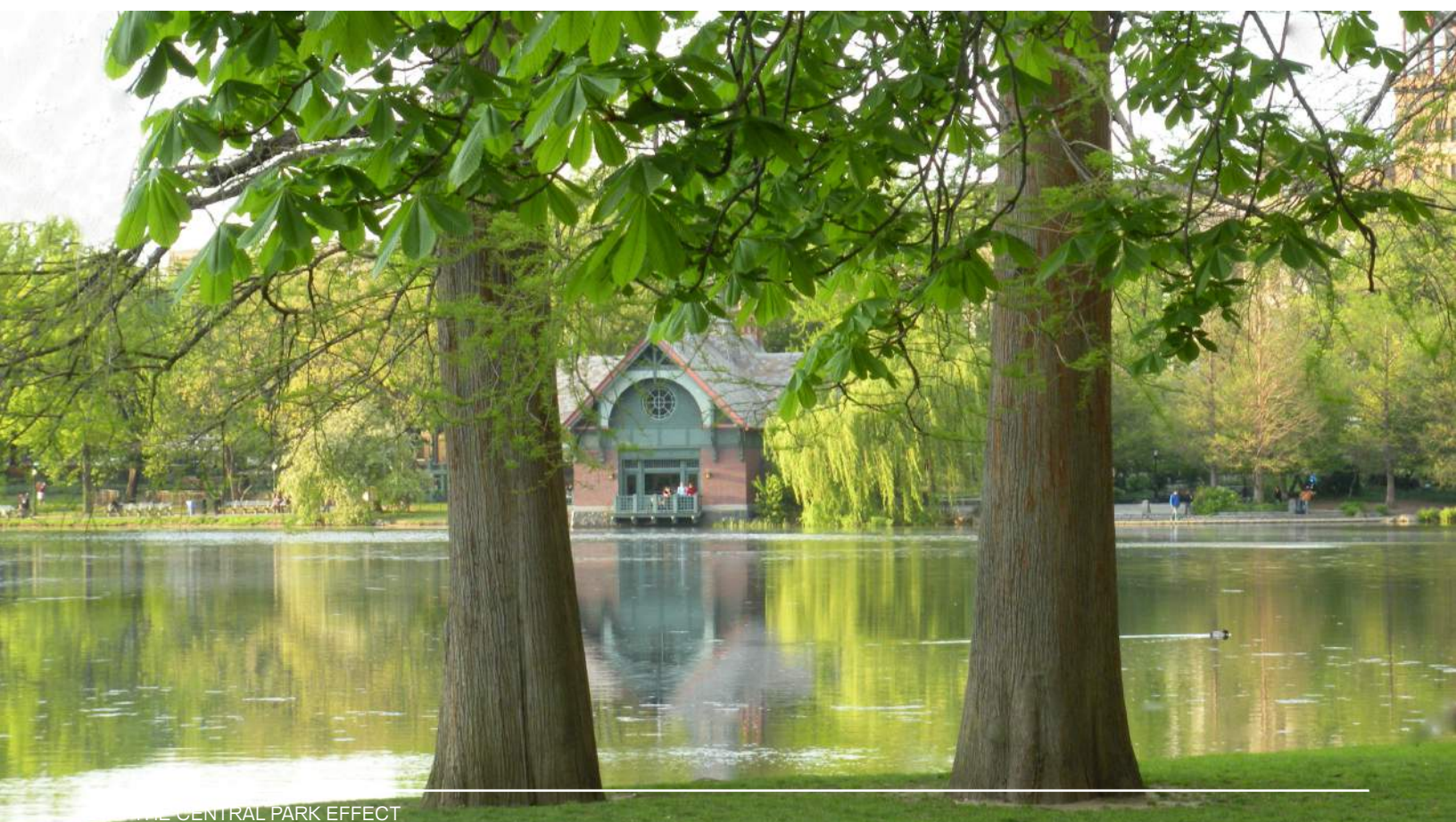
Part Four explores several dimensions of the Park's impact on real property values in the area around the Park, and its continuing power as a magnet for private investment. Part Five discusses the Central Park Conservancy's contributions to the revitalization, maintenance and ongoing operations of other parks in New York City.

Part Six briefly summarizes the Park's impact on New York City's tax and fee revenues; and Part Seven offers some concluding comments on why the Park will continue in the years ahead to be an essential contributor to the vitality of the City's economy.

**Figure 1:** Map of Central Park







THE CENTRAL PARK EFFECT



# PART ONE

## CENTRAL PARK AS AN ENTERPRISE

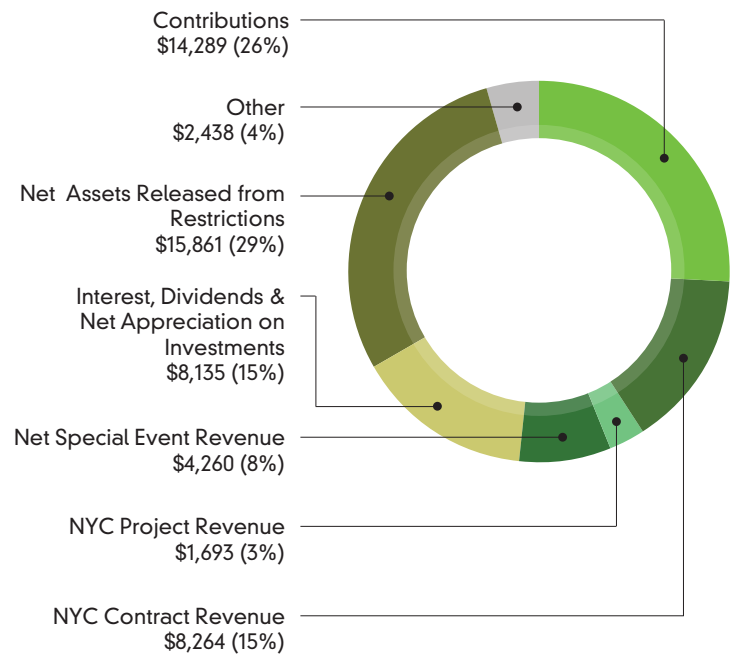
Central Park's contribution to New York City's economy can at its most basic level be measured by viewing the Park as a cluster of business enterprises, both non-profit and for-profit, that together are responsible for its operations. This part of the report assesses the economic impact of the Central Park Conservancy, and of other organizations that operate in the Park.

### The Central Park Conservancy

The Central Park Conservancy is a non-profit organization whose mission is "to restore, manage and preserve Central Park, in partnership with the public, for the enjoyment of present and future generations." Founded in 1980, the Conservancy focused during its early years on rehabilitation of Park structures and landscapes after years of underinvestment, and on programs and activities designed to bring people back to the Park. In 1998, the Conservancy entered into an eight-year contract under which it took on full responsibility for management of the Park. The Conservancy and the City renewed the contract in 2006, and again in 2013.

In fiscal year 2014, the Conservancy's unrestricted revenues (those available for regular operating purposes) totaled \$54.76 million; and its expenses, \$50.95 million. As Figure 2 shows, City funds accounted for 18.2 percent of the Conservancy's unrestricted revenues. Other sources – primarily private contributions generated through the Conservancy's fund-raising efforts, investment income and gains and revenues from special events – accounted for nearly 82 percent of unrestricted revenues.

**Figure 2:** Central Park Conservancy unrestricted revenue, gains and other support, FY 2014 (\$000s)



**Top left:** Harlem Meer before restoration, 1985

**Bottom left:** Harlem Meer and Charles A. Dana Discovery Center after restoration, 1993



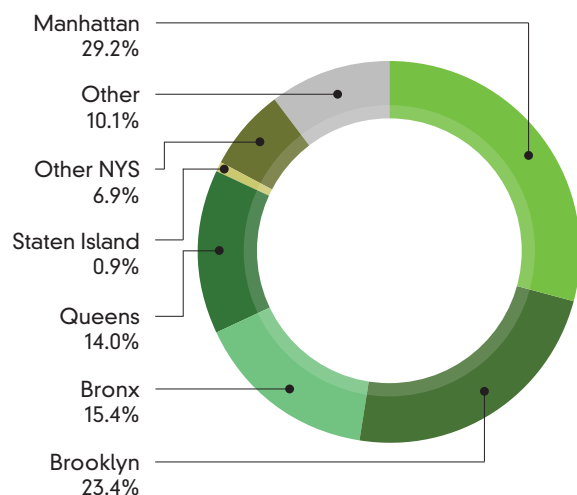
Central Park staff at work



### *The Conservancy as an employer*

In 2014, the Central Park Conservancy employed 453 people, about 81 percent of whom worked full-time. The Conservancy's payroll during fiscal year 2014 totaled \$21.39 million. Of the Conservancy's 453 employees, 83 percent lived within New York City; and 6.9 percent lived elsewhere in New York State. The distribution of Conservancy employees by place of residence is shown in Figure 3.

**Figure 3:** Central Park Conservancy employees by location of residence, 2014



### *Purchasing and construction*

In addition to its role as an employer, the Conservancy contributes to New York City's economy through its purchases of goods and services. During fiscal year 2014, the Conservancy purchased \$15.4 million worth of goods and services (including construction). Major categories of purchasing are listed below in Table 1.

**Table 1:** Leading categories of CPC spending on goods and services, FY 2014 (in \$000s)

Commodity/service	Spending, FY 2014
Construction and design	\$6,260
Materials, equipment and supplies	\$3,734
Consulting	\$2,747
Landscaping	\$1,773
Facilities maintenance	\$1,699
Rent and other occupancy costs	\$1,548

Overall, we estimate that purchases of goods and services from New York City businesses directly supported 92 full-time-equivalent (FTE) jobs in the City, with wages totaling approximately \$7.28 million.





A significant amount of the Park's maintenance and repair work is contracted to outside companies

### Measuring the multiplier effect

In addition to the direct impacts described above, the Conservancy's spending on payroll, purchasing and construction also has an indirect impact on New York City's economy. Some of the money the Conservancy pays to local vendors and contractors is used by these firms to purchase more goods and services from other local companies.

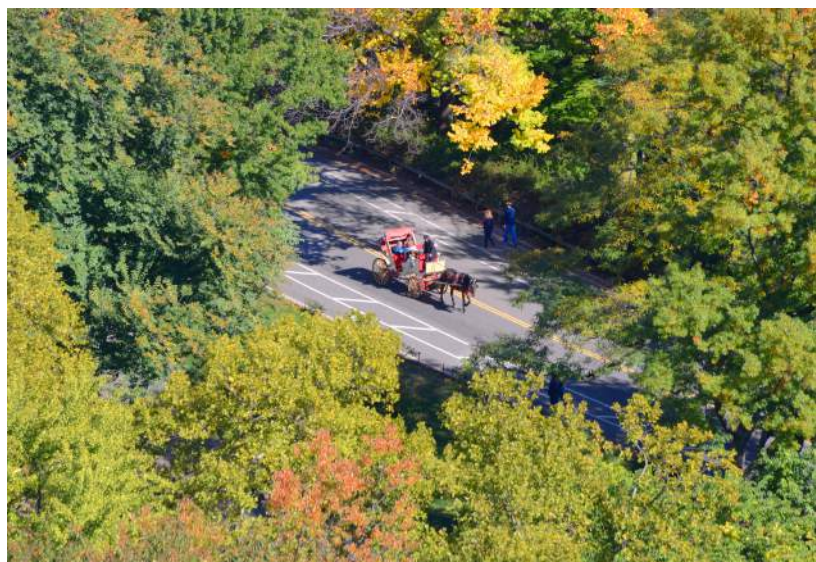
Similarly, employees at the Conservancy and of the local firms from which it buys goods and services spend part of their earnings within the City – for housing, food, personal items, utilities and other needs.

Using the IMPLAN economic modeling system, we can measure the impact of these “indirect and induced” (or “multiplier”) effects on New York City's economy. We estimate that in fiscal year 2014, spending by the Conservancy directly and indirectly accounted for:

- 686 FTE jobs in New York City, with nearly \$39.7 million in wages; and
- Nearly \$63.2 million in City-wide economic output.

**Table 2:** Direct, indirect and induced impacts of CPC's spending in New York City, FY 2014 (jobs in FTE, wages and output in \$ millions)

	Jobs	Wages	Output
<b>Direct spending impact</b>			
Payroll	453	\$21.4	\$21.4
Purchasing/construction	92	\$7.4	\$16.5
<i>Subtotal, direct impact</i>	545	\$28.8	\$37.9
<b>Indirect and induced effects</b>			
Employee spending	86	\$6.5	\$15.2
Vendor and contractor spending	54	\$4.4	\$10.1
<i>Subtotal, indirect/induced impact</i>	140	\$10.9	\$25.3
<b>TOTAL IMPACT</b>	<b>686</b>	<b>\$39.7</b>	<b>\$63.2</b>



### The impact of concessions and other enterprises

In addition to the work the Conservancy does in managing, maintaining and improving the Park, Central Park also encompasses the operations of a wide range of other organizations, companies and individuals that do business in the Park and serve its users. Table 3 provides a partial listing of concessions and other organizations located or doing business in the Park.

**Table 3:** Selected concessions and other enterprises in Central Park, 2014

Enterprise (or type of enterprise)
Tavern on the Green
The Boathouse
Dancing Crane Café
Mineral Springs Café
Horse-drawn carriages
Central Park Zoo
Central Park Zoo Boutique
Wollman Rink
Food carts and other vendors
City Parks Foundation

Using IMPLAN, Appleseed estimates that the concessions and other enterprises listed in Table 3 directly employed more than 1,000 people, and accounted for more than \$91.3 million in economic output and nearly \$41.5 million in earnings. Taking into account the multiplier effect, we estimate that these enterprises directly and indirectly accounted for:

- 1,345 FTE jobs in New York City, with nearly \$67.5 million in earnings; and
- \$153.7 million in City-wide economic output.

**Table 4:** Direct, indirect and induced impacts of Central Park concessions and other enterprises in New York City, FY 2014 (jobs in FTE, wages and output in \$ millions)

	Jobs	Wages	Output
Direct impact	1,016	\$41.5	\$91.3
Indirect/induced effects	329	\$26.0	\$62.4
<b>TOTAL IMPACT</b>	<b>1,345</b>	<b>\$67.5</b>	<b>\$153.7</b>





## Summary

Taking into account the operations of the Central Park Conservancy, concessions and other organizations doing business in the Park, we estimate that in fiscal year 2014, “the Park as an enterprise” directly and indirectly accounted for:

- 2,031 FTE jobs in New York City, with \$107.2 million in earnings; and
- \$216.9 million in City-wide economic output.

**Table 5:** Impact of CPC operations and Central Park concessions, FY 2014 (jobs in FTE, wages and output in \$ millions)

	Jobs	Wages	Output
Impact of Conservancy operations			
Direct	545	\$28.8	\$37.9
Indirect/induced	140	\$10.9	\$25.3
<i>Subtotal, Conservancy impact</i>	686	\$39.7	\$63.2
Impact of concessions operations			
Direct	1,016	\$41.5	\$91.3
Indirect/induced	329	\$26.0	\$62.4
<i>Subtotal, concessions impact</i>	1,345	\$67.5	\$153.7
<b>TOTAL IMPACT</b>	<b>2,031</b>	<b>\$107.2</b>	<b>\$216.9</b>







## PART TWO A VENUE AND MAGNET FOR VISITORS

Central Park is a magnet for visitors from around New York City, the nation and the world, and a venue for some of New York's most popular and visible events. By helping to bring people to the City – whether for specific events being staged in the Park, or because it is simply one of the City's best-known sights – the Park helps support one of the most important sectors of the City's economy.

This part of the report focuses on:

- Data on visitors to the Park, and where they come from;
- Special events that attract out-of-town visitors to the Park;
- The impact of visitor spending associated with recurring events, including sporting, cultural and entertainment events;
- The impact of spending by other visitors for whom the Park itself is a major attraction – that is, those not tied to specific events;
- The use of the Park as a venue for film and photo shoots; and
- The Park's role as a focal point of the City's hospitality industry and cultural institutions.

### Drawing visitors from around the world

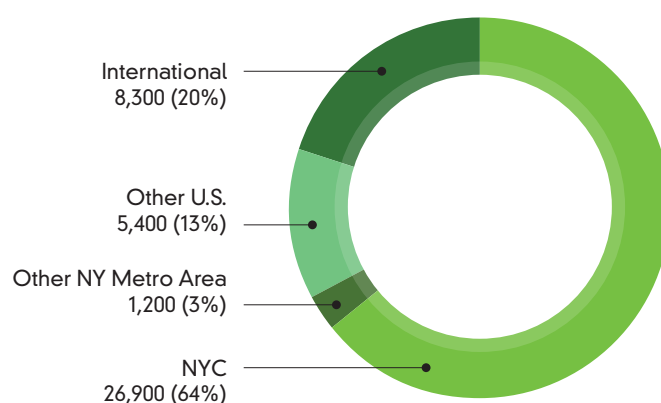
In addition to being a vitally important resource for New York City residents, Central Park attracts visitors from elsewhere in the U.S. and around the world. The last comprehensive survey of people entering the Park, conducted in 2009, estimated that in that year approximately 8 to 9 million unique individuals visited the Park approximately 37.5 million times.<sup>1</sup>

Assuming that since 2009 the total number of visits to the Park has grown in proportion to the City's population and to the number of visitors to the City, we estimate that during the course of 2014, the Park was visited a total 41.8 million times – an average of nearly 115,000 visits per day.

1. William Kornblum, "Report on the 2009 User Survey, Central Park, New York City", 2009

We estimate that in 2014, New York City residents accounted for about 64 percent of all visits to Central Park – other New York metro area residents, about 3 percent – other U.S. residents, 13 percent; and international visitors about 20 percent. Figure 4 shows the distribution of visitors to the Park by place of residence.

**Figure 4:** Estimated number of visits to Central Park in 2014, by place of residence (in 000s)



The number of visits to the Park by visitors from outside the U.S. is especially noteworthy. New York City & Company estimates that in 2014, a total of 12.4 million international visitors came to New York City. In the same year, we estimate that international visitors to the City visited Central Park approximately 8.3 million times.

As these figures suggest, Central Park is among the City's most popular destinations for international visitors. In *Travel and Leisure* magazine's 2014 listing of the world's 50 most popular tourist destinations, Central Park tied for fourth place<sup>2</sup>; and in a similar ranking published by LoveHomeSwap.com, Central Park was rated the world's third most popular destination.<sup>3</sup>

2. *Travel & Leisure*, November 2014

3. LoveHomeSwap.Com

### A site for special events

In addition to providing a place where New Yorkers and visitors can engage in active and passive recreation, socialize and enjoy its natural environment, Central Park also provides a location for a wide range of special events, both one-time and recurring.

The largest and best-known of the recurring events associated with Central Park is the TSC New York City Marathon. The survey cited previously estimated that in 2009 the race brought 370,000 people to the Park on Marathon Sunday, including runners, spectators, volunteers, media representatives and others. Given the continued growth of the Marathon since 2009, it is likely that by 2014 this total exceeded 400,000.

Other major road races held in the Park in 2014 included the Oakley Mini 10K (the world's oldest organized road race for women), the More Magazine Women's Half Marathon, and the Healthy Kidney 10K. Collectively these three races drew a total of 20,000 runners from New York City, from across the U.S. and from other countries.

In 2014 the Park was also the site of the first annual Central Park Horse Show, featuring four days of competition by many of the nation's top riders and horses.

Entertainment, cultural and civic events at Central Park also draw visitors from outside New York City. Examples include:

- Shakespeare in the Park, with a total audience of about 110,000 each summer;
- The SummerStage concert series, with audiences also totaling about 110,000; and
- New York Philharmonic concerts, with a total audience of 160,000 over two nights;

In September 2014, the Park was also the site of the Global Citizen Festival, a day-long annual event aimed at increasing public awareness of and support for the U.N.-sponsored campaign to eliminate extreme poverty worldwide by 2030. Nearly 60,000 people attended the festival, which featured performances by Jay Z, Beyonce, Sting, the Roots, Alicia Keys and Carrie Underwood.



### The world's largest marathon – and its most famous finish line

The first New York City Marathon took place in Central Park in 1970, with 127 runners starting the race and 55 finishing. The Marathon was run entirely within the Park until 1976, when the course was changed to the now-familiar five-borough configuration. But the final three and a half-mile section of the course is still within or along the edge of Central Park; and the most dramatic moments of the race often occur in the Park, as the runners approach and then cross what has been called the world's most famous finish line.

Today the TCS New York City Marathon is the largest in the world, with 50,530 runners finishing in 2014. Approximately 78 percent of all finishers in 2014 came from outside New York City, including 41 percent who came from outside the U.S. Based on a survey of participants in the 2014 race, AECOM estimated that in 2014, the Marathon brought more than 308,000 people – participants, family members or other companions – to New York City.

AECOM estimates that the Marathon directly and indirectly generated approximately \$415 million in economic output in New York City in 2014, and \$22.2 million in New York City sales and occupancy taxes.



The 2009 survey estimated that special events such as these accounted for about 2.7 percent of all visits to the Park – approximately 1 million visits in 2009. Based on growth in attendance at Shakespeare in the Park and SummerStage and participation in the Marathon, and attendance at new events such as the Global Citizen Festival and the Central Park Horse Show, we estimate that the number of visitors to special events in the Park in 2014 totaled more than 1.1 million.

**The impact of visitor spending**

Visitors who come to New York City to attend special events in Central Park contribute to the vitality of the City’s economy through their spending on lodging, shopping, dining, transportation and entertainment. Based on the survey cited above, we assume for purposes of this analysis that 36 percent of the 1.14 million people who came to the Park for special events in 2014 came from outside New York City. We further assume that these visitors spent an average of one day in New York. Based on these assumptions, and using data on visitor spending published by NYC & Company, we estimate that in 2014 people who came to New York City to attend some type of special event in the Park spent more than \$73 million during their time in the City.

Using IMPLAN, we estimate that in 2014, spending by these visitors to the Park directly and indirectly accounted for:

- Approximately 986 FTE jobs in New York City, with nearly \$45.7 million in wages; and
- Approximately \$106.1 million in City-wide economic output.

This estimate of the impact of visitor spending includes only the impact of spending by people who come to New York City to participate in or attend special events in the Park. It does not include the impact of spending by the much larger number of domestic and international visitors who visit Central Park while in New York.

Were they not coming to Central Park, we assume that the great majority of these visitors would instead be stopping somewhere else in the City; visits to the Park thus may not add anything to the amounts they spend while in the City. Nevertheless, there may be some whose desire to visit Central Park – to take a carriage ride, take their children to the Zoo, run



Bon Jovi concert, 2008

around the Reservoir or simply walk through the Park – leads them to stay longer in the City than they might have otherwise.

Because the number of visits to the Park by people from elsewhere in the U.S. or from other countries is so large, having even a small percentage of them spend more time in the City can have a significant impact. If, for example, we assume that just 5 percent of all Park visitors who come from outside the New York metropolitan area add an average of one-half day to their time in the City, we estimate (using the NYC & Company visitor spending data cited previously) that this additional spending would directly and indirectly account for:

- Approximately 885 additional FTE jobs with \$41.8 million in earnings; and
- Approximately \$97.7 million in additional City-wide economic output.

**Table 6:** Total impact of visitors to Central Park in New York City, FY 2014 (jobs in FTE, wages and output in \$ millions)

	Jobs	Wages	Output
Direct impact	1,445	\$53.4	\$122.7
Indirect/induced effects	426	\$34.1	\$81.1
<b>TOTAL IMPACT</b>	<b>1,871</b>	<b>\$87.5</b>	<b>\$203.8</b>

### The “front yard” for the City’s hotels and cultural institutions

Central Park’s position as one of New York City’s leading visitor attractions is simultaneously reflected in and reinforced by the dense concentration of hotels in the area around the Park. As shown in Figure 5, there are currently 58 hotels located in the area surrounding the park – roughly from 49th Street to 120th Street, from First Avenue to the Hudson. Collectively, these hotels include a total of 19,968 guest rooms – 34 percent of Manhattan’s total inventory of 59,130 guest rooms.

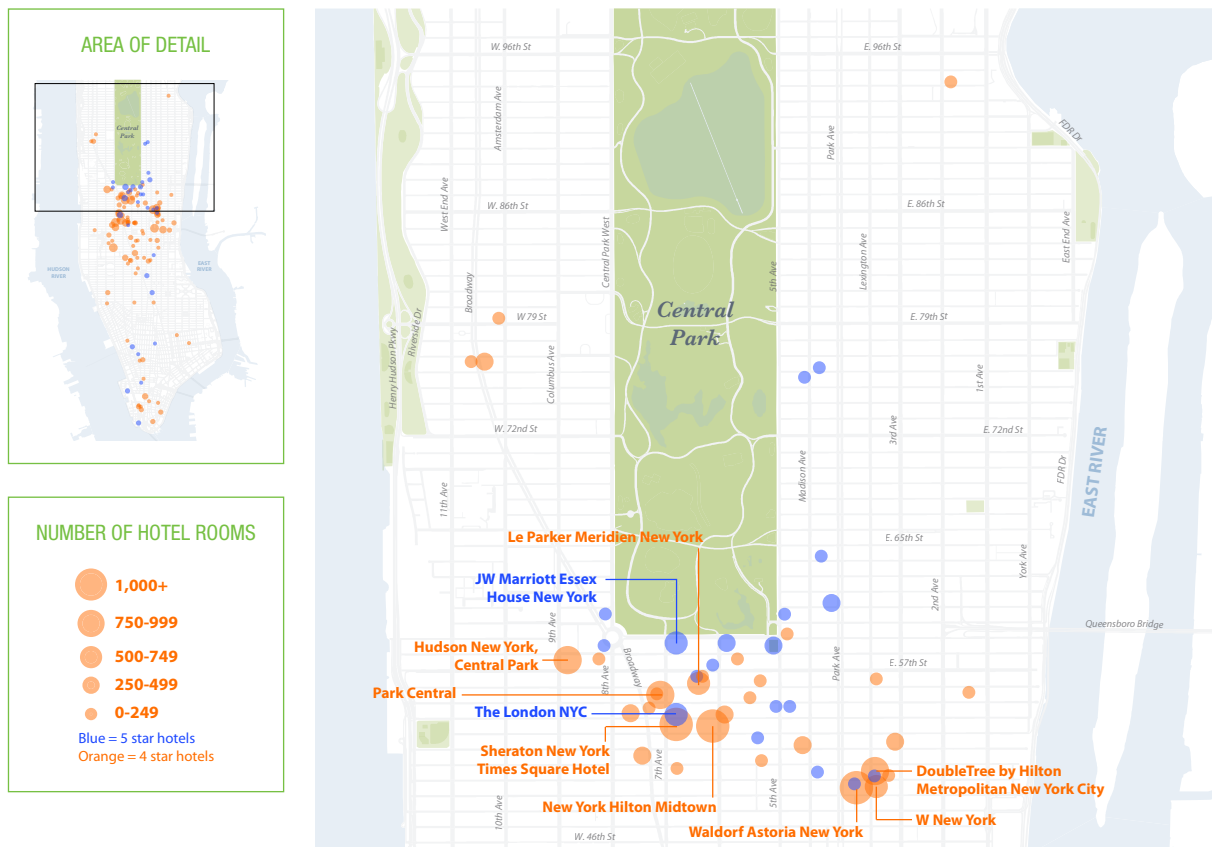
Just as significant as the number of hotels in the area around Central Park is the quality of those hotels. The area includes many of the City’s best-known and most valuable hotel properties, several of which are listed in Table 7. Of the 31 five-star hotels in Manhattan (as listed by NYC & Company), 19 are located in the Central Park area. Together these properties account for 63 percent of Manhattan’s inventory of five-star

hotel rooms. Many of the leading hotels in the area advertise their proximity to, or views of, the Park as part of their allure.

And while four-star hotels are more widely dispersed, a substantial number of Manhattan’s four-star properties – 30 out of 102, accounting for 35 percent of the borough’s four-star guest rooms – are located near the Park.

In the third quarter of 2014, according to the New York State Department of Labor, hotels and other accommodations in Manhattan employed 44,299 workers, with average annual wages of approximately \$61,500 and aggregate annual wages of about \$2.73 billion. If we assume (no doubt conservatively, given the concentration of five-star hotels in the area) that hotels in the Central Park area account for 35 percent of hotel employment in Manhattan, we can estimate that in 2013, the 58 hotels in the area employed approximately 15,445 workers, and paid total wages of more than \$955 million.

**Figure 5:** Location of four- and five-star hotels in the Central Park area and the rest of Manhattan, 2015



Source: NYC & Company





The Metropolitan Museum of Art

**Table 7:** Selected Central Park area hotels and number of guest rooms

Hotel	Guest rooms
JW Marriott Essex House New York	511
The St. Regis	229
The Ritz-Carlton, Central Park	259
Mandarin Oriental	244
The Carlyle	188
Le Parker Meridien	731
The Waldorf Astoria	1,232
The Plaza	282
The Warwick	426
Trump International	176
The Pierre	189
W New York	694

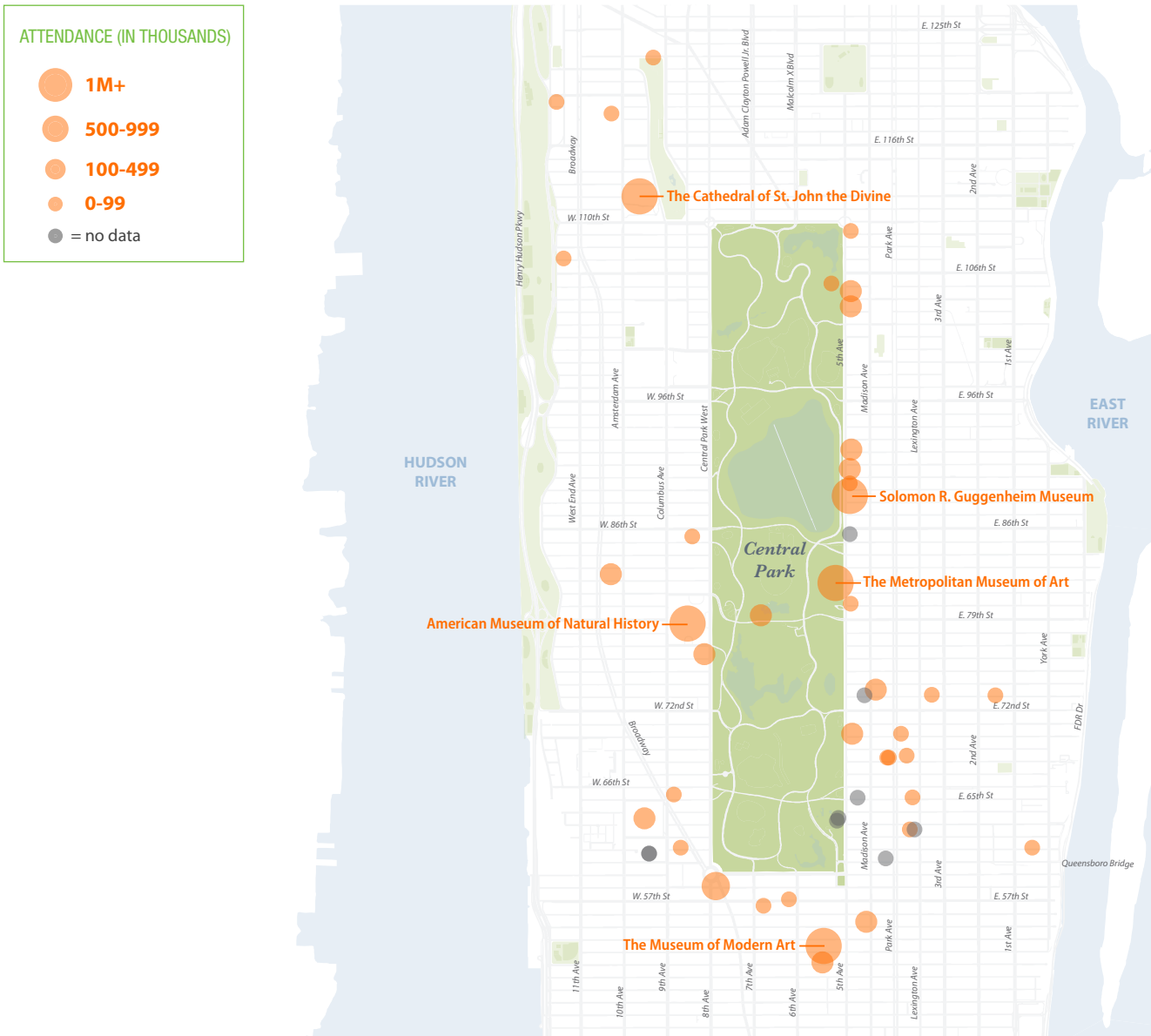
Similarly, the area surrounding Central Park is home to some of the most famous cultural institutions in New York City and the world. The Park predated virtually all of these institutions, many of which made strategic decisions to locate within or near Central Park.

Forty-three museums are located in the Central Park area. In 2014, these museums recorded a total of approximately 19.6 million visitors. Two of the museums bordering the Park – the Metropolitan Museum of Art and the American Museum of Natural History – accounted for more than half this total. Both ranked among the top five museums in the U.S. as measured by attendance.

Like hotels, the museums that cluster around the Park are major employers. In 2014, the 38 institutions in the Central Park area for which data were available employed more than 6,500 people in full- and part-time positions – nearly 60 percent of all museum employment in New York City.

Several of the City’s leading venues for the performing arts – including Lincoln Center, Jazz at Lincoln Center, Carnegie Hall and City Center – are also located within a few blocks of the Park, and Radio City Music Hall is just a few blocks farther away.

**Figure 6:** Museums by attendance within the Central Park area, 2014



Source: Official Museum Directory



### A venue for film, television and photography

Central Park's iconic character, its many well-known sights, and its location in the heart of one of the world's leading centers for media, the arts and entertainment have all helped to make the Park a popular venue for film and television production and commercial photography. Since the first film version of *Romeo and Juliet* was shot in the Park in 1908, Central Park has been used as a location in more than 300 feature films, including *An Affair to Remember* (1957), *The Manchurian Candidate* (1960, and a re-make in 2004), *Marathon Man* (1976), *Annie Hall* (1977), *Hair* (1979), *Kramer v. Kramer* (1979), *Ghostbusters* (1983), *Tootsie* (1983), *Wall Street* (1986), and *When Harry Met Sally* (1989). Table 8 lists selected films produced since 2000 that have included Central Park locations.

**Table 8:** Selected films shot in part in Central Park, 2000-2014

Film	Year released
<i>Almost Famous</i>	2000
<i>The Royal Tenenbaums</i>	2001
<i>Two Weeks Notice</i>	2002
<i>Men in Black 2</i>	2002
<i>Maid in Manhattan</i>	2002
<i>A Mighty Wind</i>	2003
<i>The Manchurian Candidate</i>	2004
<i>The Devil Wears Prada</i>	2005
<i>The Producers</i>	2005
<i>Night at the Museum</i>	2006
<i>I Am Legend</i>	2006
<i>Enchanted</i>	2006
<i>Sex in the City</i>	2007
<i>Wall Street 2: Money Never Sleeps</i>	2009
<i>Mr. Popper's Penguins</i>	2010
<i>Men in Black 3</i>	2011
<i>Extremely Loud and Incredibly Close</i>	2011
<i>The Avengers</i>	2012
<i>The Other Woman</i>	2014



Filming *Enchanted* at Bethesda Terrace, 2006

In addition to feature films, the Park is also used as a location for television shows set in New York City, such as *Law & Order SVU* and *Person of Interest*, and TV films such as *Angels in America*. The Park is also a popular location for fashion industry and advertising industry photo shoots.

In 2014 the Central Park Conservancy issued permits for 164 film shoots (including features, documentaries, short films and student films), 331 TV shoots (including series, news programs and segments, and commercials) and 218 photography shoots.

These productions contribute to the City's economy in ways that go beyond the work they provide for production crews, actors and support staff such as drivers and caterers. They increase New York's visibility to draw audiences around the world, and reinforce the value of the City's brand.







# PART THREE

## CENTRAL PARK AS A COMMUNITY RESOURCE

As popular as Central Park may be among visitors to New York City, the majority of the roughly 115,000 people who come to the Park on a typical day are New York City residents. They come to run, walk, bike, rollerblade, skate, swim, rent a boat, play softball or soccer, connect with friends or connect with nature, take in a concert, see a performance, read – or just relax. For them as individuals and for the community as a whole, Central Park is an invaluable resource.

### A place for recreation

One of the ways in which parks contribute to the economic vitality of cities is through their role in providing opportunities for recreation. Since 2007, one of the goals of New York’s long-term planning efforts (embodied most recently in Mayor Bill de Blasio’s *OneNYC* plan) has been to ensure that by 2030, no New Yorker should have to travel more than ten minutes to reach a park.

### What the Park offers

Central Park is in this respect one of the City’s greatest assets. Approximately 557,000 New Yorkers live within a 10-minute walk from the Park – more than the entire population of Atlanta, Miami, Minneapolis or Sacramento. About 1.2 million more are within a half-hour bus or subway ride.

The Park offers an extensive array of recreational resources and opportunities, including:

- 58 miles of pedestrian walkways and trails
- 26 baseball/softball fields
- 3 soccer fields
- 30 tennis courts
- 12 handball courts
- 21 playgrounds
- Ice skating at Wollman and Lasker rinks
- Fishing at the Harlem Meer, Central Park Lake and Central Park Pond
- Boat rentals on the Lake
- Swimming at the Lasker Pool
- Indoor and outdoor climbing walls and bouldering



### The North Meadow Recreation Center

Converted to recreational use in the early 1990’s and further renovated in 1998, the North Meadow Recreation Center is a particularly valuable resource for the neighborhoods around the north end of the Park. The Center includes basketball and handball courts, indoor and outdoor climbing walls and a community room. The North Meadow complex also includes twelve baseball/softball and soccer fields that were completely renovated in 2000.

The Center offers a variety of organized recreational programs for youth and adults, and also makes play equipment available for sign-out by school and family groups.

The North Meadow Recreation Center also houses the Conservancy’s Soil, Water and Ecology Laboratory, opened in 2006. The Lab serves both as a research and testing center for the Conservancy, and as an educational resource for local schools.

### *The economic value of physical fitness*

As one of New York City's most accessible and most popular places for active recreation, Central Park contributes to the health of the City's people – especially those who live nearby. A review of research on physical fitness and health conducted by the Centers for Disease Control and Prevention in 2003 found that creation of, or improving access to, places for physical activity led to a 25.6 percent increase in the percentage of people in the surrounding area who exercise three or more days per week.<sup>4</sup>

Inadequate physical activity is a major contributor to many of America's most crippling diseases. The CDC study cited above, for example, found that physical inactivity accounted for 22 percent of all coronary heart disease in the U.S., 22 percent of all colon cancer, 18 percent of all fractures due to osteoporosis, 12 percent of all type 2 diabetes and 12 percent of all hypertension.<sup>5</sup> And while the problem may be more acute in the U.S. than elsewhere, it is by no means a uniquely American problem. In a study recently published in *The Lancet* (the British medical journal), a team of researchers found that inadequate physical activity accounts for 6 percent of all coronary heart disease worldwide, 7 percent of all type 2 diabetes, and 10 percent of all breast and colon cancer, and leads to 5.3 million premature deaths annually.<sup>6</sup>

A recent study by researchers at the Center for Disease Control and Emory University highlights the cost of inadequate activity, as measured by increased spending on medical care. The study characterizes 45.5 percent of all U.S. adults as physically active, 20.2 percent as insufficiently active, and 34.2 percent as inactive. The authors estimate that annual medical expenses for insufficiently active adults exceed those of active adults by \$713 (15.4 percent), and that expenses for inactive adults are \$1,437 (29.9 percent) higher than those of active adults. They estimate that in the aggregate, the higher medical costs associated with inadequate physical activity cost the U.S. \$131 billion annually.<sup>7</sup>

The CDC-Emory study did not address other economic costs attributable to inadequate physical activity, such as increased absenteeism, reduced productivity and lost years of working life. Based on other studies of the total economic cost of physical inactivity and obesity, we estimate that including these losses would increase the annual per-person costs associated with physical inactivity from \$1,437 to more than \$2,600; and the aggregate cost at the national level to about \$238 billion.

The 2009 survey of Central Park users cited in Part Two found that walking is by far the most common activity in which Park users engage, cited by more than 75 percent of all those interviewed. More than 21 percent of all visits to the Park involved more active forms of exercise, including running, biking and participation in team sports. Applying these percentages to the total number of Park visits by adult New York City residents, we estimate that in 2014, adult New Yorkers took nearly 16.7 million walks in Central Park; and engaged in more active exercise more than 4.65 million times.

Based on the survey's findings about the frequency with which people visit the Park, we estimate that frequent visitors (whom we define for purposes of this analysis as people who come to the Park at least once a week) account for about 65 percent of all Park visits; and that this group averages about 3.3 Park visits per week. This translates into an estimate of approximately 81,300 adult City residents who come frequently to the Park to walk or engage in other, more active forms of recreation.

If we attribute 25 percent of this group's physical activity to their proximity to (or other easy access to) Central Park, we can estimate that the exercise they get in the Park reduces their aggregate annual medical expenses by about \$29.2 million, and reduces costs associated with lower productivity and lost work time by an additional \$23.8 million. The combined benefit of reduced medical costs and increased productivity associated with adult New Yorkers' use of Central Park is thus approximately \$53 million annually.

Adults are of course not the only New Yorkers who benefit from Central Park's recreational resources. Exercise is an essential element in efforts to reduce childhood obesity. The 2009 survey cited previously found that children who came to the Park to play in its playgrounds accounted for about 5 percent of all visitors to the Park.

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4. Centers for Disease Control, *Increasing Physical Activity*, October 2001.

5. Ibid

6. Dr. I-Min Lee et al, "Effects of physical inactivity on major non-communicable diseases worldwide: an analysis of burden of disease and life expectancy," *The Lancet*, July 2012

7. Susan Carlson et al, "Inadequate Physical Activity and Health Care Expenditures in the United States," *Progress in Cardiovascular Diseases* 57 (2015) pp 315-323.





### Other health benefits

The health benefits that New Yorkers derive from Central Park go beyond those directly associated with physical activity. A landmark study conducted in Japan has shown that where such activity occurs matters. The study measured the impact of a fifteen-minute mid-day walk on participants' stress levels, and compared the effects of a fifteen-minute walk on busy city streets with effects of a walk of the same duration through a forested area, with the same comparison being done in twenty-four different locations across Japan. The researchers found that the stress reductions resulting from a walk through a forested area were significantly greater than those associated with a walk on city streets.<sup>8</sup>

These findings are particularly relevant to Central Park – especially since walking is by far the most common activity in which Park users engage.

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8. Frances (Ming) Kuo, *Parks and Other Green Environments: Essential Components of a Healthy Human Habitat*, National Recreation and Park Association, 2010, pp.18-19

### A resource for education

Central Park is also an educational resource for families, children, students, educators and other Park users. The Center for Urban Park Discovery provides a focal point of the Conservancy's community education programs. For example:

- The Discovery Club is a five-week Saturday morning program that offers parents and children opportunities for hands-on learning about science and nature, through a focus on the ecology of the Park's North Woods.
- The Center also provides Discovery Kits – materials that help teachers, school groups and other children's groups use the Park as an environmental classroom.
- The Center's Green Careers Lab provides opportunities for high school students to explore careers in the management of urban parks and other green spaces.





Central Park volunteers weeding at Bethesda Terrace

- The Conservancy also offers summer internships for high school students. Interns work side-by-side with CPC professionals in areas such as horticulture, visitor services and educational programs.

In the spring of 2014, the Conservancy also opened a new exhibit at the Charles Dana Discovery Center called *Ponds, Pipes and People: Water in Central Park*, highlighting the critical importance of the Park's water resources. More than 17,000 people visited the exhibit in its first three months.

### Building New York's "social capital"

While the numbers on New Yorkers' use of the Park are impressive, Central Park has a value to the community that goes beyond what can be measured by aggregating numbers of individuals who use its facilities at various times for various purposes. The Park also represents a significant investment in building New York City's "social capital" – the collective value that arises from the "trust, reciprocity, information, and cooperation associated with social networks."<sup>9</sup>

9. Social Capital Primer, The Saguaro Seminar: Civic Engagement in America. <http://www.ksg.harvard.edu/saguaro/primer.htm>.

Central Park contributes in several ways to the development of social capital. The Central Park Conservancy, for example – in addition to being an enterprise that generates substantial revenue and invests heavily in the management, maintenance and improvement of the Park – is also a focal point for volunteer activity. The Conservancy's volunteer programs provide opportunities for New Yorkers to work together to help maintain the Park and assist its users. In 2014, 2,534 volunteers – including both individual volunteers and participants in volunteer projects sponsored by corporations or non-profit organizations – contributed a total of 51,861 hours to the Park. Volunteers provide a wide range of services – assisting visitors, working in the Conservancy's educational programs, and helping to maintain the Park.

Central Park is also a popular venue for large-scale, broad-based fund-raising events. Started in 1986, the annual AIDS Walk New York has grown to become the single largest HIV/AIDS fund-raising event in the world. In 2014, Aids Walk New York – which begins and ends in the Park – drew 30,000 walkers and 2,500 volunteers, and raised \$5 million for Gay Men's Health Crisis and other organizations that serve people with AIDS. Since its inception, the event has drawn a cumulative total of 890,000 participants and raised \$139 million.





InTandem Cycling - bike riding for people with disabilities in the TD Five Borough Bike Tour

Photo Credit: In Tandem by Larry Sillen

Other large-scale fund-raising events that are held in the Park, as shown below in Table 9, include the Susan G. Komen Race for the Cure, Making Strides Against Breast Cancer – and (in part) the TSC New York City Marathon.

**Table 9:** Selected charitable events held in Central Park, 2014

Charity event	Participants
AIDS Walk NY	30,000
Susan G. Komen Race for the Cure	13,000
Making Strides Against Breast Cancer	60,000
Healthy Kidney 10K	8,000
Autism Speaks 4 Miles of Hope	5,197
Boomer's Cystic Fibrosis Run	5,519
The Race to Deliver	5,316
Join to Voices Five-Mile	4,551

Events such as these are more than fundraisers. They give people an opportunity to work together for causes they support, to raise awareness of those causes, and to demonstrate their solidarity with people with AIDS, cancer patients and survivors, and others.

Other activities in the Park also contribute to the development of social capital. The activities of running clubs such as the New York Road Runners, the Central Park Track Club, the New York Harriers, the West Side Runners, the Reservoir Dogs and the Achilles Track Club are by their nature both athletic and social, as are the baseball and softball leagues that play in the Park.







## PART FOUR

### ENHANCING REAL PROPERTY VALUES, ATTRACTING INVESTMENT

Among the most notable aspects of Central Park's impact on New York City's economy is its role in enhancing the value of real property surrounding the Park, and in attracting new investment. Just fifteen years after the Park was completed, the *New York Times* reported that it had already had a significant effect on property values in the surrounding area.

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*In 1856, before the Park was begun, the assessed valuation of the real estate in these three wards [Twelfth, Nineteenth, and Twenty-Second] amounted to \$26,429,565; it amounted in 1871, after the Park had been completed, to \$185,801,195. This shows in fifteen years an increased valuation of \$159,371,630.<sup>10</sup>*

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#### Defining the value of proximity to the Park

Although the Park's impact has varied over time, reflecting both the condition of the Park itself and underlying conditions in the City's economy, the power of the "Central Park effect" has been particularly evident since the 1990's. In order to gauge the current size of the Park effect, Appleseed analyzed data on the market value of properties in the Central Park area – defined here as the area from 49th Street to 120th Street, from First Avenue to Riverside Drive – published by the New York City Department of Finance.

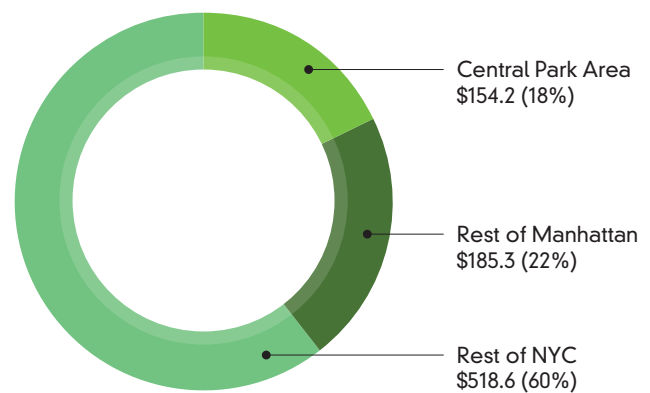
(It should be noted that "market value" as measured by the Department of Finance is not a property's true market value, in the sense of a price that the owner could realistically hope to obtain under current conditions. Instead, it is best viewed simply as a step in the process of determining assessed value for purposes of the City's real property tax. Department of Finance market values are, generally speaking, much lower than true market values. They can nevertheless be useful for analyses such as ours, since they make it possible to compare relative values from one location to another.)

In 2014, the total Department of Finance market value for all properties within the Central Park area was \$154.2 billion – 45.4 percent of the total market value of all property in Manhattan, and 18 percent of the total market value of all real property in New York City. Figure 6 illustrates the distribution of market values in New York City.

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**Figure 6:** Department of Finance real estate market values, by area, 2014

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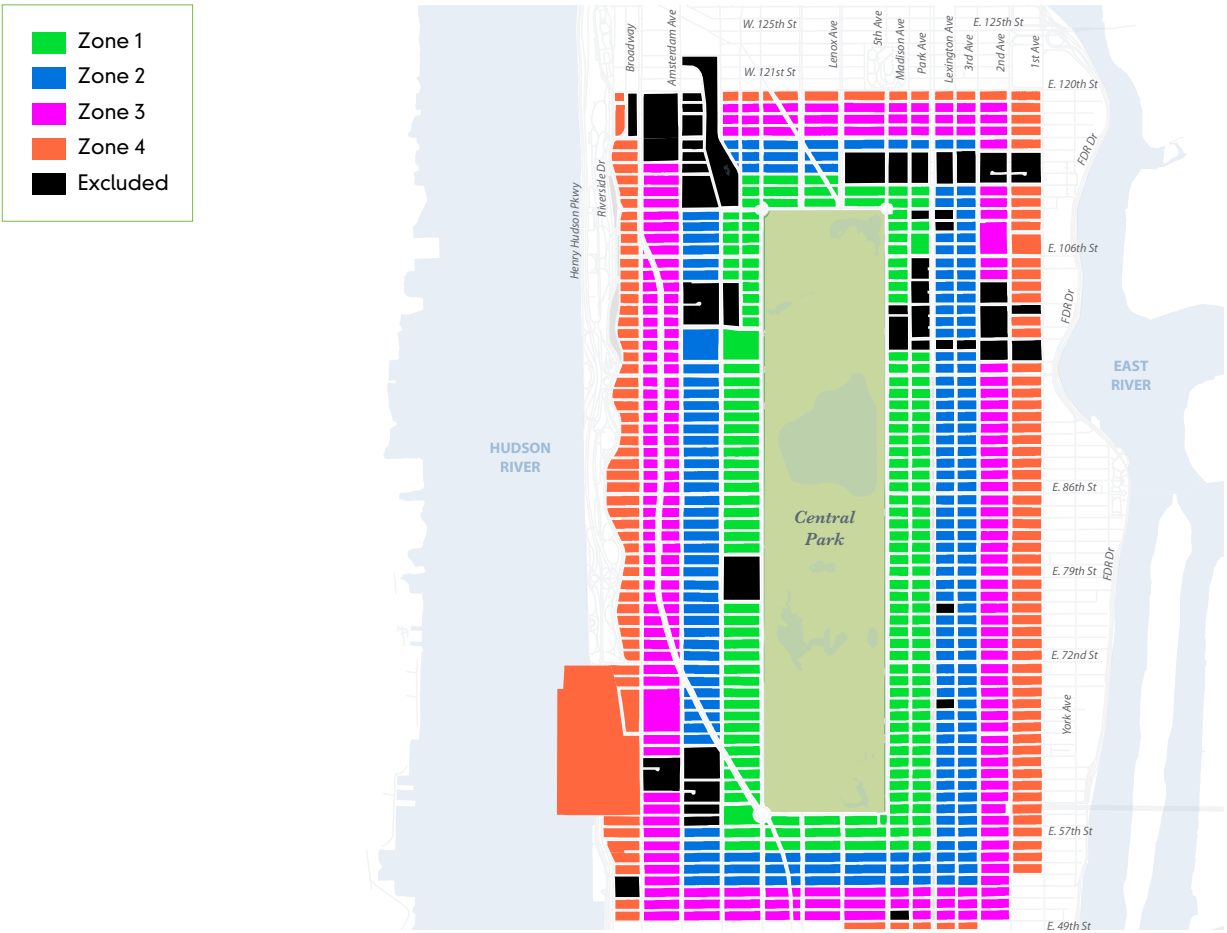
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10. *New York Times*, February 6, 1873

To assess how proximity to Central Park influences market values, Applesseed used block-and-lot-level data obtained from the Department of Finance (DOF) to calculate the total market value (including the value of both land and improvements) for each tax block in the Central Park area. We classified each block in the Central Park area, based on distance (measured in tax blocks) from the Park's edge. The resultant grouping of blocks is shown in Figure 7 below.

Those labeled Zone 1, for example, include the blocks between Central Park West and Columbus on the West, between Fifth and Park Avenues on the east, between Central Park South and 56th Street on the south, and between 110th and 113th Streets on the north.

Figure 7: Central Park tax block groupings

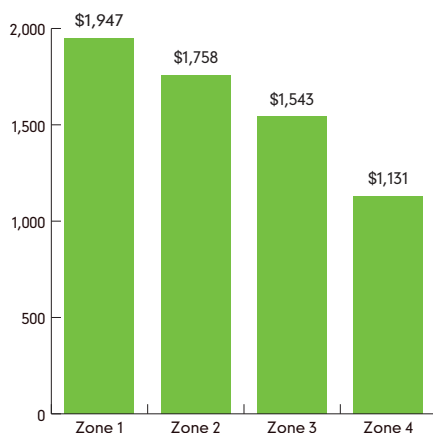






After excluding blocks that consist largely or entirely of tax-exempt property, we averaged the market value per lot square foot for each group of tax blocks. The results of this analysis are shown in Figure 8.

**Figure 8:** Average market value of tax block group per lot square foot, by distance from Central Park, 2014



Based on the data shown in Figure 8, we estimate that:

- Average market value per lot square foot in Zone 1 (the blocks closest to the Park) exceeds the average for Zones 3 and 4 by nearly 60 percent (\$870 per lot square foot); and
- Average market value per lot square foot in Zone 2 exceeds the average for Zones 3 and 4 by nearly 33 percent (\$475 per lot square foot).

Based on this analysis we estimate that as of fiscal year 2014, proximity to Central Park contributed nearly \$26.07 billion in additional market value to the properties in the two tax block groups closest to the Park.

Based on this calculation, we can further estimate that the “Central Park effect” accounts for approximately 7.2 percent of the total market value of all Manhattan property.





### Measuring the value of Central Park views

The impact of Central Park on property values can be measured not only in terms of the value of proximity to the Park, but also in terms of the value of Central Park views. In 2014, Jonathan Miller of Miller-Samuel – a leading authority on New York City property values – analyzed the difference in sales prices per square foot between condo units with views of the Park and units in the same buildings without Park views.

The results of this analysis are shown below in Table 10. In buildings on Fifth Avenue, for example, sale prices per square foot for apartments with Park views exceeded those of apartments without such views by \$1,239 – a premium for Park views of more than 75 percent.<sup>11</sup>

11. Jonathan Miller, “What is the value of a Central Park view?” October 30, 2014.

**Table 10:** Premiums paid for apartments with Central Park views

Location	Price/sf (City view)	Price/sf (Park view)	\$ premium	% premium
CPN	\$583	\$702	\$119	20.4%
CPS	\$1,996	\$2,304	\$308	15.4%
CPW	\$1,769	\$2,854	\$1,085	61.3%
Fifth Ave	\$1,639	\$2,878	\$1,239	75.6%



## Anchoring New York City's most valuable properties

Just as New York's leading hotels and museums are clustered near Central Park, so are many of its most valuable residential properties, its most valuable office space and its highest-rent retail districts.

Of the 50 highest-value apartment sales in Manhattan in 2014 (as shown below in Figure 9), 19 were directly across the street from the Park, and another 22 were located within a few blocks from the Park.<sup>12</sup>

12. StreetEasy, 2015.



**Figure 9:** Highest value apartment sales in the Central Park area and the rest of Manhattan, January 2014 – March 2015



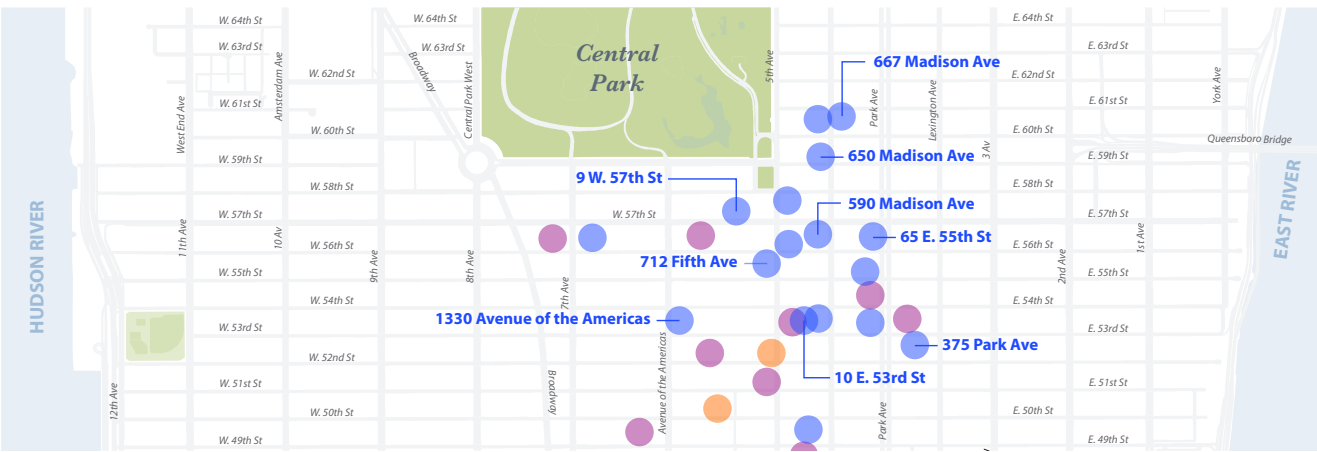
Source: Streeteasy, 2015

The City's highest-value office buildings are similarly clustered near the southern end of Central Park. As Figure 10 shows:

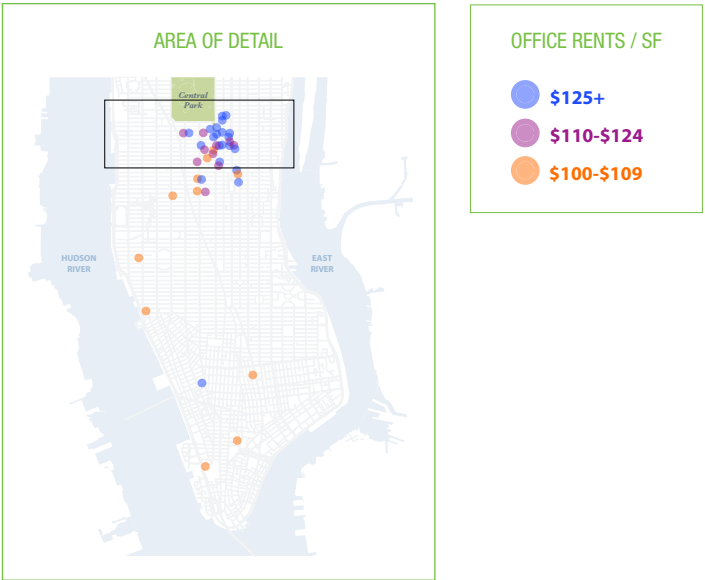
- Of the 42 commercial buildings in Manhattan having available office space with asking rents of \$100 per square foot or more as of April 2015, 27 were located in the Central Park area; and

- Of the 21 buildings with asking rents of \$125 per square foot or more, 17 were located in the Central Park area.

**Figure 10:** Office buildings with asking rents over \$100/sf in the Central Park area and the rest of Manhattan, as of April 2015



Source: CBRE





Most of the City's highest-rent retail corridors are also clustered near Central Park. As of the spring of 2015, asking rents for available ground floor retail space in Manhattan averaged \$153 per square foot. In some areas, of course, rents are much higher – on Broadway in SoHo, for example, asking rents averaged \$977 in the spring of 2015.<sup>13</sup> But as Figure 11 shows, three of the four highest-rent retail corridors in Manhattan – on Fifth Avenue, Madison Avenue and East 57th Street – are located near the Park.

13. The Real Estate Board of New York, *Retail Report* Spring 2015



**Figure 11:** Highest-rent retail corridors near Central Park, spring 2015 (\$ per square foot)



Source: The Real Estate Board of New York, *Retail Report* Spring 2015

## A magnet for private investment

Within a few years of its completion, Central Park was attracting investment and spurring new development in the surrounding area, and it continued to do so in the 150 years that followed. Today, the area around the Park continues to be a favored location for high-end residential and commercial development.

Figure 12 shows the location of major residential development projects near the Park that have been completed since 2008, are now under construction, or are in various stages of planning. Together these projects, which include both rental and ownership properties, represent a total of about 7 million square feet of new development, and about 3,000 apartments, and a total investment of more than \$10 billion.

**Figure 12:** Major completed and future residential projects near Central Park since 2008





Central Park also continues to attract investment in high-quality hotels. From 2013 through May 2016 alone, 15 new hotels with a total of 3,451 rooms have opened or are scheduled to open. Figure 13 shows the location of these hotels. We estimate that these fifteen hotels taken together represent an investment of approximately \$1.4 billion.

The recent surge in development near the Park also includes new, very high-end office space as well. The new residential building now being developed at 432 Park Avenue will include 71,000 square feet of office space, with asking rents ranging from \$150 to \$175 per square foot. And at 425 Park Avenue, L&L Holdings is building a new 47-story, 670,000 square-foot office tower, with asking rents on its highest floors expected to exceed \$250 per square foot.



The Pierre Hotel

**Figure 13:** Recent and planned hotel openings in the Central Park area, 2013 – 2016



Source: NYC & Company







# PART FIVE

## SHARING CENTRAL PARK'S INTELLECTUAL AND HUMAN CAPITAL

Central Park has long been one of New York City's most important reserves of natural capital, and a venue for creation and reinvestment in the City's social capital. Along with these assets, the Central Park Conservancy has since its founding developed a base of knowledge about park restoration, management and programming, and mobilizing a community to support the Park that few organizations in the U.S. or elsewhere can match. This "intellectual capital" is among the Conservancy's most valuable resources – and one that during the past decade it has increasingly shared with other parks.

### Directly serving other New York City parks and communities

The Conservancy's Center for Urban Park Management provides a focal point for its services to other Parks. We highlight here just a few examples of these services.

Since 2005, the Conservancy has provided a four-person crew dedicated to maintaining four historic parks in Harlem – Morningside, Marcus Garvey, St. Nicholas and Jackie Robinson Park.

- Conservancy staff also provide ongoing maintenance for several other public spaces outside Central Park, including the Broadway Mall, Columbus Circle, Frederick Douglass Circle, Duke Ellington Circle, and fountains in City Hall Park and Bowling Green.
- Through its Turf Management Program, the Center brings staff from other parks throughout the City to Central Park for training in how to keep public spaces green. In 2014, 226 professionals from other parks and community organizations participated in the Turf Management Program and the Center's other training programs and seminars.
- The Center's Five-Borough Crew provides follow-up training and on-site support for staff from other parks who have completed the Center's Turf Management Program. In fiscal year 2014, the Five-Borough Crew worked in Van Cortland Park and Crotona Park in the Bronx, Astoria Park in Queens, Fort Greene in Brooklyn and Tappan Park on Staten Island.

- In addition to these formal programs, the Conservancy's professional staff are also available for less formal consultation with staff from other parks.

Taking into account the various ways in which the Conservancy shares its knowledge with other parks and community organizations, the Conservancy estimates that it spent more than \$2.6 million in fiscal year 2014 on services to other parks.

### A roadmap for revitalization and development

Beyond the specific services it provides, the Central Park Conservancy contributed to New York City's resurgence by providing a new road map for development, revitalization, maintenance and management of city parks.

### Revitalizing Prospect Park

The Prospect Park Alliance, established in 1987 with the goal of reversing decades of decline in Brooklyn's largest park, was specifically modeled on the Central Park Conservancy. The Alliance has been notably successful in securing private contributions to support the Park's operations, and in financing improvements to the Park. About three-quarters of all those who work in the Park are employed by the Alliance; and in fiscal year 2014, nearly 95 percent of the Alliance's expenses were funded from non-government sources. The Alliance also recently completed the Lakeside Project – the largest program of capital improvements in the Park's history, financed primarily with private funds.



Prospect Park

The revitalization of Prospect Park under the Alliance's stewardship is evident in Brooklyn residents' re-engagement with the Park. From a low of about 2 million Park visits per year in the early 1980's, estimated annual visits to Prospect Park have grown to 10 million.

### *Developing new parks, creating new value*

The type of public-private partnership pioneered by the Conservancy has also played a key role in the development of new parks, including Hudson River Park, Brooklyn Bridge Park and the High Line. While the creation of these parks has depended heavily on initial commitments of public capital, their ongoing operations and future development will increasingly depend on their ability to generate both investment and operating revenues from private sources.

As occurred with the initial development of Central Park more than 150 years ago, the creation of these parks has had an immediate effect on the value of nearby properties and on the pace of private investment in neighboring areas. For example, a 2008 study of the impact of Hudson River Park on property values in the West Village found that:

*....the value of the properties within three blocks of the completed Greenwich Village section of the Park was impacted significantly by the new Park. Approximately 20% of the value of properties within the first two blocks of the Greenwich Village section of the Hudson River Park can be attributed to the park. For buildings that actually changed hands in this two block area between 2002 and 2005 (less than 25% of all buildings) approximately 20% of the value of these buildings – \$48.5 million – was attributable to the Park. Projected over the entire area within two blocks of the new section of the Park, the value attributable to the Park would approach \$200 million.<sup>14</sup>*

The impact of Brooklyn Bridge Park on property values has not yet been studied as systematically; nevertheless, anecdotal evidence suggests that its impact has been at least as significant. In March 2015, for example, one of the area's leading residential brokers told the Daily News that:

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14. Friends of Hudson River Park, *The Impact of Hudson River Park on Property Values*, Fall 2008, p. 5



Brooklyn Bridge Park

Photo Credit: Etienne Frossard,  
Brooklyn Bridge Park Conservancy

*The Park is one of the biggest reasons that real estate values have gone up in Brooklyn as much as they have over the last few years....Prior to the creation of the Park, the less expensive properties in Brooklyn Heights were those closer to the water and farther from the subway. Now, the price per square foot of properties by the water has soared.<sup>15</sup>*

The Park is also credited with stimulating new private investments – for example, at 51 Jay Street, where Slate Property Group and Adam America are converting a former industrial building into a 74-unit condo project with prices ranging from \$750,000 for a studio to \$5.2 million for a four-bedroom penthouse.

The impact of Brooklyn Bridge Park has not been limited to the real estate sector. In the fall of 2012, for example, the owner of the Brooklyn Ice Cream Factory told *Crain's* that since the Park opened he was serving three to four times the number of customers he had seen previously.<sup>16</sup>

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15. *New York Daily News*, March 26, 2015

16. *Crain's New York Business*, October 29 2012



The same pattern of increased real estate values and new private investment is evident along the High Line. A 2014 study of the High Line's impact estimated (after adjusting for other factors such as the overall escalation of real estate values in Chelsea) that immediately following its completion in July 2009, the first phase of the High Line caused a 10 percent jump in the average value of existing properties located within one-third of a mile from the new park.<sup>17</sup> In 2014, Miller Samuel reported that since that first phase was completed in 2009, prices for condominiums near the High Line had increased by an average of 85 percent.<sup>18</sup>

New private investment has surged during that period. As of October 2014, there were twenty new residential projects planned or under construction near the High Line, with a total of 2,700 units and asking prices as high at \$3,500 per square foot.<sup>19</sup>

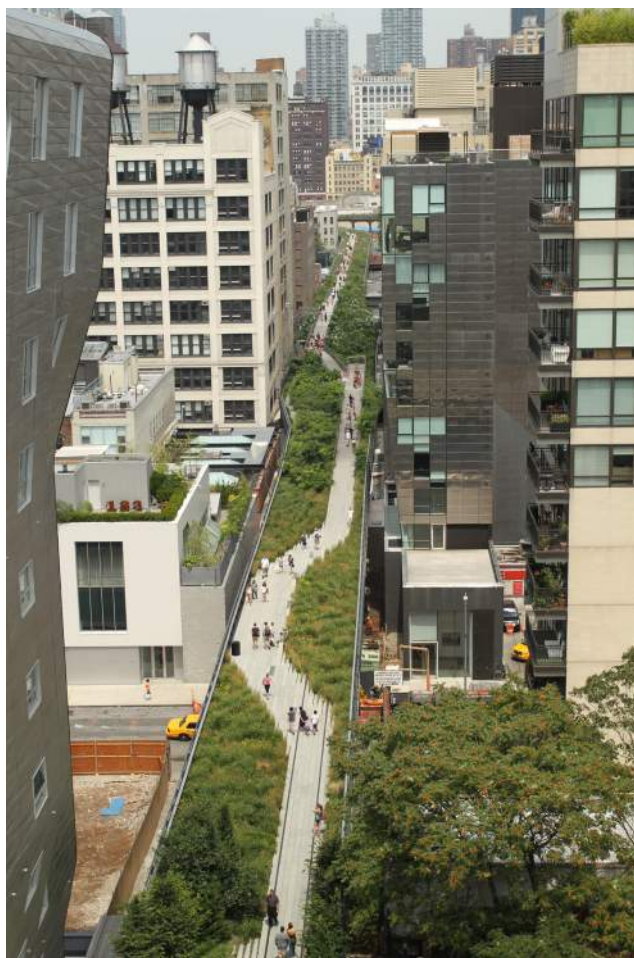
The Central Park Conservancy was not, of course, a prime mover in the development of these or other new parks in New York City. But by showing what a public-private partnership could achieve, and by demonstrating the value that high-quality, well-run parks can contribute to the City's economy, the Conservancy helped to inform (and in some cases to inspire) their creation.

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17. Michael Levere, "The High Line Park and Timing of Capitalization of Public Goods," University of California – San Diego, April 2014

18. Troy McMullen, "New York's High Line Inspires High-End Developments," *Financial Times*, October 17, 2014

19. Ibid



The High Line

Photo Credit: Friends of the High Line







# PART SIX

## CENTRAL PARK'S IMPACT ON NEW YORK CITY REVENUES

Central Park also produces revenues for New York City – through taxes and fees generated by the operations of the Central Park Conservancy and other businesses in the Park, through taxes generated by visitor spending, and through property and other taxes generated by real estate in the Central Park area.

### Taxes and fees generated by organizations and businesses in Central Park

The Central Park Conservancy and other institutions and businesses in Central Park generate New York City taxes directly through their employees' personal income taxes, sales taxes and business taxes; and indirectly through tax revenues associated with other economic activity generated through the multiplier effect. We estimate that in fiscal year 2014, New York City tax revenues from these sources totaled \$5.73 million.

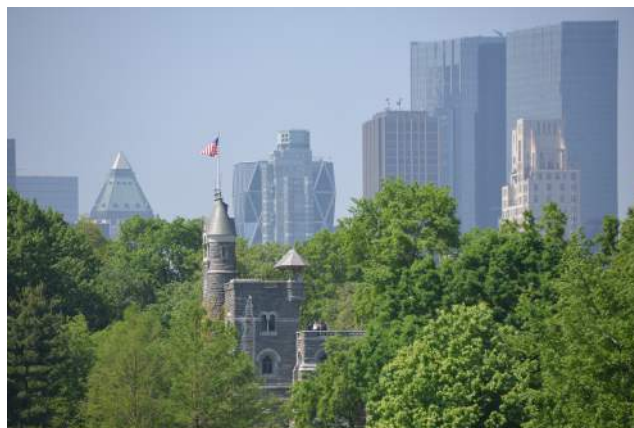
In addition to the tax revenues cited above, the New York City Department of Parks and Recreation collects fees from concessions that operate in the Park, and permit fees for events held in the Park. In fiscal year 2014, the City collected \$10.94 million in Central Park concession revenues and permit fees.

### Tax revenues generated by visitor spending

Spending outside Central Park by visitors who come to New York City for special events held in the Park or for other Park-related reasons also generates tax revenue for the City. We estimate that in fiscal year 2014, incremental spending by visitors to the Park from outside New York City directly and indirectly generated \$6.78 million in City tax revenues.

### Real property and other property-related taxes

The Central Park effect on real estate values discussed in Part Five translates into higher New York City property taxes and other real property-related taxes. Based on data from the New York City Department of Finance on billable assessed values and tax rates for various property classes, Appleseed estimates that taxes due on all taxable real property in the Central Park area in fiscal year 2014 totaled approximately \$5.43 billion – about 25.6 percent of all real property taxes Citywide.



Based on our previous estimate of the value of proximity to Central Park as a share of the total market value and assessed value of all property in the Central Park area, we estimate that approximately \$875 million of this total – about 4.13 percent of the Office of Management and Budget's estimate of total Citywide real property tax revenues in fiscal year 2014 – was derived from the increase in property values attributed in Part Five to the Central Park effect.

Real property taxes are not the only New York City revenues that are affected by real estate values.

- If we assume for purposes of this analysis that the geographic distribution of commercial rent tax payments broadly reflects the distribution of billable assessed values for Manhattan office buildings, we can estimate that commercial rent taxes attributable to the Park effect totaled \$41.84 million in 2014.
- In fiscal year 2014, OMB estimates that the City will collect approximately \$1.501 billion in real property transfer taxes, of which we estimate that approximately \$64.25 million was directly attributable to the increase in values associated with the Central Park effect.
- Similarly, we estimate that in 2014, the Central Park effect accounted for \$41.08 million in mortgage recording tax revenues.





Conservancy volunteer-led paid tours contribute to revenue from tourists





Spectators at the NYC Marathon

### A major source of New York City tax revenues

Taking into account the revenues generated by Central Park as a cluster of enterprises, through spending by visitors to special events in the Park, and through the incremental impact of the Central Park effect on property-related taxes, we estimate that City taxes and fees attributable to activity in or value created by Central Park in fiscal year 2014 totaled approximately \$1.045 billion – equivalent to about 1.82 percent of total New York City tax and fee revenues.

A summary of tax revenues attributable to Central Park is shown in Table 11.

**Table 11:** Central Park's impact on NYC tax and fee revenues, FY 2014 (in \$000s)


Source of revenue	Annual revenue
Taxes generated by CPC and concessions' operations	\$5,725
Concession and permit fees	\$10,954
Taxes generated by visitor spending	\$6,779
Tax premiums attributable to the "Central Park effect" on property values:	
Real property tax	\$875,168
Real estate transfer tax	\$64,250
Mortgage recording tax	\$41,080
Commercial rent tax	\$41,843
<b>TOTAL</b>	<b>\$1,045,799</b>






- Front, Street View
- Restrooms, Street View
- Weather, AccuWeather
- Water, Zillow
- Playground
- Information, Kiosk
- Park, Drive-through
- Transit, Ride
- Pedestrian, Path
- Emergency

**Take this map to go**  
Download our official Central Park app and experience Central Park  
the palm of your hand, or pick up a free map at one of our Visitor

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These authors' findings are consistent with


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# PART SEVEN

## THE ENDURING EFFECTS OF CENTRAL PARK

Central Park has been a major contributor to the vitality of New York City's economy, to the financial strength of its government, and to its residents' quality of life, for more than 150 years. And it is still contributing today, as:

- A significant enterprise in its own right (as shown below in Table 12);
- A preferred destination for the millions of visitors who each year come from all over the nation and the world;
- A community resource for millions of New York City residents;
- A magnet for private investment in new residential and commercial development, totaling billions of dollars in just the past few years;
- A source of human and intellectual capital for public parks, park conservancies and other organizations throughout the City; and
- A generator of more than a billion dollars in revenue for City government in fiscal year 2014.

It is important to recognize however, that these essential contributions to the well-being of the City and its people didn't just happen. They are the product not only of New York City's original investment in the Park, but also of a thirty-five year collaborative effort by the City and the Central Park Conservancy to improve, maintain and enliven the Park.

By supporting the City's and the Conservancy's efforts, those who benefit from the Park today – most especially those who benefit economically – can help ensure that the Park will be there, and will continue to be a source of value, for future generations of New Yorkers.

**Table 12:** Total impact of Central Park in New York City, FY 2014 (jobs in FTE, wages and output in \$ millions)

	Jobs	Wages	Output
<b>Impact of Conservancy operations</b>			
Direct impact	545	\$28.8	\$37.9
Indirect/induced effects	140	\$10.9	\$25.3
<i>Subtotal, Conservancy impact</i>	686	\$39.7	\$63.2
<b>Impact of concessions operations</b>			
Direct impact	1,016	\$41.5	\$91.3
Indirect/induced effects	329	\$26.0	\$62.4
<i>Subtotal, concessions impact</i>	1,345	\$67.5	\$153.7
<b>Impact of visitor spending</b>			
Direct impact	1,445	\$53.4	\$122.7
Indirect/induced effects	426	\$34.1	\$81.1
<i>Subtotal, visitor spending impact</i>	1,871	\$87.5	\$203.8
<b>TOTAL IMPACT</b>	<b>3,902</b>	<b>\$194.7</b>	<b>\$420.7</b>

## About Appleseed

Appleseed is a New York City-based consulting firm that provides economic analysis and economic development planning services to government, non-profit and corporate clients. The firm was founded in 1993 by its President, Hugh O'Neill. Prior to starting Appleseed, Mr. O'Neill had served as Deputy Secretary for Economic Development under New York Governors Hugh L. Carey and Mario Cuomo, and as Assistant Executive Director of the Port Authority of New York and New Jersey.

Appleseed has had extensive experience in economic impact analysis. Our work has included analyses of:

- The economic and community impact of major U.S. universities, including Brown, Columbia, Cornell, Emory, Johns Hopkins, New York University, Notre Dame, Princeton, Tulane and the University of Rhode Island;
- Economic and community impact analyses for other non-profit organizations and institutions, including All Children's Hospital, the Central Park Conservancy, Cold Spring Harbor Laboratory, the Prospect Park Alliance and the YMCA of Greater New York;
- The economic and fiscal impact of a wide range New York City development projects, including redevelopment of the World Trade Center, Columbia's Manhattanville campus and Cornell's NYC Tech campus on Roosevelt Island;
- The economic impact of public art projects and special events, such as the New York City Waterfalls project.

Other Appleseed team members participating in the preparation of this report include Anna Chelius, Vice President, and Stephen Albonesi, Senior Consultant.

Additional information about Appleseed is available at [www.appleseedinc.com](http://www.appleseedinc.com).



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