

DELAWARE VALLEY REGIONAL PLANNING COMMISSION
REGIONAL COMMUNITY AND ECONOMIC DEVELOPMENT FORUM HIGHLIGHTS
March 11, 2011

A meeting of DVRPC's Regional Community and Economic Development Forum (RCEDF) was held on March 11, 2011, beginning at 10 a.m. The purpose of the meeting, titled *For What It's Worth*, was to explore the economic value of public and common goods. Joseph Hoeffel, Montgomery County Commissioner and Co-Chair of the RCEDF, welcomed the attendees and provided for introductions. Mr. Hoeffel then introduced Meryl Levitz, Executive Director of the Greater Philadelphia Tourism Marketing Corporation (GPTMC). The mission of GPTMC, founded in 1996 as a 501(c)(3) organization, is to make the Philadelphia area a premier destination through marketing and image building that increases business and promotes the region's vitality. During these challenging economic times, GPTMC is committed not only to advertising but also to public relations, a strong web presence, and an ahead-of-the-curve social media approach.

Ms. Levitz discussed how a relatively small investment in marketing the region's tourism opportunities has a significant impact on Greater Philadelphia's economy. Tourism is considered a revenue generator, job creator, and deficit reducer, with a total economic impact of \$8.2 billion (\$22 million per day). The industry supports nearly 84,000 jobs (5 percent of the region's total) and generates \$1.2 billion in taxes, including \$258 million for local governments, \$279 million for the Commonwealth of Pennsylvania, and \$677 million for the federal government. In terms of return on investment, GPTMC estimates that every dollar spent on marketing generates \$185 in visitor spending and \$13 in taxes. Annual overnight visits to the region continue to grow, with the number of hotel guests increasing from 254,000 in 1997 (when GPTMC first started marketing) to 573,000 in 2002 and to over 800,000 in 2010.

Ms. Levitz noted that visitor spending supports enhanced amenities, which benefit both tourists and the region's residents and employees and in turn attract more visitors. The regional hospitality and tourism industry continues to grow, with an increasing number of visitors, new happenings on Independence Mall, the expanded Philadelphia Convention Center, and a multitude of special exhibit and attractions. The region's tourism industry has historically done well in recessions and its attractions appeal to multiple generations. The region's proximity along the Northeast Corridor and transportation access via the highway network, AMTRAK, the airlines, and commercial bus lines (including the Megabus) have supported growth of the industry. Ms. Levitz concluded by discussing GPTMC's numerous marketing campaigns, partnerships and social networking activities.

Mr. Hoeffel then introduced the next speaker, Lee Huang, the Director of Econsult. Mr. Huang presented the findings of a recent report commissioned by the Preservation Alliance for Greater Philadelphia that documents the significant impact of historic preservation on the regional economy. Mr. Huang discussed the direct and indirect economic impacts of historic rehabilitation; the impact of historic preservation on property values; the economic impact of heritage tourism and film/TV/video production; and potential ramifications for state and local legislators.

Mr. Huang noted that the report dispels the myth that economic and aesthetic objectives related to historic preservation are always at odds and identifies a link between historic preservation and other economic development objectives. He discussed the economic stimulus provided by investing in historic preservation, noting, for example, that \$450 million in total project costs between 1999 and 2009 had a total regional economic impact of \$1.1 billion, generated \$24 million in state taxes and employed over 9,500 people. Historic preservation generates both direct investment and spillover impacts, as local vendors ramp up and workers spend their wages

locally. During the ten-year period between 1998 and 2008, direct expenditures resulted in annual economic impacts of over \$660 million in the City of Philadelphia alone.

Historic preservation also has a positive impact on property values, generating additional tax revenues for municipalities. Based on a regression model that considers a multitude of variables that impact property values (including historic designation), the study found that homes within designated historic districts trade at a premium, with an average 14 percent increase for local designation and a 22 percent increase for national designation. This positive impact is both immediate (with a 2 percent increase realized in the year of designation) and ongoing (with an additional 1 percent increase every year thereafter).

Another positive economic impact results from the preservation of unique historic assets that draw out-of-town visitors, which in turn generates ancillary impacts from additional spending on accommodations, transportation, dining, and leisure activities. Mr. Huang concluded his remarks by noting that the study makes an economic case for historic preservation and supports reinvestment in traditional central business districts and neighborhoods that is both place-sensitive and environmentally sound.

Mr. Hoeffel then introduced the meeting's final speakers: Patty Elkis, Associate Director of Comprehensive Planning, DVRPC, and Donna Pitz, Executive Director, GreenSpace Alliance. Ms. Elkis and Ms. Pitz presented the findings of *The Economic Value of Protected Open Spaces*, a new study that documents how preserved open spaces contribute to local economies, produce savings on everything from health care to recreation, and perform valuable ecosystem services that naturally improve the region's air and water resources. Ms. Elkis began by noting that the Greater Philadelphia region currently loses about 25 acres a day, or an acre an hour, to development. If current growth trends continue, an additional 150,000 acres of land – an area bigger than all of Delaware County or half the size of Montgomery County – may be lost to development, which will negatively impact the future livability, sustainability and economic competitiveness of our region.

The study, developed through a partnership that included the Economy League, Keystone Conservation Trust, Econsult, and the U.S. Forest Service, identifies four ways that protected open space creates economic value, including increased home and property values; environmental services; health and recreation benefits; and economic activity. Proximity to protected open space helps sustain and improve home and property values, adding \$16.3 billion to our region's housing stock and increasing property values by an average of \$10,000. Open space also naturally protects property, filters drinking water, and cleans the air, saving the region an estimated \$132.5 million annually. This includes \$61 million savings in water quality and supply services; \$37 million in flood mitigation services; and \$17 million in air pollution services.

Physical activity on protected open space saves the region's residents and employers \$1.3 billion annually, including an average savings of \$392 per household for recreational activities they would otherwise pay for; \$800 million in avoided healthcare costs, \$13.8 million in avoided worker's compensation costs, and \$485.4 million in avoided productivity losses. Open spaces also attract visitors, support local economies, and help create and sustain jobs. The report estimates that the region's protected open spaces directly and indirectly support 7,000 public and private sector jobs; generate \$566 million in annual expenditures and \$300 million in annual earnings; and are responsible for \$30.2 million in annual revenue collections.

There being no additional business, the meeting was adjourned at approximately 12:00 p.m. The next meeting will be held in early June and focus on regional economic development issues.