

# Appendix C: Economic Assessment Report





## **Economic Impacts of the Ecological Restoration Concept**

### **September 1, 2011**

#### **The Project**

The Ecological Restoration Concept for the Niagara Gorge Rim represents a significant endeavor to reclaim the natural landscape, beauty and accessibility of the Niagara River Gorge Rim. Central to the concept is the closure and total removal of the Robert Moses Parkway and the creation of a world-class linear park and conservation corridor along the Niagara River Gorge Rim from downtown Niagara Falls to the Village of Lewiston. This project has the potential to become transformational in helping redefine and refocus Niagara Falls and the Niagara region as visitor destination. It will capture the growing ecotourism market and serve as focus point for regional ecological enjoyment and exploration. Implementation of the Ecological Restoration Concept can also support and further the revitalization of the City of Niagara Falls as it seeks to become a vibrant urban community with quality attractions that will enhance the visitor experience.

The Ecological Restoration Concept (ERC) along the River Gorge Rim can provide an important boost to several ongoing revitalization activities of the City of Niagara Falls and the larger area. Many of these activities and projects will in turn help to assure the success of the ERC as a significant visitor attraction. As will be discussed, the project can achieve better connections between the city and the Gorge Rim and riverfront both on a regional scale as well as neighborhood by neighborhood. The ERC, along with several other projects underway and on the drawing boards, can become lynchpin projects that generate new economic development, significantly expand the visitor experience, and help diversify the local and regional economy.

As noted earlier, central to the implementation of the Ecological Restoration Plan is the closure and removal of the Robert Moses Parkway (RMP) from Main Street and First Street in the City of Niagara Falls to Center Street in the Village of Lewiston. The complete removal of the roadway and the re-routing of vehicular traffic to the existing street system are critical to not only the development of a world-class linear park and conservation corridor that recreates the area's natural beauty and landscapes, but to assuring that the maximum economic impacts from ERC are realized for the City of Niagara Falls and for the Niagara region.

#### **The Vision**

Review of recent planning history in Niagara Falls reveals considerable discussion about the worthiness of closing and removing the Robert Moses Parkway (RMP) north of the Rainbow Bridge. This discussion continues today including as part of planning work being sponsored by the New York State Office of Parks, Recreation and Historic Preservation and others.

While there is not complete consensus in the community about the exact nature and extent of the "improvements" to the parkway area, there is widespread agreement that the River Gorge Rim area and adjacent lands are ecological jewels that, once reclaimed and conserved, can become a

significant new visitor attraction for the region. The vision for this area has been well described by the Niagara Heritage Partnership:

"What we envision (is) a long gorge rim park with hiking and bicycling trails running through landscapes restored according to the philosophy of Frederick Law Olmsted, new forests being nurtured to extend the old growth forest at DeVeaux and at other appropriate locations, long grass, wildflower meadows attractive to butterflies, ground nesting birds, and other wildlife." (*The Niagara Heritage Partnership Proposal For the Removal of the Robert Moses Parkway and Restoration of Natural Landscapes*, NHP website, September 2004)

### **The Planning and Development Focus**

Niagara Falls is benefitting from the considerable planning work undertaken over the last 10 to 15 years. Much of these efforts have focused on two strategies. The first are efforts to further develop Niagara Falls and the Niagara region as a major global tourism destination by capturing a larger share of the area's visitor market. Activities here involve developing a mix of quality attractions, along with support activities and amenities, to enhance and improve the overall visitor experience. Key organizations active here are Niagara USA, the county's visitor marketing and promotional organization; USA Niagara, a subsidiary of the Empire State Development Corporation and lead development organization for the downtown district; and the City of Niagara Falls, which is pursuing several key economic development projects.

The second focus of planning and development efforts has been to pursue economic development initiatives that create jobs and diversify the economy of the City of Niagara Falls. This approach is being guided by two planning documents--*The Comprehensive Plan for the City of Niagara Falls USA* (2009) and the *Niagara Falls Waterfront Master Plan* (prepared by Sasaki Associates, Inc. and Halcyon Limited, 1992). One long-standing goal in much of recent planning has been to bring about better connections between the city and its waterfront. This can create new development opportunities and provide support for several key revitalization projects. Other relevant planning documents are the *USA Niagara Development Strategy-A Blueprint for the Revitalization of Downtown Niagara Falls* (Hunter Interests Inc., Cannon Design and Parsons Brinkerhoff, September 4, 2002), and the *Niagara Falls Core City Urban Renewal Plan* (Parsons Brinkerhoff, November 9, 2009).

The planning and development focus is perhaps best stated by the Niagara Heritage Partnership: the "Robert Moses Parkway removal would create waterfront access and significant wildlife habitat, protect the watershed, and create a genuine greenway along this most unique length of river corridor." (*The Niagara Heritage Partnership Proposal For the Removal of the Robert Moses Parkway and Restoration of Natural Landscapes*, NHP website, September 2004)

The Ecological Restoration Concept and its implementation are consistent with current planning efforts.

**Furthering Niagara Falls as an Global Attraction**

As background, it is important to understand the setting and recent trends related to tourism and visitation to Niagara Falls, NY. In discussions with the President and CEO of Niagara USA and from reports provided by the organization, the following summarizes the Niagara Falls NY tourism picture<sup>1</sup>:

- Overall visitations (USA travelers only) have generally been increasing over the long term; from 2007 to 2008, Niagara Falls saw an increase of 13% in visitation compared to 9.3% for the state as a whole;
- From 2008 to 2009, there was drop in visitations for U.S. domestic travelers from 6 million to 5.5 million, much of this explained by the downturn in the economy;
- Hotel revenue and occupancy declined from 2008 to 2009;
- Visitations to most attractions increased from 2008 to 2009, largely attributed to an increase in "staycations" and more regional travel;
- In 2009, 43% of visitors, or 2.4 million persons, stayed overnight; 49% of these stayed one night, while 28% stayed two nights;
- In 2009, overnight visitors spent \$378 million--33% (average \$52) on lodging, 21% (average \$34) on food and beverage, 19% on (average \$31) on recreation, 17% (average \$27) on retail, and 10% (average \$16) on transportation; and
- The main purpose of the trip for overnight visitors was: visiting friends/relatives (35%), touring (19%), casino (13%), special event (10%), and city trip (7%).

Table 1 shows annual attendance from 2006 to 2010 for the four state parks on or near the RMP North as well as for the Niagara Gorge Discovery Center and Aquarium of Niagara.

**TABLE 1**  
**ATTENDANCE**  
**SELECTED ATTRACTIONS**  
**2006 - 2010**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Niagara Falls State Park</b>	NA	7,775,210	7,931,345	7,938,470	8,132,277
<b>Whirlpool State Park</b>	253,260	244,255	227,252	176,503	213,678
<b>Devils Hole State Park</b>	144,114	142,625	133,641	111,198	125,491
<b>DeVeaux State Park</b>	27,517	28,693	26,768	34,205	20,531
<b>Artpark State Park</b>	126,528	150,581	162,931	159,051	185,266

	2006	2007	2008	2009	2010
<b>Niagara George Discovery Center</b>	64,636	84,478	66,001	80,067	80,924
<b>Aquarium of Niagara</b>	167,471	177,026	198,394	193,688	230,588

Sources: Western Region of the NYS Parks, Recreation and Historic Preservation; and the Aquarium of Niagara.

There are few major upgrades and improvements planned for the State parks near the RMP North, with a couple of exceptions. Major improvements are planned for Artpark that include renovations to the Mainstage, redesign and upgrades to the Outdoor Amphitheater, and improvements to the park's trails, overlooks and river access. Also the State Parks' regional office is interested in undertaking some improvements to buildings in DeVeaux Woods State Park. Several of these buildings are historical and the State has expressed some interest relocating its some of the region's office space currently located in the Niagara Falls State Park to the buildings. Any future work there is not expected to change the natural character of this unique park.

Table 1 shows strong attendance increases for the Aquarium of Niagara. The aquarium is planning a major expansion project that involves upgrading and doubling the size of its facility at an expected cost of \$38 million (phase 1).

The Aquarium, the Discovery Center and the state parks along and near the RMP will be critically important to the success and economic impact of the ERC. Together, they can provide for a critical mass of activities for visitors and help the ERC become as a major new attraction. While is difficult to quantify the exact number of visitors crossing to Niagara Falls NY from Canada, Table 2 shows cross boarder trips (in both directions) at the Rainbow Bridge and the Whirlpool Bridge.

**TABLE 2**  
**BRIDGE CROSSINGS VOLUMES\***  
**RAINBOW BRIDGE AND WHIRLPOOL BRIDGE**  
**2006 - 2009**

	2006	2007	2008	2009
<b>Rainbow Bridge</b>	3,973,245	3,849,889	3,649,010	3,294,195
<b>Whirlpool Bridge**</b>	197,238	258,538	294,435	319,962

\* All vehicles and pedestrians in both directions

\*\*Automobiles only (Nexus cardholders)

Source: Niagara Falls Bridge Commission

It is interesting to note that there have been steady increases in automobile crossings at the Whirlpool Bridge (using the Nexus Pass). This crossing is geographically central to ERC and to the multi-modal transportation center and interpretive center project being developed nearby.

One key factor affecting the economic impacts from Niagara Falls tourism is the number and quality of overnight accommodations. A concerted effort has been underway to increase the number of "upper end" accommodations. Progress has been made with the completion of the Crowne Plaza (nearly 400 rooms), the Seneca Niagara Casino hotel (600 rooms) and the Giacomo Hotel (38 rooms). There are several more projects underway and planned that will add to this inventory in the near term, mostly from renovations and upgrades to existing facilities. The growing supply of B & Bs is also helping increase the availability of quality accommodations. Some of these are occurring in two areas -- southeast of the downtown district near Buffalo Road and northeast of the downtown in the Park Place Historic District.

The recent resizing of the Niagara Falls Convention Center has also been an important part of the tourism effort, as well as numerous downtown streetscape, pedestrian and street improvements being spearheaded by USA Niagara in conjunction with the City.

While most visitors to Niagara Falls are attracted by the Falls, the Upper Rapids area and the Niagara River Gorge, the overall mix of attractions in the area and the extent and quality of support facilities and amenities have a lot to do with how significant the economic impacts from this visitor traffic will be. The typically stated goals for Niagara Falls tourism are to: increase visitations, extend length of stays, and encourage return visits. Implementation of the restoration plan has the potential to not only add a significant new attraction to the area, but, with the growing ecotourism market, Niagara Falls and the Niagara region can begin to refocus their overall tourism effort and position the area as a major destination for ecological enjoyment and exploration.

Some expectations of the economic benefits from the ERC were noted in the City of Niagara Falls' application for federal stimulus program funding.<sup>2</sup> The funding application was for the reconfiguration of the Parkway in the Upper Rapids area along Buffalo Avenue and the closing and removal of the Parkway in its northern section from Main Street to Findlay Drive. While the application was not successful, it did attempt to quantify some economic benefits from this project. The impacts noted in the application were updates of the earlier economic projections contained in the *City of Niagara Falls Waterfront Plan* (1992)<sup>3</sup>:

- A net increase in demand for over one million new hotel nights;
- A net annual increase in retail/non-retail spending of \$336 million;
- Net additional support (through rehabilitation or new development) of 548,000 square feet of new retail space;
- Net additional support (through rehabilitation, new development, or increased occupancy) of 1,036 new hotel rooms;

- Net new retail, lodging and travel-related employment of 2,880 new jobs;
- Net new permanent annual payroll of \$94 million;
- New annual state income tax receipts of \$2.8 million; and
- New annual State sales tax receipts of \$11.5 million.

One exciting initiative is the recent federal designation of this corridor as part of the Niagara Falls National Heritage Area. This now involves the National Park Service in efforts to enhance the quality of the historical, cultural and natural attractions in the Niagara region. A federal commission has been created and charged with completing a management plan for the area over the next year. Following completion of the plan, the Commission will have five years and up to \$15 million to fund projects and activities that are consistent with the goals of the Heritage Area. These goals are to: (1) strengthen the region's identify; (2) increase public awareness of local history and the need for preservation; (3) encourage research on local history; and (4) improve the local economy.

With one of the Niagara Heritage Area's goals the preservation and conservation of natural resources, the ERC can be an important project to help the Heritage Area achieve its mission.

Related to the Niagara Heritage Area designation is the growing trend of "non-traditional" forms of tourism, often described as cultural tourism, ecotourism, and nature-based tourism. Niagara Falls' natural and historical assets well position the region to take full advantage of this market trend. Attractions that focus on this market have significant potential for attracting more visitors and accelerating economic development in the region.

One report on trends in tourism notes that ecotourism has been one of the fastest growing segments of the tourism market and is predicted to be a powerful force in the future.<sup>4</sup>

- Since the 1990s, ecotourism has been growing 20%-34% a year;
- In 2004, ecotourism had been increasing globally three times faster than the tourism industry as a whole; and
- "Sun-and-sand" resort tourism has now matured as a market and its growth is projected to remain flat. In contrast, alternative forms of tourism--including ecotourism, heritage and cultural tourism, and others--are expected to grow more quickly over the next two decades.

The ecological restoration of the Gorge Rim can not only become an important new destination in the region, but potentially transformational in refocusing the region's tourism effort and better connecting it with the changing tourism market..

**Revitalization of Niagara Falls and its Connection to the Gorge Rim**

The economic impacts from the ecological restoration project have the potential for positively affecting the revitalization projects and activities of Niagara Falls. Possible economic and

physical connections between a conservation corridor along the Rim and other revitalization projects will expand the economic impacts from these revitalization projects. In turn, the success of these revitalization projects will help the ERC become an even more significant attraction. The synergy among these projects can create powerful economic impacts for the community and for the region.

As noted earlier, rediscovering the City of Niagara Falls’ connection to its waterfront has been a long-standing goal throughout several planning efforts over the last decade and longer. This need is perhaps best reflected in the stated goals from the *Niagara Falls Waterfront Plan* (1992)<sup>5</sup>:

- Develop the Niagara River Gorge as a great park of international significance;
- Increase recreational opportunities for tourists and citizens along the waterfront;
- Preserve the natural environment of the Gorge as a dominant feature of the park;
- Develop attractive and understandable modes of access along the entire waterfront that establish clear links between attractions;
- Establish strong visual, pedestrian and vehicular links between the community and the Niagara River Gorge;
- Create an exciting and interesting place that will entice visitors to remain at the American Falls and in the Niagara Frontier area for a longer period of time;
- Improve economic opportunities for tourism development within the City of Niagara Falls; and
- Increase awareness of the Niagara Frontier for visitors and tourists.

These opportunities continue to be relevant today and have been reinforced in the City’s Comprehensive Plan and the Niagara Falls Core City Urban Renewal plan, both completed in 2009. The Comprehensive Plan, which details the City’s current revitalization approach, focuses on taking advantage of the city’s unique urban amenities -- its cultural history and heritage districts and the preservation and use of its natural assets. The plan recognizes that the economic development of Niagara Falls depends on pursuing activities in several growth sectors, most notably: (1) tourism and hospitality; and (2) heritage and nature-based tourism. If the City is successful in developing its unique cultural, historical and natural resources, the City of Niagara Falls will become a key attraction in itself and a destination for visitors. This will result in more visitors, longer lengths of stay (and overnights) and greater visitor spending in the community.

Implementation of the Ecological Restoration Concept has the potential to help revitalize the city. By complementing key revitalization projects, the ERC’s economic impacts will be far greater than just the increased number of visitors it will attract.

**Impacts on Key Revitalization Projects**

Implementation of the Ecological Restoration Concept has the potential to forge ties to several City revitalization projects and activities.

**Customs House Interpretive Center and Multi-Modal Transportation Center**

This involves the restoration of the historic Customs House into an interpretive center that will describe the Underground Railroad route use by slaves to escape to freedom in Canada, and the development of a new Amtrak train station as part of a new multi-modal transportation facility. Other aspects of the project illustrate its mixed use character, yielding greater economic development potential:

- Its proximity and accessibility to the parkway area for pedestrian and park users, providing a complementary amenity;
- Its ability to forge strong pedestrian and vehicle connections into the city and to the nearby Main Street Business District; and
- Other uses in the project, such as new retail and office space that will support the project.

Further supporting this project are the vehicular and railroad border crossings of the Whirlpool Rapids Bridge and U.S.-Canadian rail crossing. These have the great potential to improve give better access to the sizable Canadian/Ontario Province tourism market, drawing new visitors to the Gorge Rim, Customs House Interpretive Center, and perhaps equally important to the nearby Main Street Business District.

The importance of effectively linking the interpretive center/multi-modal transportation facility to the ERC and to the rest of the city cannot be overstated. If these projects are well planned and coordinated, together they could be transformational in terms of the economic revitalization of the city.

After years of planning, this project is underway with completion of key components expected in 2011 and 2012.

**Main Street Business District**

Several related projects are being pursued by the City to improve the Main Street Business District. They include business attraction activities, façade upgrades, street and streetscape improvements and key infill development projects. Implementation of the Ecological Restoration Concept will support these efforts by creating new pedestrian and open space connections between the ERC and Main Street.

The restoration plan proposes several "connective centers", which are physical places that reconfigure the interface between the city and the Gorge Rim. Some involve creating and extending multi-use recreation trails and others forge new pedestrian links between the Rim and adjacent neighborhoods. Important connection points that will improve access to the Main Street Business District include at: First Street/Main Street, Pine Avenue, Cedar Avenue, Willow Street, Ontario Avenue, and Bellevue Avenue. Other points of connection will extend or reinforce the existing street system and improve vehicular access to and from the Gorge Rim to Main Street and to the rest of the city. These are at Pine Avenue, Cedar Avenue, Willow Street (Lockport Road), Ontario Street (Customs House/Multi-modal transportation center), and Bellevue Avenue.

**Redirected Traffic**

A central element in the restoration plan is the closing (and removal) of the RMP North to all vehicular traffic. The study’s traffic engineer has evaluated the impacts of this shift in vehicular traffic. With an average annual daily traffic (AADT) count on the Parkway of 3340 vehicles near Findlay Drive, the relocation of this traffic will have some impact on the city.<sup>6</sup> The study’s engineer concludes that 70% of the relocated traffic, or 23,380 cars a day (AADT), will choose the north-south route through the city using Main Street and Lewiston Road with the remaining traffic using other routes, such as Highland Avenue (via Lockport Street and Hyde Park Boulevard). And depending on the origin and destination of the trips, some traffic will use Hyde Park Boulevard and I-190.

The impacts from relocation of traffic are largely positive. Additional traffic on Main Street in the business district will be positive for efforts to strengthen this retail area -- both by providing greater support for existing businesses and for efforts to attract new retail development. Other commercial areas, such as the Pine Street business area or along Portage Road, should see some increase in traffic as travelers use or explore other routes.

Because the traffic volumes are not large in number, the economic benefits from re-routing vehicles into the existing business district will be modest. However, this increased traffic, in conjunction with continued progress to improve the appearance and business mix along Main Street, should together increase overall business activity there by strengthening the demand for products and services. Also, since the expected relocated volumes of the re-routed traffic are relatively modest, any negative impacts on the largely residential portions of Lewiston Road north of Findlay Drive should be minimal. Compared to the AADDT count of 3340 cars on the RMP near Findlay Drive, sections of Main Street/Lewiston Road in the city show the following AADDT counts (2008):

- Main Street (near Pine Avenue): 6660
- Main Street south of Findlay Drive: 6170
- Lewiston Road (near College Avenue): 3470
- Lewiston Road at the City Line: 3720

The study also identified ten intersections that would experience increased traffic and evaluated their capacity to handle the additional volumes. Evaluating peak-hour traffic, the consultant concluded that all these intersections would maintain acceptable levels of service and require no additional improvements. These include eight key intersections on Main Street/Lewiston Road from Rainbow Boulevard/RMP to Route 104 at Military Road and two intersections on Lockport Street at 11<sup>th</sup> Avenue and at Hyde Park Boulevard.

**Historic Preservation and Neighborhood Revitalization**

Much of the adjacent areas along the Gorge Rim in the northern part of the City of Niagara Falls are residential in nature. As such, the Ecological Restoration Concept proposes many connections between the Rim and adjacent neighborhoods. As noted earlier, some of these connective corridors will extend and connect to the existing street system to and from the Rim area. While all connections will be in scale with the surrounding residential neighborhoods, many will create new access points for pedestrian and bicycles and help create and extend an open space system into the city, effectively bringing the city to its riverfront. Increased connectivity will be particularly important for three key residential sections of the city.

The first two involve connections to two historic neighborhoods. First, the Park Place Historic District is located on the west side of Main Street in the vicinity of Fourth Street, Pine Avenue, Cedar Avenue and Park Place. This historic district was designated in 2007 and is made up of 90 buildings that represent four distinct periods of residential development in the history of Niagara Falls. The second historic area is the Chilton Avenue and Orchard Parkway neighborhood, which is located north of the Park Place District between Main Street and Whirlpool Street. It was approved by state and federal historic preservation officials in 2010 and contains approximately 80 buildings that are largely intact residential structures that reflect the architecture of the late 1800s and early 1900s. The proximity of these two historic neighborhoods to the Gorge Rim will better highlight their historic character, strengthening efforts to position the city as a destination for heritage and nature-based tourism. This can be enhanced through directional and signage and perhaps interpretive displays.

A third key historic asset is the DeVeaux Woods State Park north of Findlay Drive. It is listed on the National Register as a Historic District and is the former the campus of DeVeaux College. One of its key features is its old growth forest, which deserves preservation. This largely vacant 51-acre park is critically situated adjacent to the Parkway and Whirlpool State Park to the west, where the Ecological Restoration Concept proposes an interpretative site well as important trail connections. To the east is a stable residential area along Lewiston Road, where many residents use the area as a neighborhood park. The park’s amenities include a large meadow area, an old growth forest, a picnic area and some active recreation areas. Several historic buildings remain in the park.

The area between DeVeaux State Park and the Chilton Avenue-Orchard Parkway Historic District west of Main Street is an older largely residential area containing pockets of severe housing deterioration and abandoned structures. This area is in need of significant private investment and housing improvements. The ERC should support the City’s neighborhood renewal and housing improvement programs here by generating greater interest in this residential area and hopefully stimulating needed new private investment.

Implementation of the Ecological Restoration Concept will positively impact all these areas in part due to their adjacency to the Gorge Rim and by better vehicular, pedestrian and bicycle access to the Rim area. There has been much research in the literature about the positive impacts of quality, well-maintained conservation areas and open space on the property values of adjacent residential areas. While this will be discussed later in this report, this point was included in the

City’s recent federal application for stimulus funding. As an illustration, it noted that one California community saw a 15% increase in property values for properties within 500 feet of an open space and recreation area created due to the closure of an expressway. Applying these factors to the area adjacent to Gorge Rim, the City’s application noted that this area’s total property value of approximately \$70 million would increase by \$10.5 million as a result of closure and removal of the parkway.<sup>7</sup> This in turn would significantly increase property tax revenue to the City.

**Downtown District Revitalization**

Much of Niagara Falls’ planning and development activity is being focused on the Downtown District, a 300-acre area in downtown that includes the Seneca Niagara Casino, the convention center, the Rainbow Mall, Old Falls Street and several hotels. It is the designated development area for USA Niagara, a development arm of Empire State Development Corporation. Several public and private development projects have been completed that are creating a more vibrant core downtown and a more welcoming and attractive entrance to the city for visitors crossing the Rainbow Bridge and from the nearby Niagara Falls State Park. The area is taking shape with an interesting mix of activities and public improvements that are well designed, accessible, and pedestrian in scale.

One positive and potentially impacting development is soon to begin—the Hospitality and Tourism Center and Culinary Arts Institute in the Rainbow Centre Mall. Niagara County Community College (NCCC) is spearheading the project along with USA Niagara, the City of Niagara Falls and Niagara County. NCCC’s proposed culinary center is envisioned to be an important educational facility supported by The College’s tourism and hospitality program. The total project, which also involves upgrading a portion of the mall not used by the culinary school and the ramp garage, is projected to cost \$26.33 million. This mixed use project will also include a restaurant and retail space. The project could be completed by 2012. This unique project will re-energize the now vacant Rainbow Mall and become a critical anchor in the Downtown District. If successful, the culinary center project will become an important destination and expand the visitor experience in Niagara Falls.

There are two other projects on the planning horizon that geographically relate to the ERC. The first is development of a downtown Cultural District. The development of this district, which was recommended in the City’s Comprehensive Plan, includes an area northwest of the Downtown District along Main and Third Streets. It also would include the existing Aquarium of Niagara and the Niagara Gorge Discovery Center. Anchored by these and other uses, development of the Cultural District would build off the Third Street Revitalization project and several nearby downtown projects. Development is envisioned to include new restaurants and entertainment uses, a performing arts center, and festival and recreation areas.

Development of the Cultural District would represent the next logical focus for downtown revitalization and with one added feature--a new connection between downtown and the Gorge Rim. The existing anchors in this area -- the Aquarium and the Discovery Center -- can serve as

the nucleus for initial development. The Aquarium has experienced increased attendance over the last several years and, as noted earlier, has announced plans for a major expansion. The existing Aquarium and Discovery Center, along with the plans for the Cultural Districts, could be a good complement to the conservation corridor along the Gorge Rim as long as the overall planning recognizes that implementation of the Ecological Restoration Concept will eliminate all motorized traffic along the Gorge Rim.

Also in the planning stages is a second significant project—the development of the Niagara Experience Center. This major new attraction would be the region’s first "experience museum", providing state-of-the-art entertainment media using interactive exhibitory to tell the story of the region and excite visitors to the wonders of the area. It would orient visitors and help them plan and organize their visit to the region. It is designed to be one of the first stops for visitors to the region.

The idea of the Niagara Experience Center was first proposed by Governor Pataki in 2002. A master planning effort followed in 2005 and 2006. And in 2006, one funding stream was identified under an agreement with the Seneca Gaming Compact. To guide the project’s development, the Niagara Experience Centre, Inc. has been formed and staff support is being provided by USA Niagara. This is a potentially transformational project that could become a significant new attraction to visitors of the region. The Experience Center’s tie to and support of other attractions in the area will be critical to maximizing its economic importance. Currently, no location has been finalized for development of the Experience Center. However, the City’s Comprehensive Plan has identified a location in the proposed Cultural District area as one suitable location.

**North-South Connectivity and the Larger Niagara Region**

The economic impacts of individual attractions can be greatly enhanced by their link to other attractions. We have discussed the importance of these linkages as they relate to the revitalization of the Downtown District and development of the Cultural District. The ERC can provide a central link connecting many features and attractions throughout the larger Niagara Gorge and River corridor from the Rainbow Bridge to the Village of Lewiston. To the north, the restoration plan proposes several points of connection from the Rim into the Town and Village of Lewiston, including to Niagara University and the Power Project Power Vista. Other points of connection can also serve as important destinations points for visitors, such as in the Artpark State Park and Center Street in the Village of Lewiston. Connecting the ERC with the trails in Artpark State Park will expand the overall trail system. These connections will facilitate greater visitor traffic to these areas and generate positive economic benefits, especially for Artpark and for the Lewiston business district.

Closing the parkway to vehicular traffic should have minimal impact on the Town and Village of Lewiston. Route 104 provides a convenient and direct route through these communities to and from either I-190 or to the area near Niagara University and continuing along Lewiston Road and Main Street in Niagara Falls.

As a strong north-south feature in the region, the ERC will increase visitor traffic along and near the project area. This will increase opportunities to “connect” individual attractions, including some outside the project area (i.e. Fort Niagara, the Niagara Wine Trail, etc.) for marketing and visitor attraction purposes.

**Economic Impacts of Conservation Areas and Open Space**

There has been considerable research undertaken to quantify the economic benefits from conservation lands, parks and open space on adjacent properties and communities. One organization that has focused on this issue is the Trust for Public Land (TPL), a national nonprofit land conservation organization. While it is difficult to precisely measure the economic value of parks and open space, TPL has identified several areas that could be positively impacted by the presence of parks and open space.<sup>8</sup>

- Property value
- Tourism
- Direct use
- Health
- Community cohesion
- Clean water
- Clean air

Two of these factors provide direct income to local government—property tax revenue from the added value of lands in proximity to parks and sales tax revenue due to increased spending by tourists who visit the community primarily because of the parks and open space. Together these factors can increase the overall "wealth" in the community and give critically needed financial resources to government to support public services and programs.

Three other factors provide direct savings to residents. The first is the value of resident’s free use of the park for enjoyment and recreation. The second is the health benefits—savings in medical costs—from activity and exercise in the parks. And the third is community cohesive or the value of people coming together to collectively work to save or improve a park. This can result in a stronger sense of community and a reduction of antisocial behavior.

The last two factors noted above provide environmental savings to a community. Through its natural landscapes and open space, parkland can retain and naturally filter stormwater and reduce water pollution. And air pollution can be reduced through the natural filters of park’s trees, shrubs and vegetation.

While it is difficult to quantify with any degree of accuracy the actual values associated with these factors, TPL and other organizations have examined several communities in an effort to measure the economic benefits of conservation and open space areas.

**Increased Property Values**

According to TPL, two key factors influence how the values of residential land change due to their proximity to open space and parkland: (1) the distance or "nearness" to the space and how well they are physically connected; and (2) the quality of the open space, including how well it is maintained. One study in the City of Denver concluded that residential values for properties within 500 feet from a park increased by 5%. In Denver's case, this added \$724 million to the city's tax base and generated \$4.08 million in new property tax revenue.<sup>9</sup>

In another study in Washington DC, using the same 5% impact figure, \$6,953,377 of additional property tax revenue was attributed to the increased value of residential property located within 500 feet of its parks.<sup>10</sup>

Another research study evaluated the impacts of a 50-acre "natural park" area on adjacent properties and concluded that the positive effects on the increased value of these residential properties could be 5% to 20% depending on their proximity. Here, based on home market values of \$210,000 to \$240,000 and a property tax rate of 2% of the homes' values, nearby parkland generated an aggregate incremental property tax payment of \$196,000 from 140 homes.<sup>11</sup>

Another TPL study in Philadelphia found that properties within 500 feet of parks or recreation land were worth on average of 5% more than land without this proximity. The study estimated a total increase of \$688.8 million in property values due to the presence of nearby park. This generated \$18.1 million in additional property taxes.<sup>12</sup>

For commercial properties, the effects are similar. For example, commercial land along the Rose Kennedy Greenway abutting Boston's Big Dig project showed a value increase of 79% between 1988 and 2003. This was about double the increase in value of all assessed commercial properties in the city during the same period.<sup>13</sup>

**Tourism and Economic Development**

One study looked at new spending in the community from out-of-town visitors who came primarily to use city parks. Of the 13.5 million out-of-town visitors to Denver in 2008, it assumed that 5.25% came because of the parks. A certain percentage of these stayed overnight at hotels and others with friends and families. Using average spending figures from lodging, food, and incidentals, the study estimated that overnight visitors spent \$33.08 million, visitors staying with friends and family spent \$11.98 million, and day visitors spent \$6.345 million. Using local sales and lodging tax figures, the study concluded that park-based tourism generated \$3,048,860 in revenue to the city.<sup>14</sup>

A study of the economic value of San Diego's parks was conducted in 2006. The San Diego Convention and Visitors Bureau estimated that 20% of tourists visited a park and that 22% of these visitors came to San Diego primarily because of the parks. It concluded that just less than 5% of San Diego tourism was due to the city's parks, which were visited by 835,000 overnights and 522,000 day visitors. Based on sales, meal and lodging taxes, the study concluded that these park visitors generated \$8,579,000 in revenue to the city.<sup>15</sup>

The ERC's impact on tourism and economic development may be even more significant given that tourism is the major driver in the local economy. As noted earlier creating a world class conservation corridor along the Rim has the potential for helping to refocus Niagara Falls' tourism effort by better positioning the city and the region as a major destination in the expanding ecotourism market.

### **Removing Automobiles and Park Use**

An interesting study was conducted for TPL in 2008 that looked at how attendance numbers in city parks changed after eliminating automobile traffic. It concluded that in many case studies, closing parks to vehicles dramatically increased park usage. As noted by the authors, "while automobiles bring people to parks, they also push them away."<sup>16</sup>

A study of the Golden Gate Park in San Francisco in 2006 showed a 116% increase in park visitors on Sundays when the John F. Kennedy Drive is closed to cars than on Saturdays when the road is open.<sup>17</sup>

This same study looked at San Antonio and the effect of banning cars on a one mile stretch of roadway in Brackenridge Park. The San Antonio Parks and Recreation Department indicated it saw a dramatic increase in usage.<sup>18</sup>

The impacts from the closing and removing the road, which is the central feature of the restoration plan, may be even more significant given the natural beauty and biodiversity of lands along the Gorge Rim and the potential for the ERC to a major new visitor destination in Niagara Falls and the Niagara region.

### **Health Value**

Some of TPL's work tried to quantify the health value of parks. In these, it assumes greater physical exercise will increase health and reduce certain medical problems (e.g. heart disease and diabetes) and their attendant costs. Using a "health benefits calculator," assigned cost differentials were calculated for those who exercise regularly and for those who do not, by age; that is, \$351 for persons under 65 years old and \$701 for persons over 65. In Denver, one study estimated that 171,363 persons exercised actively enough in parks to reduce their health costs. Using these assumptions, it concluded that a combined health savings of \$64,955,500 was attributed to park use.<sup>19</sup>

**Environmental Benefits**

Several studies looked at the environmental benefits of natural areas, and trees and vegetation cover to reduce water and air pollution. In Denver, a TPL study cited work developed by the Western Research Station of the U. S. Forest Service in Davis, California that created a model to estimate the value of retained stormwater due to public greenspace. Applying this model to Denver’s parks system, the study concluded that, based on rainfall rates, amount of impervious surfaces and other factors, and the costs to treat stormwater, the total savings due to park runoff reduction was \$804,187.<sup>20</sup>

Regarding air pollution, TPL applied a model created by the U. S. Forest Service in its examination of Philadelphia’s tree-covered parks and concluded that this cover was responsible for more than \$1.5 million in air pollution savings per year.<sup>21</sup>

**Quality of Life**

In the competitive world of economic development, a community’s amenities, such as parks and conservation areas, can be powerful tools to attract and retain businesses and quality employees. Richard Florida’s book, *The Rise of the Creative Class (2002)*, indicates that today’s business leaders recognize that a good environment is ranked as the most important amenity in successfully attracting high technology workers.<sup>22</sup>

Many communities have incorporated the importance of their quality greenspace as part of its revitalization strategy and in efforts to attract and retain businesses. According to a publication of the American Planning Association (City Forum, *How Cities Use Parks for Economic Development*, p.3), "knowledge" workers are attracted to cities with quality open space and associated amenities, such accessible outdoor recreation, hiking and biking trails, etc. Some of the cities are Seattle, Portland, San Francisco, Denver, and Austin.<sup>23</sup>

**Maximizing the Economic Impacts of the Ecological Restoration Concept**

Implementation of the Ecological Restoration Plan and the creation of a world-class conservation corridor from Main Street to the Village of Lewiston will have a significant economic impact on the region. It will support and serve as a catalyst for other projects being undertaken by the City of Niagara Falls and USA Niagara. The restoration project will potentially transform and refocus tourism efforts in the future, giving greater emphasis on ecological exploration, urban amenities, and cultural, historical and natural resources.

The restoration project and its connections and links will increase the overall the economic impacts from several other projects in a way that "the whole is greater than the sum of its parts." Conversely, the direct economic impact from the ERC, in terms of attracting visitors and providing a quality experience, will be maximized by the success of some of the projects being planning and implemented.

Challenges always remain and it is important to identify some of these "opportunities," which, if successfully pursued, will further the economic impacts of the restoration project.

**Transportation Linkages.** Develop, extend and improve public transportation opportunities to the Gorge Rim area. Optimally, a publicly supported people-mover system would transport visitors from the downtown/Niagara Falls State Park area using the existing street system to various points of access to the Gorge Rim. Providing stops at key points along the entire corridor will generate more visitors and provide for a broader visitor experience. The stops could be many: the Aquarium of Niagara and the Niagara Gorge Discovery Center, the two historic neighborhoods north of the city core, the Main Street Business District, the three state parks in the lower corridor area, the Customs House Interpretive Center and Multi-modal Transportation Facility, Niagara University, the Power Authority's Power Vista area, Artpark State Park and Center Street in the Village of Lewiston. A people-mover system along Main Street (and other existing streets) for access to the Rim can be an important complement to the pedestrian and bicycle trails and open space system proposed in the Ecological Restoration Concept.

Related to improved transportation access is an effective signage and wayfinding system to direct visitors to key points of interest and attractions along and near the Gorge Rim.

**Effective Connections to Key Projects and Attractions.** Stay close to the planning efforts of several key projects underway and envisioned. These include the Customs House Interpretive Center and Multi-Modal Transportation Facility, the planned expansion to the Aquarium of Niagara and the proposed Cultural District project. These are significant projects that are immediately adjacent to the Gorge Rim. Effective and appropriately scaled physical connections from these to the ERC are critically important to extending the economic impacts of both these projects and of the ERC. These connections need to be considered early in the site planning for these projects. This is especially important since some of the plans for the Cultural District and the Aquarium of Niagara do not assume closure and removal of the parkway along the project's entire length, which is a defining element of the Ecological Restoration Concept. Attention should also be given to programmatic connections, including opportunities for cross marketing, information sharing and possibly collaborative interpretation. Although an existing attraction, Artpark is also a significant and the assuring effective physical and programmatic connections to the restoration project are similarly important.

**Improve the Main Street Business District.** Continue efforts to improve the physical appearance and economic viability of the Niagara Falls Main Street Business District. With the closure of the parkway to vehicular traffic, additional vehicles (and visitors) will be traveling through the Main Street Business District. Efforts need to continue to improve the area's physical appearance through building renovations, façade improvements, and street and streetscape improvements. Also retail recruitment and attraction efforts will be important to developing a mix of services and products that have greater appeal to visitors and residents. Attracting private investment and focusing on mixed use development will continue to vital.

**Maintenance of the Gorge Rim Area.** Assure adequate public investment in the maintenance and upkeep of the ERC. While the need for this is obvious, given the budget challenges faced by government, and in particular the State of New York, there will be increasing pressure to reduce budgets, especially related to the maintenance of parks. As noted in the previously section, the economic impacts of conservation, open space and recreation areas on adjacent lands are dependent on assuring that these public spaces are of high quality and are well maintained. Without adequate investment in ongoing maintenance, the economic impacts of these public spaces can be negative for the surrounding properties.

**Coherent and Effective Marketing.** Carry out a creative, aggressive and coherent visitors marketing strategy that reflects the changing "product mix" in Niagara Falls and the Niagara region. As noted earlier, the ERC can become a pivotal new attraction beginning to redefine the tourism effort in the region—one that taps into the ecotourism market and focuses on ecological exploration; urban amenities; and cultural historical and natural resources. Implementation of the Ecological Restoration Concept, along with other projects underway and planned, can help change the face of Niagara Falls as a visitor destination in the coming years. This will expand the geography of the visitor experience and generate significant new economic activity in the Niagara region.

**Footnotes**

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4. The International Ecotourism Society, *TIES Global Ecotourism Fact Sheet*.
5. City of Niagara Falls, *Niagara Waterfront Master Plan* prepared by Sasaki Associates, Inc. September 25, 1992, Page 3.
6. New York State Department of Transportation, *Traffic Volumes Report*, June 16, 2009.
7. City of Niagara Falls, *Niagara Falls National Heritage Area Access and Park Restoration Project*, September 5, 2009, Page 15.
8. The Trust for Public Land, *Measuring the Economic Value of a City Park System*, 2009.
9. The Trust for Public Land, *The Economic Benefits of Denver's Park and Recreation System*, 2010, Page 4.
10. The Trust for Public Land, *Measuring the Economic Value of a City Park System*, 2009, Page 2.
11. The Trust for Public Land, *The Economic Benefits of Land Conservation*, 2007, Page 2.
12. The Trust for Public Land, *Conservation: An Investment That Pays*, 2009, Page 3.
13. Ibid., Page 4
14. The Trust for Public Land, *The Economic Benefits of Denver's Park and Recreation System*, 2010, Page 5.
15. The Trust for Public Land, *Measuring the Economic Value of a City Park System*, 2009, Page 4.
16. The Trust for Public Land, Center for Park Excellence, *Proceed Without Caution*, July 2008, Page 2.
17. Ibid., Pages 1-2
18. Ibid., Page 2
19. The Trust for Public Land, *The Economic Benefits of Denver's Park and Recreation System*, 2010, Pages 8-9.
20. Ibid., Pages 13-15
21. The Trust for Public Land, *Conservation: An Investment That Pays*, 2009, Page 19
22. Ibid., Page 5
23. Ibid., Page 6

**Resources**

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TIES Global Ecotourism Fact Sheet (The International Ecotourism Society, September 2006)

### **Interviews/Meetings**

John Percy, Jr., President and CEO, Niagara USA

Mark Thomas, Regional Director, Western Region of the New York State Office of Parks, Recreation and Historic Preservation

Thomas DeSantis, Senior Planner, City of Niagara Falls

Paul Tronolone, Senior Project Manager, USA Niagara Development Corporation

Julie Shuey, Executive Director, ReNU Niagara, Niagara University

Gay Molnar, Director of Development, Aquarium of Niagara

