Sufficient research has been generated to economically justify the necessary capital investment expenditures in developing the public school site into a community land asset. Open space school sites designed, developed, and maintained as community land reserves are self-liquidating economic land units because they contribute significantly to the expansion of the surrounding property tax base. Accordingly, it behooves school officials to develop and implement comprehensive public land use policies applicable to the enhancement of the public school site. These public policies can insure the environmental quality of community-owned school sites and create a land resource that rightfully belongs to future generations as part of their "inherited public land rights." (Author)
SCHOOL SITE DECISIONS AND DOLLARS

Dollar Consequences of School Site Planning Decisions

"Recent economic research indicates that dollar expenditures for school site land acquisition, development, and maintenance are recoverable public investments."

Dr. Karl W. Grube
Lecturer, School of Education
The University of Michigan
Ann Arbor, Michigan 48104

and

Lecturer, School of Education
Eastern Michigan University
Ypsilanti, Michigan 48197

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The public school system, the land and the potential of the land for open space use, renders a solution to the urgent needs for increased open space in rapidly urbanizing communities. Since public school sites have been located to service residential neighborhoods with a minimum of required transportation, the present-day school site offers the distinct advantage of creating open space.

Open space school sites which are designed for community use can function as a system of open spaces for the increased leisure time of an affluent society. In order for open space areas to be established, most school boards must either acquire additional land or restructure site development practices in order to offer a land resource to serve adults and youth. According to the authors of the Ann Arbor Schools Site Development and Selection-Advisory Committee:

Open space school site development can be justified economically. As the quality and 'educational potential' of a school site is improved, the surrounding property value of residential homes is increased. Increased property tax value is reflected by an increase in the tax rate of neighboring lands. Therefore, every time a school millage issue is
passed, the school will receive additional funds as a direct result of the impact of the site development.¹

A major problem confronting public education in the United States is the constant sale and resale of residential housing which is associated with well-established residential neighborhoods. If the turnover rate of neighborhood housing is exceptionally high, the normal school population is affected by changing enrollments and educational programs developed at the public school level diminish in their effectiveness. Real estate studies in the city of Milwaukee indicate that open space school sites have a stabilizing influence on the market sale prices of surrounding residential housing and directly contribute to lower market sale-resale ratios. In the words of Richard L. Philipson:

School-park sites in the city of Milwaukee exert a positive influence upon the market prices of nearby residential real estate. Research has indicated that the city of Milwaukee's property tax base has been expanded by school-park combinations which have appreciated the market prices of nearby residential real estate. It appears that a stabilizing influence has been exerted in the school-park neighborhoods as resi-

¹Report of the Ann Arbor Schools Site Development and Selection - Advisory Committee (Opportunities for Environmental Education on School Sites) to the Ann Arbor Board of Education, Russell E. Wilson, Chairman (Ann Arbor, Michigan: Ann Arbor Public Schools, 1971), p. 6.
The stabilization and/or the appreciation of the market sale prices of residential housing associated with the residential neighborhoods of open space school sites is not only important economically but also contributes to the social welfare of a neighborhood.

**Economic Influences of School Sites on Neighborhood Property Values**

A singular economic phenomenon of open space school sites, i.e., public school-park sites, is their apparent ability to exhibit a "ripple effect" in appreciating the residential market sale prices of real property surrounding the site. In essence, well-developed public land sites exert a positive market influence upon demand factors of prospective home buyers to be located close to the beneficial land development. It is worth noting the increased market prices of raw land associated with newly developed neighborhood parks, school-park combinations, water reservoir projects, botanical preserves, and/or similar "green islands." According to June S. Brown and Russell E. Wilson in an article entitled "Schools Can Be 'Green Islands':"

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1Interview conducted with Mr. Richard L. Philipson, January 20, 1973, Milwaukee, Wisconsin.
Premium prices are paid for homes and apartments near 'green islands,' which may consist of good school sites as well as golf courses, parks, rivers, clean lakes, and great trees.\(^1\)

The market sale price appreciation of real estate values which result in the expansion of the surrounding property tax base of open space school sites has potentially eventful fiscal implications for various governmental units, i.e., boards of education, which rely upon property tax revenue as a major source for the support of public services. In support of this premise that good sites expand the property tax base, research was conducted by Russell E. Wilson which measured the fiscal influences of a fifteen acre school-park combination (Burns Park, Ann Arbor, Michigan). In the words of Wilson:

Ann Arbor's Burns Park has demonstrated that 'open spaces' in conjunction with adequate school sites coupled with public recreational facilities causes marked increases in assessed property valuations for several blocks surrounding the school site. This effect resulting in raising nearby property values has been termed the 'ripple effect.' Usually purchase prices of such 'open space' sites are recoverable through increased property tax revenues from remaining nearby parcels within thirty years. For proof, check the rising tax revenues from properties close to newly cleared 'open spaces' in a high density urban area.\(^2\)


\(^2\)Interview with Dr. Russell E. Wilson, University of Michigan, March 9, 1972.
A doctoral dissertation by William L. Hafner investigated the market value appreciation rates of residential housing surrounding two elementary school sites in Ann Arbor, Michigan. The subject school sites were Thurston Elementary, a twenty-two acre site including ten acres devoted to a nature preserve and Lawton Elementary, a 7.7 acre site. Based upon the data results, Hafner reached the following conclusions:

1. Houses located in the open space neighborhood appeared to increase in value more than twice as fast as the houses located in the standard site neighborhood.

2. If the open space houses had been assessed at the same relative rate as the standard site houses, approximately $182,700 more tax base would have been available for school revenue purposes.1

In a doctoral dissertation at The University of Wisconsin, Madison, significant evidence has been documented by Richard L. Philipson regarding the economic impact of elementary school site development practices upon the market prices of nearby residential real estate. The study was conducted in the city of Milwaukee and measured the market price trends of residential housing from 1957 through 1967. Six elementary school site neighborhoods formed the population sample, three open space site neighborhoods

borhoods and three comparably matched traditional school site neighborhoods. Philipson's data indicated the following results:

1. The three Milwaukee open space elementary school sites exerted a positive influence upon market prices of nearby residential real estate; the property tax base of the open space neighborhoods were positively affected; and a stabilizing influence appeared to be exerted in the residential housing marketplace.

2. The market price trends of residential property are directly related to the proximity to the site. Residential properties located close to open space school sites were selling for higher market prices than similar housing located further from the site. Residential housing located close to traditional school sites were selling for lower market prices than similar housing located farther from the site.

3. Analysis of data from the Milwaukee property tax assessment rolls indicated that the property tax base of open space elementary school site neighborhoods was nearly double that of the matched traditional school site neighborhoods.¹

The writer recently concluded a doctoral study entitled "The Economic Influences of Elementary School Sites on Residential Property Tax Revenue in Selected Urban Neighborhoods" which measured the economic impact of urban elementary school sites and buildings on the surrounding residential property tax base. Matched pairs of elementary school site neighborhoods were selected in the school districts of

Dearborn and Lansing, Michigan. Market sale prices histories of the subject population, 1224 (one thousand two hundred twenty-four) were obtained for single-family residential housing units for five, large, open space elementary school site neighborhoods and for five, comparable, small, limited space elementary school site neighborhoods. Pertinent market sales data, building and site data, and neighborhood profile data which occurred during the period of 1952 through 1971 were collected and statistically analyzed. Based upon the statistical analyses of the data, the following conclusions were reached:

1. The combination of: educational community, and landscape developed acreage; natural or manmade amenities; good site development practices; good site design; and, site maintenance, were influential in contributing to higher market sale prices of residential housing surrounding the subject elementary school sites.

2. The enlargement and conversion of a formerly small, limited space elementary school site into the site criteria standards of a large, open space elementary school site increased the market sales prices dramatically; thus, the most recent market sale prices in the neighborhood equaled those recorded around the comparable, large, open space elementary school site.

3. When developed parkland was the major portion of an elementary school site, these parklands influenced positively the market sale prices of nearby residential housing.

4. The projected property tax revenue yields from residential housing units surrounding large, open space elementary school sites can be sufficient to pay the additional investment for open space acreage, site development, and site
maintenance when collected over a thirty-year period.1

Concluding Remarks

It is time for school officials through the auspices of public education policies to develop systematic approaches to solving environmental problems. One of these approaches is the development and utilization of a community-owned land resource—the public school site.

Sufficient research has been generated to economically justify the necessary capital investment expenditures in developing the public school site into a community land asset. Open space school sites, designed, developed and maintained as community land reserves, are self-liquidating economic land units because they contribute significantly to the expansion of the surrounding property tax base.

Accordingly, it behooves school officials to develop and implement comprehensive public land use policies applicable to the enhancement of the public school site. These public policies can insure the environmental quality of community-owned school sites and create a land resource which rightfully belongs to future generations as part of their "inherited public land rights."

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