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The Role of the Proximate Principle in the Emergence of Urban Parks in the United Kingdom and in the United States

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ABSTRACT *Residences located close to urban parks frequently sell at a premium. The increased home values represent a 'capitalization' of a park's value to proximate homeowners and this phenomenon has been termed 'the proximate principle'. The evolution of the principle from squares and gardens in small private estates to large park areas occurred with the development of Regent's Park in London. The proximate principle's dissemination into the new industrial cities of the UK first emerged at Prince's Park in Liverpool, but it was still confined to private developments. Its transition into the public sector occurred with the development of Birkenhead Park. The data showing that Birkenhead Park was potentially a self-financing venture funded by the enhanced value of proximate profits were widely disseminated and provided the financial rationale for many subsequent urban parks in other UK cities. This principle was absorbed by Frederick Law Olmsted on two early visits to Birkenhead Park and incorporated into the design of Central Park in New York City, the first large urban park in the US. Olmsted meticulously documented the impact of Central Park on adjacent property values and demonstrated that the park made a 'profit'. These data were crucial in verifying the legitimacy of the proximate principle and in providing the justification for large urban parks in a host of other US cities. Although these data are naïve when viewed through the lens of modern social science, recent studies using sophisticated techniques have confirmed the fundamental legitimacy of the proximate principle.*

KEYWORDS: *urban parks, proximate principle, John Nash, Joseph Paxton, Regent's Park, Prince's Park, Birkenhead Park, Frederick Law Olmsted, Central Park*

Introduction

It has been suggested that the launching of urban parks as a public amenity in the mid-19th century in the US was undergirded by four social ideals: democratic equality; social coherence; public health; and economic value (Young, 2004). There was a belief that *democratic equality* would be fostered by a park providing opportunities to engage in 'healthful' recreations such as strolling, picnicking and

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croquet playing. This exemplified a belief that class barriers could be eradicated through the creation of a 'common weal' – places designed to foster public interaction and well-being. *Social coherence* referred to 'morality' and sprang from concern with rising levels of crime. A cause of this was perceived to be the alienation of some social groups from the mainstream of society. It was argued that parks augmented social cohesion by strengthening 'the local pride and affection of the inhabitants' (Young, 2004: p. 8). The third social ideal which provided impetus for parks was *public health*. Parks were thought to provide fresh air which counteracted 'miasmas', which was the belief that all disease was due to bad air.

The *economic value* of parks had three facets. First was the notion that working people needed places to recuperate and regenerate from exhausting factory work which occupied most of their lives. A second facet was that major parks attracted tourists who spent money in the local economy from which many local residents benefited. The third economic facet is the focus of this paper. The real estate market has consistently demonstrated that many people are willing to pay a larger amount for property located close to parks than for a house that does not offer this amenity. In effect, this represents a 'capitalization' of park land into the increased property values of proximate land owners. This process of capitalization has been termed 'the proximate principle' (Crompton, 2004). From the earliest days of urban park development in the UK and throughout the 19th century when so many of the country's great urban parks were constructed, and in the United States from the 1850s through the 1930s, there was an insistent almost inviolate conviction among park and open space advocates of the legitimacy of the proximate principle. It was conventional wisdom among them and it was also espoused by elected officials.

The author of this paper has reported empirical evidence elsewhere which documents the legitimacy of the proximate principle in contemporary times, showing that parks often enhance home values and thus increase the tax revenues that accrue to government entities from property taxes (Crompton, 2001a, 2001b, 2004; Nicholls & Crompton, 2005a, 2005b). That is not the purpose of this article. Rather, the intent here is to provide an historical context for that previously published work; to demonstrate that it has a rich heritage; and, most importantly, to illustrate how politically influential the proximate principle has been in the past.

Contemporary conventional wisdom among many elected officials and decision-makers in both the UK and the US is that investment in parks is costly and that the community receives no economic return from it. The social merit of such investments is widely accepted, but social merit amenities frequently are regarded as being of secondary importance when budget priorities are established. As Barber (2005: p. 21) notes, 'the government insists on "evidence based" policy-making and the Treasury demands the economic case be made'.

The difficult fiscal environment that prevails in many communities in both the UK and the US has made the economic justification for investments in parks increasingly necessary in order to rebut the persuasive rhetoric of those who say, 'I am in favor of parks but we cannot afford investment in them at this time'. This argument prevailed in the 1830s and 1840s in the UK and in the latter half of the 19th century in the US when public urban parks were first mooted in the respective countries, but it was overcome by a widening acceptance of the proximate principle.

The paper offers an explication of the central role of the proximate principle in the justification and emergence of early urban parks. This author believes that this view has not been widely recognized and the historical precedents chronicled here have the potential to inform contemporary actions. In contemporary times, the proximate principle has rarely been part of the political debate. This represents a missed opportunity. Park advocates have either been unaware of its rich history, or have failed to recognize its extraordinary power in political arenas.

Early Gestation of the Proximate Principle

There was a long tradition of English gentry investing in private parks, often deer parks, at their country estates. Indeed, in 1783, the year in which 'Capability' Brown died, there were over 4,000 such private country estate parks (Jones & Wills, 2005). A small number of these private parks had been developed by nobility or royalty in the urban areas before the movement advocating municipal parks emerged in England in the late 1820s and 1830s. The public were permitted to walk in them only when a park's owners' sense of *noblesse oblige* invited them to do so. By the early 19th century such access had been granted by the Crown in some of its London parks, in response to pressures exercised by the city's large and rapidly growing population (Henneberger, 2002). Thus, by the 1820s and 1830s the public were permitted to walk in Richmond Great Park, St. James Park, Green Park, Hyde Park and Kensington Gardens (Olmsted & Kimball, 1970), and 'to have a residence overlooking one of these parks became the preferred way to live' (Henneberger, 2002: p. 15).

Aside from the royal parks and large estates of the nobility, the principle of private parks had emerged in London in the form of private squares. One of the features of prestigious neighborhoods in London in the 17th and 18th centuries was a park or plaza surrounded on all four sides by elite residences. These areas became known as 'squares'. These central park squares were intended to be amenities that increased the value of property surrounding them in speculative construction projects which provided housing for the growing upper-class population of London (Lawrence, 1993).

The London squares model subsequently was disseminated to the new industrial cities as they emerged in the 19th century. For example, the park and gardens which constituted the focus of Abercrombie Square in Liverpool were effective in encouraging the city's rich merchants to build homes around it. In 1824, the owners of every house in the square and the owners of 30 other houses in the neighborhood were entitled to a key to the garden's gates, and 'have liberty for themselves and the family occupying such house to walk in the garden upon payment of one guinea annually' (Allan, 1986: p. 27). Thus, later in the century *The Liverpool Citizen* commented that 'Liverpool's proudest square' had 'long been a noted residential place for great local swells' (Allan, 1986: p. 22).

John Nash and Regent's Park

The natural evolution from the square and gardens in small private estates was to develop larger park areas using the same principles of having the surrounding prop-

erty generate the revenue to pay for them. This emerged in the early 19th century when Regent's Park in London was transformed from a royal park into a real estate development targeted at the wealthy. The land had originally been claimed by the Crown in the 16th century as a hunting preserve, but by the early 19th century the forests had been cleared and it was leased as agricultural grazing land.

The park venture was initiated in 1811 by advisors to the Prince Regent for whom the park was named (Chadwick, 1966). At this time the population of London was growing rapidly and had expanded out to Marylebone whose population increased from 63,000 in 1801 to 158,000 in 1851. The Prince's advisors realized that considerably more income could be generated if this land was developed for housing than if it remained grazing land.

Design proposals were solicited from several prominent architects and that of John Nash was preferred. In some of his earlier work Nash had teamed with Humphry Repton, who was the most respected horticulturist/gardener in the country. They worked together from the mid-1790s to 1803 on many country estates, and through these projects Nash learned much from Repton about landscaping. Although Nash had built over 40 country homes before starting Regent's Park and had been involved with Repton in designing their landscaping (Davis, 1973), Regent's Park was an entirely different kind of project.

The Prince Regent had a personal interest in architecture and planning, and his brief to Nash was that the 464 acre site should be transformed into the finest residential development in London. When the Prince was shown Nash's proposed plan he was 'enchanted' (Summerton, 1980: p. 71). Nash established as the central principle of his plan: 'that the attraction of open Space, free air and scenery of Nature, with the means and invitation of exercise on horseback, on foot and in Carriages, shall be preserved in Marylebone Park, as allurements or motives for the wealthy part of the public to establish themselves' (Saunders, 1969: p. 83). Thus, Regent's Park was revolutionary because it brought 'picturesque country scenery in the Capability Brown/Repton tradition, to the urban context to be enjoyed by detached villas in the center and by great terraces of houses round the periphery' (Davis, 1973: p. 64).

Regent's Park was intended to be an exclusive self-contained residential area, with no means of entrance from the poorer estates around it. It was a radical departure from the gridiron housing estates surrounding it which were the standard development pattern of the day. Nash employed Repton's principle of 'appropriation' in developing the park by designing classical residential terraces which encircled it and which had magnificent views across the park.

By the time the project was completed it was widely recognized as the most beautiful estate in London (Saunders, 1969). However, 'the profitability of the development was as important as beauty, health and convenience' (Conway, 1991: p. 12). Although the Prince Regent was enamored with the design concept, his advisers were probably supportive primarily because Nash's estimate of the net income from the project was more than double that of any competing proposal. Nash projected the park would cost £12,115 and that annual income accruing from 2500 ground rents received from the terraces would be £45,269.

The cost projection of £12,115 proved to be a substantial underestimate and subsequently rose to over £53,000 (Summerton, 1980). At the same time, by 1826

when the park was completed the income was far below Nash's estimate. In response to pressure from his critics Nash urged they 'restrain the anxiety for *immediate* revenue, to give opportunity of selecting a higher class of tenants, remembering, that as the Park increases in beauty it will increase in value, and that the first occupiers will stamp the character of the neighborhood' (Summerton, 1980: p. 116).

Regent's Park was completed in 1826. It was not initially conceived as a public park, since keys to it were provided at a fee of £2 a year only to people residing in properties immediately adjacent to the park. Indeed, the 1833 Select Committee on Public Walks commented, 'It is an absurdity to think of Regent's Park as a place of recreation and use by the public. It is not a public park, but a place set aside for the use of the wealthy only' (Jones & Wills, 2005: p. 46). However, as with earlier parks owned and developed by the Crown, London's population explosion created pressures which led to it being opened to the public in incremental stages commencing in 1834 when 88 acres were opened to public access. By 1841 there was substantial public access, so it effectively then evolved into a large public park (although still owned by the Crown). The project took 15 years to complete (1811–1826), and despite the early setbacks of higher costs and lower incomes than projected, over the next decade it proved to be a highly profitable real estate venture, with the value of the housing and ground rents being derived in large part from the amenity value of the park (Chadwick, 1966).

The pressures for more public park space in London forced the government to respond and led to the establishment of Victoria Park. Again, this was Crown property, but it was the first royal park developed for use by the people as opposed to the Crown or adjacent private homeowners. To fund the acquisition and development costs of the 244 acre site, the proximate principle was invoked:

> Following the precedent set by Regent's Park, thirty-two acres on the perimeter were to be appropriated for new villas, whose leases would be sold to defray the overall cost. It had been recognized that the value of land adjacent to a new park would always increase. Consequently, it became government policy, wherever such a development was proposed in the metropolis, to acquire an extra strip of land that could be let out as building plots. (Lasdun, 1992: p. 160)

Joseph Paxton and Prince's Park

During the 1830s, the British government was increasingly concerned about medical and social problems in the densely populated industrial cities. In 1833, a Parliamentary Select Committee on Public Walks was appointed 'to consider the best means of securing Open Spaces in the Vicinity of populous Towns, as Public Walks and Places of Exercise calculated to promote the Health and Comfort of the Inhabitants' (Great Britain, Report of the Select Committee on Public Walks, 1833). Before the industrial revolution, towns had been small enough that most residents had easy access to open country and most small towns had areas of common land which served as open space. The industrial revolution led to the rapid growth of large cities, the removal of common land, and no access to open space for large numbers of people. The Select Committee report stressed the health and moral benefits that would accrue from creating public walks and parks, and urged

cities to develop them (Chadwick, 1966). However, responsibility for providing walks and parks was perceived to be primarily the responsibility of the private sector, with some limited government assistance where necessary.

This was consistent with the prevailing political philosophy of the dominant Liberal party in this era which was that 'expenditure by public authorities must always be kept to a minimum so that as large a proportion of income as possible should be left in the hands of those to whom it originally accrued and who knew best how to use it' (Ashworth, 1954: p. 65). In this political climate advocates of public improvements such as parks were acutely conscious of the need to demonstrate that their projects were profitable.

The response from communities to the Select Committee's report was underwhelming and consistent with that which often confronts contemporary park advocates. Indeed, during the following decade no city attempted to develop parks (Thornton, 1984). Liverpool City Council's comment in response to the Select Committee's report was typical:

> The council is well disposed to provide a public park and the subject has been discussed, but the value of the land is so great in the vicinity of Liverpool and the council have had so many demands upon it that they do not consider justified in incurring such an expense. (Thornton, 1984: p. 3)

Given this mindset, a model had to be introduced which demonstrated that allocating funds for a park would not incur 'such an expense' but, rather, would yield a return on the investment. Regent's Park provided the model because it had demonstrated 'there was advantage to be gained by the creation of parks and gardens in connection with land speculations' (Olmsted & Kimball, 1970: p. 6). Indeed, based on what had happened at Regent's Park and the evidence from other smaller private developments that included parks, Parliament offered in 1841 to lend up to £10,000 for the development of an urban park to local communities provided they matched it with a similar sum. The loan was to be repaid from the sale of adjacent lots. Thus:

> It became government policy to require the local municipal body to purchase the residential strip [adjacent to the park] to be let out as building plots. The income from the plots, and the increased value of the property adjacent to the public park would pay the cost of the park. (Henneberger, 2002: p. 17)

The success of the Regent's Park venture was noted in Liverpool by Richard Vaughan Yates. He purchased 97 acres for £50,325, for a speculative development located about a mile and a half from Liverpool city center close to his home at Dingle. He set aside 40 acres for a park – known as Prince's Park in honor of the birth of the Prince of Wales in 1841 – and planned to develop the remainder as exclusive housing in the form of terraces and substantial single villas, following the Regent's Park principle (Saunders, 1969).

Yates' intent was that the proposed park area of Prince's Park should be acquired and operated by the Liverpool City Council since it would be used by the general public. When the city council refused, Yates established a trust in 1843 which was to be responsible for maintaining the park for the next 75 years. The trust was funded by an annual ground rent 'not less than a halfpenny, and not exceeding three pence per square yard' levied on residents of the adjacent houses which generated

a total of £1,150 per year (Allan, 1988: p. 17). In 1884, at the instigation of Yates' widow, the city finally agreed to pay a bargain sale price for the park of £11,000 to the trust, but it was contingent on the city not taking possession of it until the trust expired in 1918. If the city had not taken possession of it in 1918, then the property could have been sold and the proceeds distributed to Yates' heirs. Thus, the people of Liverpool had continued use of the park in the interim period, but the trust paid for its upkeep. In the early years, the annual amount in the trust fund was sufficient to maintain the park at a high level, but as the century progressed it became inadequate and the city refused to supplement it. Thus, by the time the city took possession of the park in 1918, it was shabby and dilapidated.

Insights into Yates' plans for financing the park can be gleaned from articles which appeared in the local press (Hilary Taylor Landscape Associates, 2004). The *Liverpool Mercury* in 1843 reported that Yates hoped to raise £50,000 (the amount he had paid for the 97 acres of land) from other investors:

> To expend…in the purchase of land and the erection of houses in the park. The rents, after payment of the annual expenses, will be divided among the proprietors…There is every probability of the scheme proving completely successful. (*Liverpool Mercury*, 1843: p. 4)

In 1843, it was announced in a newspaper advertisement soliciting investors that: 'Several of the principal Gentry of Liverpool have already purchased Villa lots, and many have expressed a wish to rent houses, whilst others are prepared to build in Terraces for their own habitation or as an investment' (Hilary Taylor Landscape Associates, 2004: p. 4).

Yates hired Joseph Paxton to design and construct Prince's Park which was accomplished in 1842 and 1843. When he arrived at Prince's Park, Paxton had been in charge of the gardens at Chatsworth, one of Britain's finest stately homes, for over 15 years. His patron at Chatsworth, the Duke of Devonshire, was passionate about botany and used his extravagant wealth to indulge his passion, sending expeditions around the globe to bring back to Chatsworth the most exciting and interesting plants. In this environment, Paxton's talents and fame flourished, and Chatsworth's gardens were the most famous in the country. Securing his services for this venture was 'a marketing coup for Yates. For Paxton, it represented his first essay in municipal design, setting a pattern that would be developed and extended in all his future projects' (Colquhoun, 2003: p. 115). His influence on the development of the early urban parks in the UK was to be profound:

> Paxton could almost be said to have had the monopoly of laying out urban and municipal parks. He was involved in designing and laying out parks at Birkenhead, Glasgow, Halifax, Dundee, Dunfermline, Liverpool and London and his influence extended through the people who trained with him and subsequently went on to design parks themselves. (Conway, 1991: p. 87)

Prominent among these protegés were Edward Kemp, Edward Milner, and John Gibson. There was a personnel linkage with Regent's Park in that James Pennethorne, who had been Nash's primary assistant at Regent's Park, assisted Paxton in the design of Prince's Park. His experience in establishing the intimate relationship between the parkland and surrounding dwellings at Regent's Park presumably was valuable in designing Prince's Park.

A broad curving perimeter drive, flanked by a separate narrower footpath, linked the four road entrances into Prince's Park. The housing around the formal park faced into it and ornamental bedding fronted it linking the houses directly with the park (Chadwick, 1966), so the plan clearly embraced Repton's principle of appropriation. The project was an important advancement of the proximate principle because, 'Prince's Park was a forerunner of later Victorian Parks, with its principle of exclusive housing built around the edges of the park on individual plots sold for profit' (Colquhoun, 2003). Indeed, when subsequently in the 1860s Liverpool city council developed Newsham, Stanley and Sefton Parks at a total cost of £670,000 'much of this was recouped by the sale of building plots in the manner already shown profitable by private enterprise at Prince's Park' (Tatterdill, 1961, n.p.).

A key difference between Regent's Park and Prince's Park was that income from the former project accrued from ground rents while in the latter it came from the sale of lots. However, irrespective of the revenue source, by the 1840s the principle of the enhanced property values paying for the acquisition and development costs of the park had been implemented only in the context of private land developments.

Birkenhead Park

The next stage in the evolution of the development of urban parks was to transfer the funding principles used in the private park development to the public domain, whereby public entities benefited from enhanced adjacent property values rather than private developers. This transition from the private to the public domain took place in Birkenhead. In terms of both design and financing, 'It is not an over-statement to say that Birkenhead Park established a pattern which was emulated in many parts of the world. In this park was embodied a vision of the shape of the future' (Parklands Consortium, 2003: p. 2).

In 1833 an Act of Parliament was passed establishing the Birkenhead Improvement Commission with 60 appointed commissioners to develop a new planned town and a competitive port to Liverpool. In 1843, a subsequent Birkenhead Improvement Act was passed by Parliament empowering the commissioners among other things to establish a park with a loan of £60,000 made to them by central government for purchase of the land (Henneberger, 2002) with the proviso that not less than 70 acres were to be set aside for the 'free recreation of the town's inhabitants' (Lasdun, 1992: p. 162). The money was borrowed on behalf of city taxpayers. The radical nature of this action was noted by a visiting writer from the *Edinburgh Journal* who on 17th May 1845 remarked:

> The point really to be rejoiced in is that the ideas of men are now so far advanced with respect to the essentials of public health and conveniency, that, in preparing a new city, a park for the use of the inhabitants should have been among the first things legislated for. (cited in the *Birkenhead Advertiser* and *Wallasey Guardian*, 18th June, 1927)

Given public financing authorization, the commissioners purchased a 225 acre site of unattractive, swampy land. The land was purchased cheaply because of its poor quality for £70,230 which was approximately 1s 3d (6.25p in decimal currency) per square yard (Chadwick, 1961). Even this price was inflated because by the time the Improvement Commission officially purchased the land in 1843,

key members of the Improvement Commission had used their inside information to quietly buy the land from the original owner and secure a personal profit for themselves when they resold it to the commission (Conway, 1991). Thus, the town 'benefited from that peculiarly Victorian blend of enterprise and liberalism which was the acceptable face of the industrial revolution' (Smith, 1983: p. 48).

In this way, Birkenhead Park became the first urban park in the world to be publicly funded and to be freely accessible to all members of the public at all times. It was intended to be 'The People's Garden'. It 'brought the ideal of a huge rural landscape right into the center of the city as a founding principle of its development' (Colquhoun, 2003: p. 136). The commissioners designated 125 acres of it for use as a public park in perpetuity,[1] while the remaining 100 acres were to be sold for house plots to the new captains of industry from Liverpool, following the precedents of Regent's Park and nearby Prince's Park. The commissioners were familiar with Paxton's work at Prince's Park and hired him to design and construct it. The site was flat and uninteresting, lacking the natural topographical features that were present at Prince's Park. Paxton proclaimed it to be 'not a very good situation for a park as the land is generally poor' (Chadwick, 1961: p. 51). Nevertheless, he accepted the project.

Paxton started work in 1842, the park was completed in 1846, and the official opening was in 1847. In many ways, it reflected the designs of Regent's and Prince's Parks, but a major difference was that access to the houses was from public roads outside the park, rather than from the carriage road inside the park which was the access featured at Regent's and Prince's Parks. He 'was determined that the park should not be, nor appear to be, the property of the houses which surrounded it' (Tate, 2001: p. 78). It was a public park and that required that it be designed to encourage all to have access.

It was designed so the public funds would be recovered by the sale of adjacent residential buildings lots: 'Birkenhead Park was a self-financing venture employing the simple device of surrounding the park with plots for single houses and terraces, and selling them at an enhanced value because of their relationship with the park. The profit from this paid for the park' (Smith, 1983: p. 50).

The total cost of excavation, construction and planting in Birkenhead Park was £57,000. Hence, when the land cost is included, the total cost was cited by the *Liverpool Mercury* at the park's opening to be £127,000. The *Mercury* reiterated, 'it is expected that the available sales of the marginal lands will reimburse the township for the cost of the whole' (*Liverpool Mercury*, 1847).

Table 1 shows the price that was being asked for lots that were still on offer in 1850. The income forthcoming from those lots if they were all sold at the prices being asked would have been £92,415 at an average price of a little over 8 shillings (40p in decimal currency) per square yard (Table 1). The aggregate square yardage of the 23 lots which had been sold by 1850 was 111,983. The *Liverpool Mercury* stated at the park's opening: 'From 70,000–80,000 yards have been already sold at an average price of 6s 6d (32.5p) per yard'.[2] If this reported average price is applied to the 111.983 square yards then it would have generated £36,400. Based on these calculations, the projected income would have totaled £128,815, which would have met the park's cost of £127,000.[3] In addition to paying for the capital cost of the park, this real estate would have provided a consistent income stream in property

Table 1. Projected revenue from lots available for sale at Birkenhead Park in 1850

	Lot #	Total square yards	Priceinshillings*	Total revenue (£)
	3	9,640	10s	4,820
	6	21,969	7s	7,689
	7	6,362	7s 6d	2,386
	8	4,740	8s	1,896
	9	7,121	6s	2,136
	10	5,510	6s 6d	1,791
	11	3,083	5s 6d	848
	16	6,086	6s	1,826
	22	21,620	9s	9,729
	24	21,987	9s	9,894
	27	12,860	8s	5,144
	29	10,238	6s 6d	3,327
	30	4,798	6s 6d	1,559
	31	7,566	6s	2,270
	32	11,532	8s	4,613
	35	29,146	7s 6d	10,930
	36	8,932	9s	4,019
	39	9,773	10s	4,886
	40	15,517	10s	7,758
	41	10,875	9s	4,894
Totals	20	229,355		92,415

*English currency at that time was expressed in pounds (£), shillings (s) and pence (d). There were 20 shillings in a pound and 12 pence in a shilling.

taxes to pay for the park's maintenance and future development (Tate, 2001; Henneberger, 2002).

The period of national political and economic instability which occurred in the late 1840s while the park was being completed meant that the demand for high-end houses dissipated so the park's costs were not actually fully met. Many of the lots were not sold and some were eventually reabsorbed as extensions to the park. Nevertheless, Birkenhead Park vividly illustrated the potential of using the premium on property values created by parks as a financial *raison d'etre* to pay for public parks in urban areas.

Transfer of the Proximate Principle to the United States

In 1850 New York City with its population of 600,000 had only 81 acres of park land and all of it was in small parcels. Indeed, Andrew Jackson Downing who was the editor of the *Horticulturist* and the primary agitator in the 1840s and early 1850s for a large park in New York City described the existing parks in the city as being mere yards (back gardens):

> New York, now one of the largest cities in the world, has no public park whatever – no breathing place, no grounds for the exercise and refreshment of her jaded citizens – for to call the little *yard*s of land, covered with turf, and planted with trees, in various parts of the

> town *parks*, is as much a misnomer as it would be to spread one's handkerchief down on the floor of the rotunda of a capitol, and call it a carpet. (Downing, 1851: p. 229)

Even before Central Park was developed, there was awareness in New York City of the legitimacy of the proximate principle. Fox example, a New York City alderman in 1851 speaking of the 'little squares and pieces already set apart by the city' noted, 'Wealth clusters around them and defines their boundaries by their palaces'; such public places 'increase immensely the aggregate value of the city' and especially the value of neighboring land (Rosenzweig & Blackmar, 1992: p. 34). Hence, the funding principles undergirding Regent's, Prince's and Birkenhead Parks in England found a receptive audience when they were espoused to justify the substantial investment in Central Park.

The case for developing a large park in New York City had a viable political constituency by 1851 when the mayor said, 'The establishment of such a park would prove a lasting monument to the wisdom, audacity and forethought of its founders' (Rosenzweiz & Blackmar, 1992: p. 18). Laudatory civic motives were prominently espoused by the park's advocates, but underneath the rhetoric there was an economic undertone: 'a different, less flattering explanation for the park's creation is that it was the work of speculators out to make a buck' (Rosenzweiz & Blackmar, 1992: p. 17). The disinterested civic mindedness was needed 'to convince other New Yorkers of the public benefit to be derived from a park – indeed of its necessity – and also of their own lack of special interest in the matter' (Rosenzweiz & Blackmar, 1992: p. 18). Thus, a letter written to the *Tribune* asked, 'Will anyone pretend the Park is not a scheme to enhance the value of uptown land and create a splendid center for fashionable life, high rents, etc. Without regard to, and even in dereliction of, the happiness of the multitude upon whose hearts and hands all the expenses will fall?' (Rosenzweiz & Blackmar, 1992: p. 31). Indeed, Olmsted later resisted pressures to make Central Park an up-market estate with limited access by the public similar to the original conceptualization of Regent's Park in London and Prince's Park in Liverpool.

As momentum emerged in support of a large park, much of the discussion focused on Jones' Wood which was a wooded waterfront site of 153.5 acres on the eastside of Manhattan and the legislature first authorized funds to buy that site. However, this decision was contested and debated over a two to three year period and ultimately revoked in favor of the Central Park site. The proximate principle played a central role in that decision:

> The planners could not ignore that in the long run Central Park was to have taxable property on all four sides…while Jones' Wood could not have property owners along the riverside. Much of the public clamor over the choice of Jones' Wood was, however, that the benefits [to adjacent land owners] would be disproportionate. The taxing system at that time did not require the adjoining property owners to pay extra taxes even though their property value would go up. (Cranz, 1989: p. 32)

The potential development of Central Park was authorized by the New York State legislature in 1853. When the site was selected, most city residents lived three miles to the south of it. The site was in part selected because it offered many obstacles to systematic private development. Topographically, it was characterized by steep rock outcrops, ridges and undulating plateaus. It was occupied by many of the outcasts of the city, so it was a squalid messy landscape of squatters, pigsties, trash, slaughter-

houses, goats, mud and swampland, with a pervasive noxious odor. Indeed, the New York Park Commission of 1858 described it thus: 'A suburb more filthy, squalid and disgusting can hardly be imagined' (Rosenzweig & Blackmar, 1992: p. 162).

Despite its unenticing characteristics, it was recognized that much of the land for Central Park would have to be acquired by condemnation. (This is a US term meaning that when it is in 'the public interest', government entities have the right to require land owners to sell their property at fair market value to them irrespective of the land owner's feelings about the matter.) Thus, in 1853 a 'commission of estimate' was appointed and charged with determining the cost of acquiring this land. Their task involved surveying and assessing a value on 34,000 lots on and around the site. When the commission reported in 1855, it concluded that the cost of acquiring the land would be $5 million (Rosenzweig & Blackmar, 1992). In recognition of the proximate principle that adjacent land owners would be major beneficiaries, the commission directed that one-third of the total cost, $1.7 million, should be raised from a benefit assessment on those land owners. The remaining $3.3 million should be the responsibility of general taxpayers since they would be both major users of the park and the beneficiaries of the increased tax revenues emanating from the enhanced values of adjacent properties.

Although advocates articulated a variety of justifications for Central Park, one of the primary sources of its impetus was that it would be a strategic public investment that would encourage real estate development in the surrounding blocks along the seven miles of its perimeter. From this investment private land owners and developers sought what Henry George in his campaign for New York City mayor in the 1885 was to call 'unearned increments' of value (Rosenzweig & Blackmar, 1992). However, the financial gains to the general public were also well recognized. For example, the New York City Comptroller, writing in 1856 shortly after the city acquired title to the land for Central Park, said, 'the increase in taxes by reason of the enhancement of values attributable to the park would afford more than sufficient means for the interest incurred for its purchase and improvement without any increase in the general rate of taxation' (Metropolitan Conference of City and State Park Authorities, 1928: p. 12). This reassurance was crucial because of the huge size of the financial commitment. By the time Central Park was completed in the late 1860s, it had cost almost $14 million. (In 2004 values, this converts to an investment of $320 million in the park!) The magnitude of this investment can be gauged by recognizing that this amounted to four times the city's total budget in 1850 (Rosenzweig & Blackner, 1992).

Frederick Law Olmsted's Transitional Role

Given his inspirational role in the design, landscape architecture and popularization of parks in the US it should come as no surprise that Frederick Law Olmsted was the agent both for transferring Paxton's design principles exemplified at both Prince's and Birkenhead Parks from England to the US, and for widely disseminating the financial justification for parks provided by the proximate principle.

In 1850 Olmsted embarked on a six month journey with his brother John and a friend, Charles Brace, to examine agricultural and social conditions in Europe. Their journey started in Liverpool where they disembarked after sailing from New York

City. During their five days there they ventured across the Mersey to the new suburb of Birkenhead. They visited a bakery there and the owner 'begged us not to leave Birkenhead without seeing the New Park, and at his suggestion we left our knapsacks with him, and proceeded to it' (Olmsted, 1852: p. 51). This was the first major park Olmsted had ever seen and it was a revelation to him. He noted, 'There was nothing to be thought of as comparable with this People's Garden', and wrote of:

> a perfection that I had never before dreamed of, I cannot undertake to describe the effect of so much taste and skill as had evidently been employed…And all this magnificent pleasure-ground is entirely, unreservedly, and for ever the people's own. The poorest British peasant is as free to enjoy it in all its parts as the British queen. More than that, the baker of Birkenhead has the pride of an OWNER in it.
>
> Is it not a grand good thing? But you are inquiring who *paid* for it. The honest owners – the most wise and worthy townspeople of Birkenhead – in the same way that the New Yorkers pay for 'the Tombs' [prison] and the Hospital, and the *cleaning* (as they amusingly say) of their streets. (Olmsted, 1852: p. 28)

Olmsted was appointed Superintendent of Works for Central Park in 1857. When the commissioners announced a design contest for the park later in 1857, Calvert Vaux, a young English architect in the city who had become friendly with Olmsted, invited Olmsted to join him in submitting a design. The commissioners were aware of the success of Birkenhead Park – presumably Olmsted reinforced their awareness of that project – and they appropriated $1,000 which could be used for the travel expenses of the 'engineers or other persons in chief' who were responsible for Birkenhead Park's design and construction on the chance that they could be induced to New York to provide them with 'aid and information' (Olmsted & Kimball, 1970: p. 124).

The Olmsted/Vaux winning competition entry (33 designs were submitted) was inspired by Paxton's design and incorporated features and principles that Olmsted had observed at Birkenhead Park, although the project was at most seven times as large. Olmsted returned to Birkenhead Park in October 1859 after work had started at Central Park to obtain 'full particulars of its construction, maintenance and management' (Chadwick, 1966: p. 183) (He made subsequent visits to Birkenhead Park after his work at Central Park was completed in 1878 and 1889.) From a financial perspective, the primary feature in Central Park that can be ascribed to Olmsted's visits to Birkenhead Park was the recognition that parks could pay for themselves, either by ground rents or lot sales on adjacent premises or by the incremental increases in property taxes they create on adjacent properties.

The Financial Implications of Central Park

The value of lots fronting on Central Park increased by a factor of 10 or more between the late 1840s, before the park site was decided, and the late 1850s after work had been initiated (Rosenzweig & Blackmar, 1992). Despite this evidence; Olmsted's confidence in the park's ability to create a premium as he had seen in the English parks; and the confidence of others making this assertion; it was still viewed by some with skepticism. There were many who believed that parks would become places for the working classes and destitute to congregate, and the consequence would be deteriorating proximate neighborhoods. A leading article in

the *New York Herald* in September 1857 articulated this view suggesting that 'the great Central Park will be nothing but a great bear-garden for the lowest denizens of the city' (Olmsted & Kimball, 1970: p. 169). The article suggested it was 'sagacious liquour dealers', not respectable citizens, who would pay the highest prices for land around the park. The implication was that instead of raising property values over the long term, the park would lead to their decline.

In light of such skepticism, Olmsted deemed it important to keep a record documenting the financial impact of Central Park. This represented the earliest documentation of the relationship between public parks and real estate values. A summary of his data showed that the cost of developing the park was $13.9 million ($5.03 million for land acquisition and $8.87 million for construction). The annual debt charge incurred in borrowing this capital amount was $830,000. The tax base of the three wards around Central Park increased from $26.4 million in 1856, the year before the park development was begun, to $236.1 million in 1873. When the city's tax rate was levied onto the incremental increase of $209.7 in this tax base, it generated $5.24 million per year in income to the city. Hence, Olmsted was able to demonstrate that after the debt charge of $830,000 had been paid, the city made a 'profit' on its Central Park investment of $4.41 million per year (Fox, 1990).

These data received enhanced credibility in 1884 when an open letter signed by many eminent bankers and businessmen confirmed their general conclusion (Chadwick, 1966). The signatories represented such well-known families as the Astors, Belmonts, Jays, Livingstons, Putnams and many others. After the long list of signatures, the names are classified under headings: 'Bankers', 'Owners of Real Estate', and 'Taxpayers', 'Lawyers', etc. The open letter from these eminent citizens cited the financial success of the Central Park enterprise as providing a precedent and rationale for embarking on new parks:

> We consider the enlargement of our Park area so important a matter that we beg respectfully to call your especial attention to a few of the salient points in the very able Report of the Commission appointed by yourself, which Report we most fully approve and endorse.
>
> | | |
> |---|---|
> | The Central Park cost the city…….. | $6,666,381 |
> | Construction account and maintenance… | 16,378,844 |
> | Interest at 7 per cent. During 25 years…. | 20,755,925 |
> | Total…… | $43,801,150 |
> | Taxes collected during this period in the wards in which the Park is situated…….. | $110,000,000 |
>
> Estimating fifty millions of this as an increase from ordinary causes, there remain sixty millions, leaving a balance to the credit of the city of seventeen millions.
>
> The city thus has this magnificent domain for nothing, with the enormous increase of tax income from the district in its neighborhood besides. (Olmsted & Kimball, 1970)

These cost figures are higher than those reported by Olmsted, but they include maintenance and interest charges which were not included in Olmsted's calculations.

In 1870, Olmsted offered an alternative way of economically valuing the park, stating that the annual debt charges on it 'would be fully met by a toll of three cents on visitors coming on foot, and six cents on all others; and it should be remembered that nearly every visitor in coming from a distance voluntarily pays much more than this for the privilege' (Beveridge *et al*., 1997: p. 199).

A pamphlet promoting lots near Central Park in 1865 predicted, 'The supply can never be increased, and the demand, when it once sets in, will arise among the class who are able to pay what they want' (Rosenzweig & Blackmar, 1992: p. 291). The prediction was accurate, because by the 1890s the homes of many of America's richest families including the Astors, Vanderbilts and Rockefellers were located on Fifth Avenue from 46th street to 72nd street (Fox, 1990). A cultural anthropologist studying the evolution of early urban parks in the US observed that in addition to enhancing property values and the property tax base:

> The stabilization of values around parks in declining neighborhoods, and the revitalization of those neighborhoods, clearly provides economic benefits for the city as a whole by holding, and attracting back to it, people with money to invest and spend. (Cranz, 1989: p. 209)

Soon after Central Park was completed, the New York Parks Commission was able to assert that before the park was developed, the three wards adjacent to the park contributed one dollar in every 13 the city received in taxes; but after its development they paid one-third of the entire expenses of the city, even though acquiring the land for Central Park removed 10,000 lots from the city's tax roll (Metropolitan Conference of City and State Park Authorities, 1928).

Attributing all the high increase in the property values in these three wards to the park would be inappropriate since it is likely that natural growth in the city's population which caused a northerly movement of people would have created increased property values in these wards without the park. Indeed, the average values in other parts of the city increased approximately 100% during this time period. However, as Olmsted pointed out in his 1875 report to the Board of Commissioners (Fox, 1990), if this average rate of increase had been applied to the three wards contiguous to Central Park then their property value would have been about $53 million (which was the approximate figure used by the eminent businessmen in their open letter); whereas it was actually $236 million. Thus, even when this is considered, the park's influence remained considerable.

The Ripple Effect of the Central Park Data

Central Park was the first deliberately planned large urban park and arguably the first example of the practice of professional landscape architecture in the United States. The park's success was evident from its subsequent emulation. The beginning of the public park movement in the United States can be traced to it. The financial success of Central Park was highly publicized and widely accepted. Thus, a committee appointed by the New York State Senate, many of whose members were highly critical of the project, to review the project reported:

> Although the committee does not think it proper for municipal corporations to purchase lands on speculation, yet it cannot be concealed – that the Central Park has been, and will be, in a purely pecuniary point of view, one of the wisest and most fortunate measures ever undertaken by the City of New York. It has already more than quadrupled the value of a large extent of property in its vicinity. (Kinkead, 1990: p. 81)

The project's financial success generated calls for the scenario to be replicated elsewhere in the New York City area. For example, in a letter to the *New York Times* in 1882, a correspondent noted that Central Park 'has not only paid, but it

has been a most profitable investment, and regarded in the light of a real estate transaction alone, it has been a great success' (*New York Times*, 1882). He went on to observe that 'those who want a reduction in the tax rate and those who favor the movement for its effect on real estate' were now 'certain' to support development of future parks. As a result of the Central Park success, the letter writer advocated a proposal to acquire and develop two new 2,000 acre parks on the periphery of the city before its expanding population reached those areas. He argued:

> Four or five millions of dollars at the utmost will be sufficient and, as experience has proved, the City will not only be reimbursed for the outlay, but will receive in the increased tax income collected on the enhanced value of land contiguous to the proposed parks much more than will be required for maintenance and other accounts, leaving, as in the case of Central Park, a handsome profit on the investment. (*New York Times*, 1882: p. 3)

The success of Central Park persuaded the New York state legislature in 1884 to authorize the acquisition and development of six new parks in New York City: Van Cortlandt Park (1,069 acres), Bronx Park (653 acres), Pelham Bay Park (1,700 acres), Crotona Park (135 acres), St. Mary's Park (25 acres), and Claremont Park (38 acres). In 1886, Olmsted commented that these designations occurred 'after long and heated debate as to questions of extent and location, but upon the undisputed ground, so far as known, that the city's outlay for parks hitherto has had the effect of reducing rather than increasing taxation' (Beveridge *et al*., 1997: p. 497).

The building of Central Park stimulated widespread enthusiasm for large landscaped parks in major cities across the United States. The pervasive influence of both Olmsted and the firm that carried his name for almost 100 years ensured that the documented evidence from Central Park, and subsequently from Prospect Park, established the principle of enhanced property values paying for the cost of urban parks as conventional wisdom among planners and park advocates, and resulted in it being used to justify major park investments in many other communities.

In San Francisco, the only bidder on bonds issued to finance Golden Gate Park in 1870 was an individual who according to the Park Commission's First Biennial Report bought them because he 'expected to reap an indirect benefit in the improvement of the Park, and the consequent appreciation in the value of his property adjoining'. In the Second Biennial Report, the Commissioners on its first page stated 'it has been thoroughly proved in all other cities where Public Parks have been made that the increase in the amount received from taxation on the enhanced value of property resulting from Park improvements is largely in excess of the interest on the money expended' (Young, 2004: p. 122). In the following years this theme was frequently reiterated in San Francisco. For example, P. J. Sullivan's 1880 real estate brochure stated, 'It is a well-known fact that real estate adjoining large public parks always becomes the most valuable for residences, and what was true of the surroundings of Central Park in New York will be equally demonstrated in the neighborhood of Golden Gate Park in San Francisco' (Young, 2004: p. 122).

In Brooklyn the proximate principle was a prime factor in stimulating development of the 526 acre Prospect Park, which Olmsted and Calvert Vaux also designed and built. One of the main purposes of the plan was to stimulate new real estate development (Lewis, 1923). The park was successful in meeting that objective. The Eighth Annual Report of Commissioners of Prospect Park reported that

the cost of acquiring the 550 acres of land for the park was $2.27 million. To that point at the end of 1867, when the park was approximately half constructed, the cost of improvements was $1.17 million, so the total expenditures at that stage amounted to $3.44 million. The commissioners noted that the interest on this investment was raised by an annual tax on the First, Twelfth and Twentieth Wards of the city of Brooklyn (Rauch, 1869). The assessed value of real estate in these three wards increased from $19.9 million in 1864 to $27.4 million in 1867. When the tax rate was applied to this incremental increase of $7.4 million, it resulted in income to the city of $280,000, while the annual debt charge on the capital borrowed to develop the park was $229,000. Hence, the commissioners concluded that even though the park was barely half built the city of Brooklyn received a 'profit' of $51,000 on its investment in Prospect Park in 1867.

At Prospect Park, Olmsted and Vaux had recommended that the adjoining land be purchased to recoup the park's costs by selling lots using the Birkenhead Park model, but legal obstacles prevented them from doing this (Olmsted & Kimball, 1970). The principle of buying more land than is needed for a park so the public may capture the added values accruing to adjacent properties from the park which had been widely adopted in the UK became common practice in the US among private developers, especially in the context of golf courses and marinas. However, legislation enabling public bodies to do this in the US was rarely available. The powers of local jurisdictions in the US are for the most part proscribed by state legislatures which have generally been unwilling to grant powers of general real estate operation to municipalities. There is concern that the suspicious, conventionally minded public would be skeptical of authorizing public officials to 'wheel, deal and manipulate' in commercial property transactions.

Hence, in the US public officials had to accept that 'unearned increments' of value would accrue to the private sector from park developments and to take consolation from the public recouping some of this value in the form of increased taxes paid by these property owners. Thus, the notion that parks paid for themselves by the enhanced property tax revenues they stimulated from proximate properties became a primary argument of parks' advocates. It metamorphosed into a cliché accepted by all and was rarely challenged. It was used in many other locales, as local governments realized that large public parks encouraged new residential development on the periphery of a city which they believed expanded and strengthened the tax base (Chadwick, 1966). Land on the fringes was inexpensive and there was general acceptance of the principle that the increased tax revenue fully reimbursed the initial investment required to acquire and develop the land. The pervasiveness of this principle in the collective psyche of elected officials, park managers, landscape architects and planners in communities in the late 19th and early decades of the 20th century is illustrated by the quotations and descriptions assembled in Table 2.

Concluding Comments

When the proximate principle was transferred into the public sector at Birkenhead Park, it repositioned park expenditures as investments rather than costs in the minds of taxpayers and elected officials. This was the financial breakthrough that

Table 2. Illustrations of the pervasiveness of the proximate principle

- The Olmsted and Vaux 1868 Brooklyn report noted that Prospect Park had increased nearby property more than four times in value (Wilson, 1989).
- The 1874 report of the Boston Park Commission included a table demonstrating how 'land adjacent to parks' had risen far beyond the 'average increase' in New York and other cities (Wilson, 1989).
- In 1890 the Boston Metropolitan Park Commissioners reported: 'The citizens of Boston had examples before them, in the parks of neighboring American cities, which assured them that, while the cost of necessary open spaces would be great, the returns in taxes from the enhanced value of real estate in the vicinity of the new parks, as well as the income from betterments, would ensure them a strong financial support' (Board of Paris Exposition Managers, 1900: p. 10).
- In 1900 the Boston Park Commissioners reported: 'Franklin Park has cost for land and construction, to the present time, $3,800,000, while the cost of maintenance for the year 1899 amounted to $36,700. The increase in valuation of lands in the vicinity of the park, which were assessed for betterment, was $1,230,000 between 1883 and 1890. Of this increase at least ten percent may be attributed to the presence of the park' (Board of Paris Exposition Managers, 1900: p. 12).
- In Madison, Wisconsin, a citizens committee appointed to investigate and report upon the amount of increase in the city's assessed value of property attributable to parks concluded: 'In our judgment, from ten to fifteen per cent of the increase in the value of taxable property in the city of Madison during the period mentioned is attributable to the establishment of parks, drives, playgrounds, and open spaces in and around the city of Madison, by and through the activities of the city, its citizens and the Park and Pleasure Drive Association'.
  When translated into dollar terms, the committee concluded that the increased tax revenue the city received from the presence of its parks 'are meeting all the expenses of their maintenance, and all interest charges on the investment, and, in addition, are paying into the city treasury at least $10,000 to be expended by the city for other municipal purposes' (Nolen, 1913: p. 166).
- The Mayor of Buffalo in 1885 addressing the city council on 'the main Park of Buffalo' noted that there had been 'determined opposition, which succeeded in reducing the area originally to be taken – a misfortune since deeply regretted even by those to whom it was due…In looking back over the period since the establishment of the park scheme, the retrospect cannot fail to be exceedingly gratifying. The cost of the park has been in a large measure compensated by taxes receivable from increased valuation of adjacent property, to say nothing of the health-giving recreation and pleasure the parks afford to thousands who visit them during the summer months' (Beveridge *et al*., 1997, pp. 503, 505).
- The Hartford Park Commission, Connecticut, reported: 'A careful examination shows that the parks constructed during the last ten years have increased the ground list by a sum equal to that expended by the city in their purchase and development, and have gone far toward making up that which has been taken from the tax list. This increase will continue for years' (Nolen, 1913: p. 169).
- The Park Superintendent of Keney Park in Hartford reported: 'If the influence of Keney Park is considered to exist only one thousand feet from its borders, then the value of the lands abutting it is probably four times the value they were sixteen years ago' (Nolen, 1913: p. 169).
- Golden Gate Park in San Francisco was created from 'The Outer Lands' which was an area of sand dunes whose ownership was both disputed and in multiple hands. To create the park the city persuaded all the owners to donate 10% of their land to the city, pointing out they would realize a substantial profit through the development of their remaining lands if a park were constructed. They all agreed and this mechanism provided the 1013 acres on which the park was created (Dobkin, 1979).
- In San Francisco, the *Real Estate Circular* was the monthly magazine of the real estate fraternity. Initially, it had opposed the investment of city resources into developing Golden Gate Park, referring to it pejoratively as 'our Great Sand Park', but it gradually changed its position as it watched the developing park lift property values. By July 1868, the *Circular* was reporting with approval Olmsted's data relating to Central Park, and in 1873 informed its readers that Central Park 'Before it was half finished…had paid for itself in the enhancement, ten times over, of real-estate values', and began advocating more rapid improvement and investment in the 'Great Sand Park' (Delehanty, 1992: p. 174).
- When the San Francisco Parks Commission envisioned new green spaces south of Market Street, connected to Golden Gate and to the other parks by parkways and several tree-lined boulevards, they contended: 'The increased value of the land surrounding Golden Gate Park has paid for this reservation tenfold; and the same results would accrue in the event of a park system being adapted and carried out, for the southern portion of the city…Improved parks encourage better building, and in consequence, more revenue to the city; besides a more healthful people and a decreased death rate' (Young, 2004: p. 203).

Table 2. *(continued)*

- The Superintendent of Parks in Kansas City in 1912 stated: 'Any wide awake city can establish its park system without one cent of general indebtedness to the city. In other words, the enhancement in values of benefited lands will be more than sufficient to pay the cost of the acquisition and improvement of the park system. This will impress you as being a too optimistic view, yet in our own city it is a fact recognized and not disputed with reference to boulevards, and to a somewhat lesser degree with reference to parks and parkways…In Kansas City, at least, the effect of park and boulevard improvements has been the enhancement of land values far in excess of the whole cost of the acquisitions and improvements of their park system…Wherever this work has been properly executed and maintained, it should be considered an investment and not a tax' (Nolen, 1913: p. 173).
- At the first meeting of the city of Minneapolis Park Commission in 1883, the commissioners were presented with Olmsted's data from Central Park and urged to invest quickly and extensively in park land while it was relatively inexpensive. Writing in 1946, the long time director of that system stated unequivocally: 'The real estate values promoted through the establishment of all of our parks and playgrounds, and, in later years, the playground and recreational system, have returned to the city's commonwealth not only the entire costs involved, but a handsome interest as well' (Wirth, 1946: p. 26).
- Henry Hubbard, Professor of Landscape Architecture at Harvard University, observed in 1924, 'After the park is established the land abutting it is increased in value, which value comes back to the city in increased taxes: and in addition to this localized increase in values on account of the visible and obvious advantages which accrue to the abutting property, there will also be a general rise in value because the park has raised the tone of the city as a whole' (Weir, 1928: p. 12).
- William Stinchcomb was the 'father' of the impressive system developed by the Cleveland Metropolitan Park District in Ohio, serving as its director from 1915 to 1954. In the early years of his tenure he consistently espoused the proximate principle in his effective advocacy for park funds. For example, in 1920, he told a reporter: 'The $200,000 we can get from the levy will enable us to buy. Then the adjacent land will rise in value and this will be reflected in the tax duplicate and hence yield more taxes. Thus, in a sort of circle, the improvement pays for itself' (Miller, 1992: p. 9).

was critical to them being supported by city councils and resulted in parks becoming a standard component of the British urban infrastructure. The demonstration of the potential financial viability of public urban parks through the proximate principle at Birkenhead was also central to the growth of the urban parks movement elsewhere in the world, especially in the United States. The fortuitous visit of Olmsted to Birkenhead Park in 1850 meant that one of the most influential individuals in the second half of 19th century America interacted with the work of one of England's master innovators of the Victorian era:

> These two men, Paxton 'the dabbler' [but a very accomplished 'dabbler!'] in everything from publishing to architecture [including railways, horticulture and engineering] and Olmsted the American 'gentleman amateur' looking for something useful to do, were, in their own particular ways, extraordinary visionaries…they made a massive contribution to world town planning and landscape conservation movements. The link between them is the 'People's Park' in Birkenhead on the banks of the Mersey. (Smith, 1983: p. 48)

This interaction was a key to launching the urban parks movement in America. Olmsted embraced not only Paxton's design principles but also the rationale for funding urban parks – the proximate principle. Olmsted's role in assembling data documenting the legitimacy of this rationale and in widely disseminating it was crucial. The belief that such beautiful assets could be provided by a city without being a cost to the treasury, but rather being a viable investment from which the city received a good financial return, was central to their widespread acceptance in the US.

During his career, Frederick Law Olmsted, Sr. and his firm accepted approximately 500 commissions, including 100 public parks. The firm continued under the leadership of his son Frederick Law Olmsted, Jr. (who himself was one of the most influential figures in the US parks field of the first half of the 20th century) and during the almost 100 year period of its existence the firm completed approximately 3,000 commissions, so its influence in the US was widespread and pervasive. In 1868, writing to the future developers of Riverside, Chicago, Olmsted Sr. cited the 'vast increase in value of eligible sites for dwellings near public parks' (Miller, 2001: p. 13), and over 50 years later in 1919 his son Olmsted, Jr. continued to espouse the mantra: 'It has been fully established that…a local park of suitable size, location and character, and of which the proper public maintenance is reasonable assured, adds more to the value of the remaining land in the residential area which it serves than the value of the land withdrawn to create it' (Olmsted, Jr., 1919: p. 14).

Olmsted's Central Park data were supplemented with data from similar studies done in the US by others in different park contexts (Crompton, 2004). Like the Central Park data, these other early studies were rudimentary and naïve when viewed through the lens of today's social science techniques. They reflected the underdeveloped nature of the statistical tools and research designs available in those times. They were limited to simple calculations of increased tax receipts accruing from properties in proximity to parks. However, this ignored the necessity of unraveling the complicated plexus of factors that influence property values in addition to parks. It was noted as early as 1937 that these 'are not merely additive, but react on each other and may react in opposite directions in different cases' (Nolen & Hubbard, 1937: p. 124).

In subsequent eras, substantial improvements were made in methods used for quantifying the impact of parks and open space on real estate values. Hedonic analysis using statistical techniques, especially regression analysis, and econometric models, made it possible to identify the relative influence on property values of factors other than parks, such as house size, type, and location, and the relative impact of other amenities such as schools, shopping centers, and the central business district. Nevertheless, a contemporary review of recent studies generally confirmed the early premise concluding: 'It is suggested that a positive impact of 20% on property values abutting or fronting a passive park area is a reasonable starting point guideline' (Crompton, 2004: p. 4).

It has been noted that 'The principles both of Birkenhead Park and Central Park are capable of application in the wider context of urbanism today' (Chadwick, 1966: p. 186). However, while the influence of the parks' designs and aesthetics principles have been widely acknowledged and embraced, the proximate principle on which the parks' financial viability and political acceptability was vested has largely been forgotten in the context of urban parks. At the same time, it has flourished in other contexts. For example in the 1990s, almost 1,000 golf communities, where a golf course is incorporated into real estate developments to create premium lot values, were developed in the United States (Mulvihill *et al.*, 2001). The historical precedent presented in this paper illustrates how articulation of the proximate principle was the key to securing investments in parks and suggests that it could be an influential factor in inoculating parks against serious budgetary illness in contemporary times.

Notes

1. There is some ambiguity about the actual area which was subsequently reserved for park use. This has occurred because some of the land that was originally designated for homes subsequently was (i) acquired by the city and added to the park when houses were later demolished; (ii) never built on and incorporated into the park; or (iii) became public property attached to schools so it was, in effect, absorbed as part of the park.
2. Mortimer (1847) in another contemporary account of the park's development states, 'In June, 1845, a large portion of that [land] surrounding the drives, was offered for sale by the Commissioners, and about ninety thousand yards were sold at prices varying from seven to fifteen shillings per yard' (p. 370). In a footnote to that statement, he adds: 'the actual average of the total sale was 11s 4d per yard' (p. 370). These numbers were later adopted without a citation by Chadwick (1961, 1966). This is much higher than the figure used by the *Liverpool Mercury*. If it was adopted in these calculations, then the demonstration of the park's potential profitability would be much more emphatic. The lower prices being sought for subsequent lot sales shown in Table 2 reflect the precipitous decline in the economic welfare of the city of Birkenhead which commenced in the spring and summer of 1846 (Mortimer, 1847).
3. According to the Bank of England, the value of £1 in 1851 when converted to 2002 equates approximately to £53.30. Thus, in contemporary values, the park's total cost approximated £6.77 million, revenues would convert to £6.87 million; so surplus revenues would be £100,000.

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