Millennium Park: A Model for Successful Urban Green Space Redevelopment

Nick Groos
Matt Dages
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As long as urban spaces have existed, planners and city officials have strived to fluidly incorporate usable green space into dense cities. Often times, parks and public green space redevelopments are fraught with conflict and over-expenditure creating massive financial losses, unsustainable space and little benefit to the people of the target area. Downtown Chicago’s Millennium Park Redevelopment, however, is widely considered a tremendous success by planners, economists, environmentalists, and other pundits ranging from art history to real estate. Booming tourism, large scale real estate value escalation and huge tax base increases to the city have characterized the park’s beneficial impact, all within the framework of green energy and sustainable design. The massive success of this project did not come easily, and its creators faced significant impasses in the planning, design and construction phases of the project. The people responsible for the creation of Millennium Park overcame these myriad problems through maximizing community input and support, utilizing creative financing methods, capitalizing on public private partnerships and overcoming political conflicts through dedicated, highly motivated leaders selected to work within the complicated Chicago political environment.

Since Chicago’s earliest days, the area bordered by Lake Shore Drive on the east, Randolph Street to the north, Michigan Avenue on the west and Roosevelt to the south was kept free of real buildings. Originally a squatter area and refuse dump with train
tracks running adjacent to the park, Lake Park was an unsightly, unpleasant area. As Lake Park grew due to landfill, the adjacent Illinois Central Railroad tracks became part of the central area of the park. The decrepit state of the most central area of the thriving city began to frustrate many of the city’s elite. Thus, in 1890, A. Montgomery Ward, one of the city’s most powerful residents, brought suit against the city of Chicago demanding that they clean up the park and remove the structures that had been erected throughout (Encyclopedia of Chicago). In response, the city of Chicago hired the Olmstead brothers to design a space that would be designated as “public ground. Forever to remain vacant of buildings" (Chicago Park District).

The primary concern of planners at this point was how to relocate the railroad to keep the park free of structures. As railroads were a major reason for Chicago’s economic success at the time, it was not politically possible to force the Illinois Central to completely remove and relocate the ideally placed rail yard (Chicago Park District). Therefore, the city moved the massive rail yard below-grade to the northwest corner of the area in order to remove the unsightly tracks and trains from the newly designated green space, while maintaining its commercial usefulness. This corner of the park remained untouched until 1998 when the Millennium Park project was begun.

Mayor of Chicago, Richard M. Daley, and his staff hoped to transform the train yard in the northwest corner of the park into a massive green space with unique art installations, gardens and entertainment venues in order to realize the economic potential of the heart of downtown Chicago. The Millennium Park Project was conceived as a massive below-grade parking structure laid upon the pre-existing rail-yard, covered with a 24.5 acre green roof park with uniquely integrated civic entertainment installations. By
making the park more than simply open space, Daley and his staff felt that the park would encourage a variety of city residents to visit the park. Also, the art and music of the park could attract a much higher tourist population than simply open space. This vision of a unique, groundbreaking, green economic development project was realized in the Millennium Park Project and has had major benefits to the city and its residents.

Due to Millennium Park’s location adjacent to Chicago’s lakeshore, it puts the park in a unique position. Here the city had an opportunity to take a derelict piece of land, previously unsuitable for public recreation, and turn it into an easily accessible public gathering place. This was achieved all while constructing a landmark of sustainable development. This notable status among sustainable planning is derived from numerous criteria, but most directly in its incorporation of environmentally friendly technology. Certainly the most apparent of these technologies is the park’s residence on the world’s largest green roof. This not only disguises the underlying parking garage, but it also provides an environmental respite to the urban sprawl of downtown Chicago. This parking garage obviously accommodates cars, but also features a designated area for bicycles. Although this is indirect support for a less car-dictated Chicago, the gesture towards sustainability is evident. Millennium Park also utilizes renewable energy sources into its design. Solar panels lining the development provide 16000 kW hours of power to the entrance of the park. This generates enough electricity to power most of the lights in the park as well as the parking garage.

Below the park, the parking garage design incorporates a process known as “passive solar heating.” Here, solar radiation is captured through optical properties in the walls of the structure. This harnessed radiation is used as a convective heat source to the
underground construction. This is considered a revolutionary technique at multiple levels. Firstly, the technology is an innovative yet subtle contribution to the park’s sustainability. Passive solar heat is not a revolutionary technology, but the use of it on a scale as large as Millennium Park surely is. By utilizing this less significant energy source, the designers of Millennium Park are proving by example that small environmental considerations can be extrapolated onto much larger undertakings. In addition to these technologies, a key element of Millennium Park’s success is found in the manner these technologies are incorporated. Recently, common movements to “green” a building involved simply adding environmentally focused technologies to an existing design. Relative to the aggregate impact of these buildings, installing a solar panel system, for example, is often insignificant. What segregates Millennium Park from these cases is the thought process that took place during Millennium Park’s planning. Since its initial conception, the park had been developed with environmental impact in mind. What we have now, is an urban structure that not only utilizes sustainable practices, but also requires an overall lower amount of energy. This results in the sustainable aspects of Millennium Park holding much more clout in its overall functioning.

The economic impacts of this project are unrivaled in the realm of green development. Most notably, benefits to the real estate market in a 2 block radius of the park are truly astounding. Goodman Williams Group, an independent economic research organization was hired by the Chicago planning department to assess the impact of Millennium Park over the next ten years. By focusing on new residential unit creation and escalation of median square foot pricing in the three years since the park’s opening, Goodman Williams estimated that a 1.4 billion dollar boost to the real estate market
would occur during the decade following the creation of Millennium Park (GoodmanWilliams p. 3). This is significant for several reasons. First, real estate is often a good predictor of economic conditions of an area. Furthermore, real estate investment in a particular region of a city provides a massive influx of capital and can completely transform regions of cities. Finally, and perhaps most critically, real estate creates real tax base increases to city governments.

Through real estate taxes, utilities payment, parking, advertising and a myriad other monetary devices, cities receive huge sums of money from large scale residential real estate development. Also, retail and service sector expands to accommodate an increase in population which yields sales tax revenue to the city. Ideally, this profit gets spread throughout the community through public amenities, improvements and tax breaks, which spurs spending creating a cyclical, sustainable economic engine to boost a region’s wealth and equity. Overall, the main goal of the Millennium Parks Project’s creators was economic development in this critical area of the city. By creating a space which would boost real estate value and development in the area, they were very successful in creating equity that could then be passed on to the community.

Because of the success of Millennium Park, it has played a secondary role in fostering nearby businesses into affluence. The Harris Theater has been built at the northern end of the park. Hotels and restaurants have heralded this construction as also affecting their customer increase. It can be seen that the park has collaterally affected the downtown area by establishing a new center of activity. Patrons have mentioned the refreshing atmosphere of the Millennium Park area, due to its lack of commercial emphasis as compared to the shopping hub on Michigan Ave. This area of Chicago has
been established as one devoted to the arts and environmentally friendly recreation.

“Millennium Park offers something for every visitor to the Park, whether one desires music, theater, contemplative gardens, cutting-edge architecture, or interactive public art... The Harris Theater has become the resident home of thirty-eight music and dance troupes, bringing in diverse audiences for a broad range of performances. The Park’s lawn and Rooftop Terrace have become glamorous locations for special events” (Goodman Williams p. 5). Public interest in outdoor activities is also prevalent, as the park has seen an astounding demand for bike rentals. There are plans to increase bike fleet size by 300%. McCormick Ice Rink has also seen great success, and public interest has even risen despite a cost increase.

What we see is not simply a change in the appearance and infrastructure of Chicago, but more importantly a proclamation of public interest. Millennium Park has displayed the nation’s involvement in this new era of environmental consideration. It should be noted that the park is remarkably simple in its design. Aside from sustainable technologies, the park simply promotes outdoor leisure in tandem with arts and entertainment. This has been practiced in cities ever since the invention of “the park;” but the separating factor is Millennium Park’s size as well as recognition. The park is setting a standard for modern recreation in urban areas. The park is socially beneficial, environmentally friendly, but most importantly economically profitable. Acknowledging the green industries struggles in economic viability, this ensures Millennium Park’s status as a cast for future green development.
As Millennium Park successfully integrated green technologies and open space into a tremendously advantageous economic development project, it is worthwhile to examine the processes that brought the project to completion. The politics involved in the Millennium Park project range from noble to questionable. Mayor Richard Daley has long been known for his liberal motions towards Chicago’s environmental wellbeing. Daley’s plan with Millennium Park was to create a high profile tourist attraction that would bring stature to the city while embracing environmental conservation. The park would hopefully bring in tourism from outside the city, producing city revenue from outside sources. As the project began, political pressure was immediately needed due to the park’s architecture. The Montgomery Ward Restrictions prohibit the building of tall structures in the Grant Park area. This contradicted the initial plans for the park, as its main pavilion was engineered to stand 139 feet. In order to accommodate this structure in the park, Daley managed to classify the pavilion as a work of art and is therefore exempt from the restrictions. As construction began, unforeseen delays and costs jarred the integrity of the project. Criticism bombarded Daley due to his widespread support for the park. Daley curbed these attacks by blaming Frank Gehry, one of the highly profiled architects working on the project. Daley also stated to the public that funds necessary to maintain the park after the construction would be only of private origin. This held true until recently this year, when Daley allocated $8 million of hotel tax revenue to the park’s landscaping, maintenance, and repairs. Yet more disapproval fell upon Daley who admonished the accusations claiming “This is a tourist attraction. And tourism has to be used for tourist money. That’s what the hotels say. We pay for tourists. We want tourists to use our hotel. You get a benefit; the retail gets the benefit, that’s the whole idea”
Throughout the development of Millennium Park, public perception seemed to oscillate between that of disapproval and praise. The issue always seemed to return to the allocation of these vast funds. Critics claimed the Millennium Park project, while beneficial to the downtown area of Chicago, blatantly ignored the needs of the more impoverished areas of Chicago. This criticism came heaviest from supporters of the inner-city Chicago school systems. Other disapproval came from those wanting to develop the area. This is to be expected in such a desirable area as this lakefront property. Luckily for the Millennium Park project, the Montgomery Ward Restriction forbade most of the suggestions made by these parties. Opposition also came from those claiming the congestion caused by the construction would not be worth the eventual benefit. This is a valid concern, as Millennium and Grant Park reside in proximity to Chicago’s Central Business Loop and East Loop. What these groups ignored was the possibility of a renaissance of the downtown area – which seems to be unfolding at this very time.

The park has provided a sort of city center that now defines this region of downtown Chicago. The park is outfitted with security guards and cameras, so safety concerns are minimal. As a result, this area is evolving into a more residential outfit, and Millennium Park is mainly attributed with catalyzing this process. The park has also brought a new aspect to Chicago’s tourism. Priceline.com claims Millennium Park to be the most popular tourist destination in the country, although the details of this statistic are not clear. Regardless, the popularity of Millennium Park is astounding. Perhaps the most direct indication of tourism, hotel business, has seen quite a boost since the park’s opening. “The hotels are using the Park as a marketing device, mentioning it in their
internet websites, sales brochures, telephone recordings, and guest materials. Hotels interviewed saw an increase in weekend occupancy rates from leisure travelers, and in some cases, were able to command higher room rates after the Park opened” (URS Corp, 3). These trends are shared throughout the hospitality industry. Restaurants have also reported increases in weekend business during the summer months. It has also been reported that restaurants are experiencing higher volumes of families in their customer bases.

Obtaining financing for such an extensive redevelopment effort is the most critical stage in the development process. Often times, municipal governments are incapable of generating the funds to complete a project in such a way that the goals can be achieved. Millennium Park’s planners used very creative financing mechanisms as well as a large amount of private capital. While the initial budget was exceeded significantly, the final capital structure is a unique and effective model for future projects. Of the total $475 million cost, the city is paying approximately $270 million (Planning Report). Of this amount, a $175 million bond was issued backed by future revenues from the parking garage. This would not be feasible in smaller urban areas as the City of Chicago can charge highly inflated parking costs in order to recover this bond issue. The rest of the city money, approximately $95 million, came from an expansion of the Central Loop Tax Increment Financing (TIF) District to make the target area eligible for TIF funds. TIF funds come from the creation of elevated tax base, and the city reserves a certain percentage of this increment to finance development projects in areas deemed eligible for TIF (NCBG). By expanding the TIF district to incorporate Millennium Park, the city was able to tap into this large fund.
The remaining $200 million gap was filled with a huge amount of private donations. Corporations like Boeing, Wrigley, BP and Bank One provided large capital donations in exchange for naming rights on the art structures throughout the park (Planning Report). Public private partnerships such as this allow the city to fund infrastructure and allow the private sector to finance the accoutrements not necessarily available for government funds. Millennium Park has set a standard for future municipal redevelopment projects with this financing structure. Public private partnerships relax some of the oversight related to using solely government monies as well as providing for interest free capital. Furthermore, city financing is only available to the point that it can be repaid: Private equity reduces the city’s risk and can help amplify potential returns. Overall, as Ed Uhlir, Director of the Millennium Park Project board said, “Millennium Park is the poster child for good financing, because it’s gone way beyond the anticipated property values that were generated by the project actually being built” (Planning Report).

The Millennium Park Project in downtown Chicago has set the bar for all future urban green space redevelopments. The project was able to create massive economic impacts, a widely used public space, a huge boost to tourism and an increase in tax base all while remaining focused on environmental sustainability. The unique, creative ways in which the complicated process was handled politically and financially redefined how to successfully utilize scarce resources and overcome hindrances to large scale municipal projects. Furthermore, the emphasis on public private partnerships and community involvement affirmed the inclusion of public interest as a necessity for successful green
development. Millennium Park’s ultimate role in the green planning sector will surely continue to grow as the modern environmental redevelopment process comes to fruition.
Bibliography:

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