

# Conservation for Communities: A Fiscal Case for Municipal Investment in Conservation

## What's the Issue?

Conserving land is crucial not only for the protection of natural areas, but also for the preservation of community vitality. However, each year we lose an additional 24,000 acres of forest in New England alone, jeopardizing the benefits provided by open space and undeveloped lands.

A comprehensive view of conservation's costs and benefits demonstrates its importance to communities. Yet, an incomplete understanding of conservation's diverse benefits often leads to apprehension from communities and local officials towards new conservation proposals. This brief provides an overview of how communities are benefitting economically from public and private conservation efforts, bolstering community vitality and supporting local economies.

### Benefits of Conservation Land

- Lower cost of municipal services
- Increases adjacent property values
- Helps provide clean drinking water
- Can increase employment rates over time
- Provides outdoor recreation and tourism

## Conserved Land Lowers Expenses, Adds Value

Conserved land is less expensive for communities to maintain than developed areas, as undeveloped spaces require a lower level of municipal services including road maintenance, education, trash collection, and public safety. Across New England, 39 separate studies demonstrated that the average undeveloped parcel requires \$0.36 in municipal services for every \$1 of property tax paid, while residential properties require \$1.16 per \$1 property tax paid.

Incorporating incentives for undeveloped spaces through town planning can be beneficial for developers, as well as the community at large. Low-impact, clustered developments—"conservation" or "open-space" subdivisions—reduce costs of both infrastructure and municipal services without decreasing property value. Many developers prefer these lower-cost investments, especially when paired with "bonus lot" incentives which allow more housing units to be built in a smaller footprint than is normally permitted. On the other hand, expanding infrastructure and municipal services to poorly planned suburbs may incur up to 50-270% higher costs than in higher-density developments.



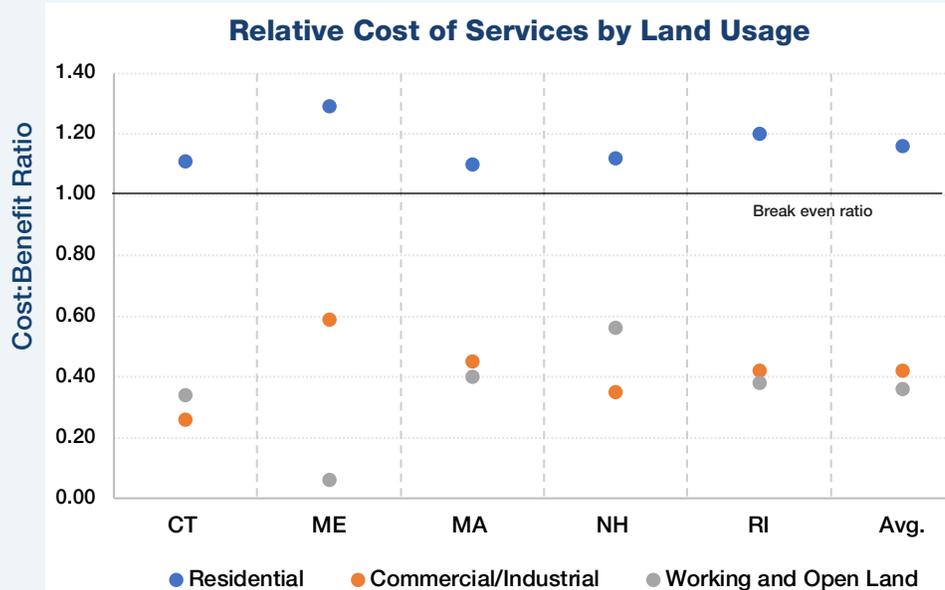
## Returns on Community Forest Investments CASE STUDY: Gorham, New Hampshire

*The community forest of Gorham, New Hampshire, was specifically purchased and protected by the town to ensure quality of the municipal water supply, thus reducing expenses which would have been incurred through filtration costs. Benefits have not been limited to water quality, however: timber sales also net \$40,000 each year in revenue for Gorham, which has been reinvested by helping expand their fire station and emergency services. Photo: The Conservation Fund*

Conserved spaces also increase adjacent property value, potentially increasing overall tax revenue. Studies have shown that nearby open spaces may result in 5-35% higher prices for homes, and 13-14% greater parcel appreciation rates than regional averages. Long-term studies in Vermont suggest that land conservation results in stable or even lower taxation rates due to this increase in value of parcels adjacent to conservation land. Additionally, conserved land can still contribute to municipal taxes in their own right; privately held lands with easements remain on tax rolls, and in certain cases tax-exempt landowners continue to make payments in lieu of taxes on their holdings. For example, in Maine, 95% of conserved land remains on the tax roll, and 4% of the remaining land contributes some form of payments in lieu of taxes.

## Other Economic Benefits of Open Space

Undeveloped lands provide a variety of quantifiable community benefits beyond those above. First, land protection can reduce municipal costs to manage drinking water resources. Targeted conservation of priority areas linked to drinking water keeps water clean, saving money by reducing costs in water filtration.



**Figure 1:** Relationship between land use tax revenues and funds required for community services. Areas above the break-even cost:benefit ratio cost municipalities more in services than they contribute in property taxes, while those that fall below contribute more to tax funds than they demand in services. Residential areas are expensive to maintain, consistently falling above the break-even ratio, whereas open spaces and working lands contribute more in tax revenue than they cost.

Conserved land can also boost jobs in a region. A recent study analyzed 1,500 New England cities and towns over 25 years and found that when conservation increased, employment also increased over the next five years. Public access to undeveloped lands can spur or revitalize tourism industries, contributing to growing local economies. For example, the Kingdom Trails mountain bike area in East Burke, Vermont, has attracted a new type of tourism to the region, generating \$1,000 per conserved acre each year in local economic benefits, in addition to another \$135 per acre in annual timber revenues. Recreation tourism contributes directly back to local coffers as well; the outdoor

recreation industry generates \$3.5 billion in state and local tax revenues annually across New England.

Direct revenue can also be generated for municipalities from lands purchased and conserved by the town. Some New England towns generate revenue from town-owned community forests through timber harvesting, leases to hunting clubs, wreath tipping, and even sales of carbon offset credits. These revenues can then be used to finance a variety of community projects, from constructing affordable housing to revamping aging government facilities.



### Conservation Sub-Divisions CASE STUDY: Millbury, MA

*In Millbury, Massachusetts, a creative town planner and developer worked together to create Casa Verde Villages, an open-space development. Less than half of Casa Verde's space was used to build a community of 98 new homes, while the remainder was kept as forest, with walking trails open to the public. Open space developments like Casa Verde can be encouraged through zoning by-laws, such as a reduction in minimum lot size in open-space subdivisions, that allow developers to cluster homes more closely together. This simultaneously reduces infrastructure costs to the developer and reserves a larger amount of land for conservation.*

### Taking Action in Your Community

- Considering the above information, take stock of conservation assets and how they benefit your community. Then prioritize conservation of additional key lands that will further contribute to your community's conservation goals.
- Work with your local land trust to secure funding from private donors and public sources such as the Community Forest Program from the U.S. Forest Service. Readily available funding sources for projects can reduce the hurdle of project financing.
- Develop policies that facilitate conservation, such as zoning incentives for "conservation" or "open space" sub-divisions.
- Contact your local conservation partner to learn more about how else you can take action, or reach out to Highstead if you need contact information for conservation partners in your area.

*For further discussion of these issues, complete sources for statistics and other resources, see Holland, I., Culbertson, K., and S.R. Meyer. 2018. The Economic Case for Conservation. Highstead Foundation, Redding, CT.*