

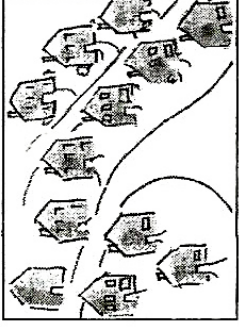
Economic Value of Protected Open Space

Open space in a community includes agricultural land, woodlands, waterways, grasslands, parks and other conserved lands. East Haddam is fortunate to have protected open space in several of these categories. Some are privately conserved by the East Haddam Land Trust (EHLT), The Nature Conservancy (TNC), The State of Connecticut, the Town of East Haddam, and by other

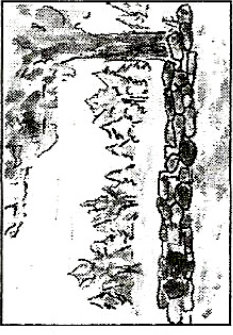
miscellaneous entities. The benefits of these properties to residents are many: aesthetic, environmental and health. Economic benefits accrue to individuals, businesses, and state and local government and are commonly over-looked.

- The cost of purchasing open space is offset by the economic benefits. Residents save dollars because they have access to conserved land for various recreational pursuits at no cost. Living near open space has been associated with higher levels of physical activity for adults and children and with a decreased rate of obesity, resulting in both long and short term decreases in medical costs.¹
- The value of homes adjacent to conserved land is higher relative to similar properties, and higher valuation results in increased property tax revenue for the community AND increased equity for the homeowner.^{2, 3}
- The cost to the community of maintaining open space is lower than the cost for providing municipal services to a developed residential property of similar size. These cost savings include NOT having to maintain roads, provide emergency services, expand school infrastructure, and other services.⁴
- Open space allows a protected ecosystem to function naturally to provide wildlife habitat, minimize the risk of flood, improve air quality, and store carbon in existing trees. In the absence of such lands the community may need to spend tax dollars to mitigate the results of development.^{5, 6}
- Open space can serve as an incentive for visitors to come to the community for recreation and remain to spend dollars locally for food, gas, lodging and other needs thus providing an economic benefit for local businesses. State-owned parks and forests create jobs and some generate admission fees and licensing and permit fees for hunting and fishing, thereby contributing to the state's general fund and indirectly decreasing residents' tax bill.⁷

Protected open space is a good economic value for East Haddam and its taxpayers. The East Haddam Land Trust currently owns over 250 acres in preservation. Another 175.5 acres are held by EHLT in easements. The Nature Conservancy owns 1,269 acres. The Town of East Haddam owns 1,898 open space acres, and the State of Connecticut owns 3,015 acres. Another 900 acres (2.6%) are protected with conservation/farming easements and 2,500 acres are privately preserved (6.5%) but could eventually be developed.⁸ We residents are very fortunate to live in a rural bucolic town with much land committed to open space. ITOWNS WITH THE LOWEST TAX RATES ARE THOSE WITH THE HIGHEST PERCENTAGE OF OPEN SPACE.



THIS?
or
THIS?



The people of East Haddam and Moodus are primarily working folks, retirees and vacation home owners who love the rural atmosphere of our 54 square miles of woods, fields, streams and lakes. Unfortunately, East Haddam's location is not conducive to drawing industry to town to help with our tax base, so the tax burden falls on our homes and properties. But since we all live in homes, we have put together this example to illustrate the cost of a hypothetical new home subdivision to understand the costs associated with subdivisions and new home development.

Currently, the Town of East Haddam's cost for open space varies between 1% and 2% of the education budget and 0.6% to 1.5% of the total Town budget. These figures show that OPEN SPACE BONDING AND PURCHASE DOES NOT COMPETE WITH SCHOOLS AND EDUCATION. Open space allows our tax dollars to be spent for educating our children, instead of being spent on new school buildings and infrastructure. Once purchased and paid for, the only recurring Town expenses for open space are the nominal costs for management of the passive recreation uses of the land.

Anatomy of a Subdivision in East Haddam, 2014

- 20 building lots = 20 families
- 20 families X 2.5 people / family = 50 people
- 50 residents X 13% (average student participation rate)* = 6.5 students
- 6.5 students X \$17,500/student cost** = \$113,750
- \$113,750 ÷ 0.67 = \$169,776 (Education costs account for ~67% of East Haddam's total municipal budget.) The average new home costs about \$250,000*** and is assessed at 70% for an average assessed value of \$175,500.
- \$175,000 X 26.01 mil rate = \$4,552 / year in taxes
- \$4552 X 20 lots = \$91,040 taxes collected / year

**MINIMUM NET LOSS TO TOWN / YEAR: \$169,776 - \$91,040 = \$78,736
OR ALMOST \$4000 PER HOME!**

As the population increases, "other services" (fire, police and ambulance protection, grounds and facilities upkeep, road maintenance, youth and family services etc.) will also increase, and all of these increase your taxes

* Student participation rate had been between 16% to 20% since 1960. In 1995, 18% of East Haddam's population attended East Haddam schools. Presently, the participation rate is 13%

** Student cost is a 2014 estimate and does NOT include the bonding costs for schools
*** Figures from average assessment on subdivision lots

Source: Citizen's Guide to the 2014-2015 East Haddam Town Budget and Board of Education

¹Shoup, L. Ewing, R. The Economic Benefits of Open Spaces, Recreation Facilities and Walkable Community Design, A Research Synthesis. Active Living Research, a National Program of the Robert Wood Johnson Foundation. May, 2010. Available from www.activelivingresearch.org.
²Shoup and Ewing. www.activeliving.org. May, 2010.
³Gunther, Peter, Parr, Kathryn, Graziano, Marcello, Carstensen, Fred. The Economic Impact of State Parks, Forests and Natural Resources under the Management of Department of Environmental Protection, Connecticut Center for Economic Analysis, University of Connecticut. 6/15/2011.
⁴Return on Environment: The Economic Value of Protected Open Space in Southeastern Pennsylvania. January 2011. <http://dvrpc.org/openspace/value>
⁵Return on Environment. <http://www.dvrpc.org/openspace/value>
⁶CT Department of Environmental Protection. The Green Plan: Guiding Land Acquisition and Protection in CT 2007-2012. www.ct.gov/deep/lib/openspace/green_plan
⁷Gunther et al. June 15, 2011
⁸Town of East Haddam, Office of Planning and Zoning, May, 2014.