

# Open Space and Your Money

**Editor's Note:** In this "Values of Our Land" series, we look at different benefits of open space and land preservation and their effects on people, the environment, and the community.

Purchases of land for open space start as a cost, then become an investment over time. How do we figure?

Our neighbor, Colchester, CT, did a study in 2013 and found that they spend \$1.14 for each dollar of new residential property tax income. For details about how they arrived at this figure, please read the report, available online, *Colchester, Fiscal Value of Land Use*. From this report:

"Although counterintuitive, development over time may not bring lower taxes. There is an immediate increase in tax revenue, but gradually the demand for increased services, and the need to upgrade infrastructure, increases expenditures to an amount that exceeds the increased revenue, resulting in an increasing Mill Rate."

Our Land Use Office calculates a similar figure.

Contrary to some beliefs, all the land we purchased using public money must have some development potential - this is a requirement of state DEEP funding. By taking some of these house lots off the market, we save money over time. (Note: EHLT are enthusiastic supporters of small business and are not opposed to new house construction. We support the Plan of Conservation and Development which outlines suitable areas for residential construction, businesses, and open space.)

In 2003, East Haddam voters passed a referendum (~70% yes, ~30% no) to secure a \$5 million bond authorization to purchase open space. This established a line of credit for the town to bring the purchase of a specific property, or properties, to referendum.

So, how much additional money did this \$5 million bond authorization bring into East Haddam?

According to our Land Use Office, "We successfully leveraged our initial bond authorization into an additional \$13 million from state and foundation grants, in addition to private donations."

In other words, that \$5 million bond authorization delivered an additional \$13 million to the residents and taxpayers of East Haddam.

In addition to keeping our mill rate down, open space acts as a magnet to appropriate businesses that fit our rural character. For example, Getaway Camp cited our protected open spaces, rural character, and miles of hiking trails as the main driver of their decision to locate their flourishing camp in Moodus.

Another sector that has benefitted from our emphasis on preserving land is real estate. Houses offered for sale nearby open space preserves typically highlight this feature in their descriptions. Additionally, oftentimes real estate descriptions emphasize our miles of hiking trails and preserved land, even if the house is not located nearby a preserve.

Lastly, since the last Open Space bond authorization was passed in 2003, our town has budgeted about \$600 million in expenditure. The ~\$5 million invested in open space has been less than 1% of all expenditure, or .008.

A wise investment. Please vote "Yes" in the January 30<sup>th</sup> referendum.

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