

# THE ECONOMIC ARGUMENTS FOR CONSERVATION

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So often, when we hear arguments against conservation, particularly against land protection efforts, those arguments are based on myths about possible economic impacts: jobs will vanish, taxes will rise, and homes will be lost. Anti-conservation voices have been effective at rallying around those myths. It is no surprise that they get a fair bit of attention, since most of our ears perk up when we hear our livelihoods and security may be at risk. But are these fears based in reality? To counter anti-conservation voices that use economic arguments against land conservation, Maine Audubon has put together a reference notebook of current sources of information highlighting how strong economies and conservation efforts can and do go hand-in-hand. When facts about the economic impacts of conservation efforts are laid on the table, the ability of anti-conservation voices to create a fearful knee-jerk reaction is very much diminished. Included below is a summary from the notebook of some of the ways conservation contributes to a strong economy and a healthy community. Copies of the notebooks are available at no charge for land trusts in Maine, and for a small fee for all others. For your copy, or for more information, please call Maine Audubon at 781-2330 ext. 222.

## Municipal Property Tax Implications

*Property tax increases that result from land conservation are minimal, since payments-in-lieu of taxes and increases in school funding usually offset much of the loss in the tax base.*

The heart of many economic arguments against conservation lies in property taxes. People fear that conservation land will not pay its fair share of taxes (since it may be assessed at a lower value or be exempt from taxes altogether), and that they will be unfairly burdened with additional taxes to make up the difference. But what *really* happens when land is conserved?

First, tax payments are in fact required for many types of conservation land.<sup>1</sup> The federal government makes payments-in-lieu of taxes for their conservation land, although the state of Maine in most cases does not. Even though local land trusts are generally tax-exempt, many make voluntary payments on their properties. Taxes are still paid on land under conservation easement, even though the value may be reduced. However, if land placed under an easement is

already enrolled in Tree Growth or Open Space programs, there may be no reduction in taxes. There is no simple



answer to how much a piece of conservation land pays in taxes, but in many scenarios, the community receives some level of tax or tax-equivalent payment for conservation land. School funding also enters the tax payment equation, since the level of school funding is determined in part by the size of a town's tax base. Towns with reduced tax bases may receive more school funding from the state.

Second, even if the value of conservation land is taken completely out of the tax base, the increase in an individual tax bill is still not substantial. Maine Coast Heritage Trust and others have supported several studies on the tax implications of land conservation for towns in Maine and around New England and found average tax increases on a \$100,000 property to be on the order of only a dollar or two a year when a town's tax base is shrunk by \$500,000<sup>2,3</sup>.

## Costs of Development

*In sharp contrast to residential development, conservation land generally pays more in taxes than it requires in town services.*

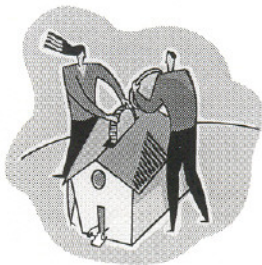
How is an individual's tax bill affected when a town has to pay for the services required for new residential development? The Greater Lovell Land Trust recently completed a tax study that

showed that increasing the town's tax base by \$500,000 (due to residential development) would increase the tax bill on a \$100,000 property by \$1.89. In contrast, if this same land were put into conservation status, thereby most conservatively reducing the tax base by \$500,000, the increase would only be \$1.59<sup>4</sup>. The conservation option in this case actually saves money for residents over more costly development options.

Across broad geographic areas and in all sizes and types of towns, studies have consistently shown that typical residential development costs a community more than it generates in revenue<sup>5</sup>. Open space or farmland typically pays more than it requires in services. Commercial or industrial land tends to break even at first, but often brings with it costly secondary residential development.

## Property Values

*Property values may increase when open space is conserved, allowing a town to increase its revenue without adding additional services and infrastructure.*



A solid body of evidence shows that property values may increase when property is located close to conservation land<sup>6</sup>. Although this might not benefit someone who is looking to buy new property or who has

a limited income, for the town as a whole it allows the tax base to increase without the addition of further services and infrastructure. Greenbelts and trails through cities have increased adjacent property values by thousands of dollars per acre, and added many millions of tax dollars into local coffers<sup>7</sup>.

## Tourism and Recreation

*Tourist dollars tied to outdoor recreation opportunities and open space contribute substantially to Maine's economy.*

Conservation land is a key component of outdoor recreation and tourism opportunities in the state of Maine. Nationally, half of all vacationers participate in some "nature-based"

activity and visiting parks, hiking, exploring preserved areas, and wildlife viewing are the top-ranked "nature-based" activities<sup>8</sup>.



Over 20% of Maine's 8.8 million overnight visitors come to enjoy Maine's superb outdoors, and total spending on recreation in 2000 exceeded \$600 million. In addition, visitors overwhelmingly agree that excellent outdoor opportunities like bicycling, river rafting, snow skiing, excellent scenery, and good places for camping contribute to Maine's appeal<sup>9</sup>. Many of our prime outdoor recreational opportunities rely on quality open space to make this economic contribution possible.

## Business Relocation and Growth

*Economic growth and stability in the future will require our state to attract new industries, and conservation land can help draw needed business activity to the state.*

One of the great benefits our state offers to businesses that are looking to relocate or expand is our high quality of life. Communities with open spaces that provide scenic vistas, places for wildlife watching, and recreational opportunities like walking and swimming are generally more desirable than similar communities that lack those amenities. Businesses recognize this and use measurements of things like recreational opportunities and acreage of open space to help them determine where they want to relocate or expand their operations<sup>10</sup>. Land in conservation status can therefore directly enhance business development opportunities by convincing companies to develop and expand in a community<sup>11</sup>.

## The High Value of Ecosystems

*Many of the most important benefits we get from conservation land are difficult, if not impossible, to measure in dollars and cents.*

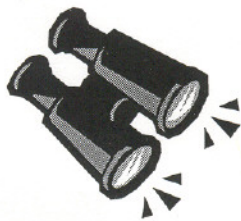
Beyond the direct dollars and cents we may attribute to conservation land, there are several important "ecosystem services" we get that are



difficult to measure in economic terms but yet have the greatest impact on our daily lives. For example, water filtration, flood control, and clean air are common functions of many types of conservation land. The cost for us to create these "services", in the absence of conserved and protected land, is mind-boggling<sup>12</sup>. The cost to create wetlands for flood control, for example, is on the order of 100 times what it would cost through simple land protection efforts. Remembering the vital and economically valuable functions of protected land to provide us with clean air and water as well as to moderate our environment is an important piece of the economic value of conservation land.

## Wildlife Watching

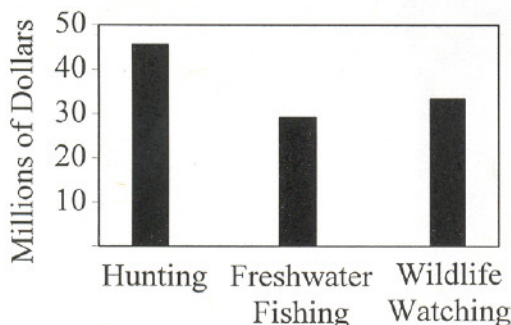
**Wildlife-related activities contribute over a billion dollars to the Maine economy each year, and this important industry is critically linked to the availability of conservation land.**



The importance of wildlife to Maine's economy cannot be ignored. Wildlife needs appropriate habitat to survive, and high-quality wildlife habitat is often protected when

land is conserved. Maine's wildlife recreation-related expenditures totaled \$923 million in 1996, creating \$1.1 billion in total economic output<sup>13</sup>. Over 17,000 jobs were supported by this spending, and more than half of Maine residents participated in some kind of wildlife-related activity. Maintaining open space that supports wildlife populations sustains this kind of economic activity.

**Total Economic Output from Wildlife Activities in Maine: \$1.1 BILLION**



## Citations

The complete citation (or in some cases more information on where to purchase the complete citation) is included in the reference notebook.

- 1 *Does Land Protection Increase the Tax Burden?* Appalachian Mountain Club, 1999.
- 2 *Open Land, Development, Land Conservation and Property Taxes in Maine's Organized Municipalities*, Ad Hoc Associates for Maine Coast Heritage Trust, 1997.
- 3 *Community Choices: Thinking Through Land Conservation, Development, and Property Taxes in Massachusetts*, Trust For Public Land, 2000.
- 4 *The Property Tax Implications of Land Conservation in Lovell, Maine*, Ad Hoc Associates for the Greater Lovell Land Trust, 2000.
- 5 *Cost of Community Services Studies Fact Sheet*, American Farmland Trust, 2000.
- 6 *The Economic Value of Open Space: A Review and Synthesis*, CJ Fausold and RJ Lilieholm, *Env Mgmt Vol.* 23(3):307-320, 1999.
- 7 *The Economic Benefits of Parks and Open Space*, Steve Lerner and William Poole, Trust For Public Lands, 1999.
- 8 *U.S.A. Ecotourism Statistical Fact Sheet*, The Ecotourism Society, 1999.
- 9 *Maine Tourism Facts*, the Maine Department of Economic and Community Development, [www.econdevmaine.com](http://www.econdevmaine.com).
- 10 *An Empirical Study of the Role of Recreation, Parks and Open Space in Companies' (Re)Location Decisions*. JL Crompton, LL Love, TA More. *Journal of Park and Recreation Administration*, Vol 15(1):37-58, 1997.
- 11 *Preserving the Mooshead Lake Region Economy and Community: The Role of Land Conservation*, The Greenville Business Group & Businesses for the Northern Forest, 1999.
- 12 *The Value of the World's Ecosystem Services and Natural Capital*, R Costanza et al., *Nature*, Vol 387:253-260, 1997.
- 13 *Watching Out for Maine's Wildlife*, Maine Audubon, 2000.

## Additional References from Maine Audubon

Call 781-6180 ext. 222 or e-mail [conserve@maineaudubon.org](mailto:conserve@maineaudubon.org) for copies.

*Valuing the Nature of Maine*, a bibliography of references linking Maine's economy with outdoor activity and industry (out of print but available online at [www.maineaudubon.org](http://www.maineaudubon.org))

*What Conservation Looks Like in Maine* includes explanations of the different options available when conserving land.

*Conserving Wildlife in Maine's Developing Landscape* describes the impacts of development on wildlife and issues to consider when conserving open space.

## Tools, Tactics and Approaches

*Use the tips below to help make the economic argument for land conservation in your town. For more information on grassroots activism and how to get your message out, contact Stephanie Cox, Maine Audubon's Grassroots Activist at 781-6180 ext. 219 or e-mail [scox@maineaudubon.org](mailto:scox@maineaudubon.org). Additional information available on-line at [www.maineaudubon.org](http://www.maineaudubon.org).*

**The Importance of Good Information!** Find good factual information about the benefits of land conservation and share it with others. Land protection groups like the Trust for Public Land ([www.tpl.org](http://www.tpl.org)), Maine Coast Heritage Trust ([www.mcht.org](http://www.mcht.org)) work hard to create real, on-the-ground examples of how land conservation works for local economies, and can provide valuable resources that support your work.

**Share That Good Information!** Go beyond your local land trust community and share this important information with local government and town officials, legislators, and conservation commissioners. Think about whom you're sharing information with and how they would best understand it. If you are sharing this information with people who are swamped with paperwork, don't give them more paper! Condense your message into easily understandable pieces, and don't overwhelm them with too much information at one time. If possible, meet with them one-on-

one to present information; it is always a good idea to leave them with a written summary of the relevant key points. Be sure they know how to reach you so you can answer questions or provide more information.

**Stick to the Facts!** Conservation foes are often effective because they make their arguments very personal. They are able to generate fear and paranoia about the possible impacts of conservation land using hypothetical examples that have little basis in fact. If you keep the economic argument about conservation land on the factual level, it becomes much more difficult for those arguments to be effective. Ask for references and sources when you hear arguments against conservation efforts to assure they are credible.

**Speak up!** Conservation advocates, particularly land trust members, often work quietly and productively behind the scenes making effective conservation happen on the ground. In spite of these efforts, sometimes only one loud dissenting voice can put a stop to conservation progress. Be proactive in attending planning board and other town meetings where the future of conservation work may be impacted.

**Repeat Yourself!** One of the ways that conservation foes are effective is they continuously deliver their messages, over and over and over again. Take *every* opportunity you can to send a positive message about conservation and the economy.

## THE BOTTOM LINE

**The people who make decisions about land conservation in your town need to hear the economic arguments for conservation land, especially if anti-conservation voices have been effective at slowing or stopping land conservation in your community. Please use the information presented here and in the reference notebook, and the tools and tactics described above, to share this important information with your local town officials, conservation commissions, planning boards and others, and urge them to consider the economic benefits of conservation land when planning for the future of your community.**

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