

**The Economic Value
Of Protected Open Space
In Erie County, Pennsylvania**

Produced for

**Erie Community Foundation
Erie County Gaming Revenue
Authority
Mercyhurst University**

By

**Lake Erie Region Conservancy
VanAmburg Group, Inc.**



Acknowledgements

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- Mercyhurst University
- Pennsylvania Sea Grant Program
- Western Pennsylvania Conservancy
- County of Erie, Pennsylvania
- Pennsylvania Game Commission
- Jefferson Education Society
- Pennsylvania Department of Conservation and Natural Resources
- Pennsylvania Fish and Boat Commission
- Pennsylvania Game Commission
- R.K. Mellon Foundation
- National Fish and Wildlife Foundation

As referenced in the report, this study benefitted from the work of multiple previous researchers and studies, many of which are referenced in this document. Most valuable was The Economic Value of Protected Open Space in Southeastern Pennsylvania, 2010, [1] produced for GreenSpace Alliance and Delaware Valley Regional Planning Commission by Economy League of Greater Philadelphia, Econsult Corporation, and Keystone Conservation Trust. The methodologies utilized in that report (referred to as "SEPA study" in this document) provided numerous section models that enabled completion of this analysis with the resources locally available.

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1. Executive Summary

This document analyzes benefits of protected open space to households, businesses, and governments in Erie County, and by extension, the entire tri-state economy. Protected open spaces provide significant benefits to local communities. Unfortunately, these benefits are not usually understood or appreciated as communities and investors make critical decisions. Erie Community Foundation, Erie County Gaming Revenue Authority and Mercyhurst University recognized this problem and supported the research efforts of Lake Erie Region Conservancy and consultants, VanAmburg Group, Inc. This study measures the impact of open spaces in Erie County, PA, for decision makers to understand the economic value generated by protected open space.

Protected open spaces include three categories of land: 1) public parks, 2) private conserved lands, and 3) preserved farmland. It can be publicly or privately owned, and can be productively used and income-generating, such as preserved working farmland, while being protected from future sprawl.

This study has identified 639 protected open space properties with **64,991 protected acres, or 12.64% of total land**, (not counting wetlands, 47,049 acres or 9.15% of total land), including:

- **Private land trust owned and eased lands: 9,559 acres plus 17,942 acres of wetlands**
- **Preserved working farmland: 6,892 acres**
- **Public parks and trails: 30,644 acres, comprised of 3,115 municipal acres and 27,492 state acres**

This study relied on the results of previous valuation studies and economic analysis techniques to estimate the four key areas of value generated by protected open space in Erie County:

- Increases in residential property values
- Environmental services values generated
- Recreational activity value and related health-care cost avoidance
- Jobs and revenue created

Benefits created by protected open space in Erie County include:

- Direct revenue streams to individuals or governments
- Asset appreciation value
- Avoided costs

The estimates in this study are provided to educate policymakers and the public on the value of protected open space, and contribute to informed development decisions in Erie County. Key findings include:

- **\$556 million IN ANNUAL ECONOMIC VALUE**
 - **\$14.7 million in annual property and transfer tax revenue for local governments**
 - **\$149.6 million in costs avoided as a result of natural provision of environmental services**
 - **\$156 million in annual benefit for residents who recreate on protected open space**
 - **\$128 million in annually avoided medical and workers compensation costs as a result of recreation that takes place on protected open space**
 - **\$2.8 million in commodity sales from preserved working farmland**
 - **\$7 million in municipal park maintenance expenditures**
 - **\$18 million in tourism revenue**
 - **\$72.7 million in annual salaries**
 - **\$7.3 millions in annual state and local taxes**

PLUS

- **1,678 jobs created on or as a result of protected open space in Erie County**
- **\$535 million added to Erie County housing stock value –\$4,490 for every housing unit**

2. *Why A Study of Protected Land in Erie County?*

Continuing Loss of Open Space to Urban Sprawl

Over the past few decades, several consultants have identified sprawl as being a major economic problem for Erie County. Citing the Brookings Institution's study as reported in the December 3, 2003, front page article of the Erie Times, "*the Erie area developed 4.5 acres for every new household compared to the national average of 1.3*" LERC recognizes this issue through its conservation efforts and public education programs and studies.

Sprawl imposes five important costs to the region:

- Increase in the costs of infrastructure
- Increase in the cost of transportation
- Consumption of agricultural land, natural areas, and open space
- Concentration of poverty and acceleration of socio-economic decline in the City and older suburbs
- Increases in pollution and stress

This study addresses the sixth, but often ignored, cost:

- **The economic impact of destroying open space** to our families, businesses, government, and entire communities

Enhancing Quality of Life

When referring to "quality of life" issues, a Joint Economic Committee of Congress found that businesses are attracted more by a region's quality of life than purely by business related factors.

The term "quality of life" has been used to embrace many facets of life, but when it is operationally defined it almost always incorporates recreation, parks and open space opportunities. As noted in "*Best Cities: Where the Living is Easy*," a 1996 article in Fortune magazine, the following survey question was posed: "If you had virtually identical career opportunities in multiple cities, what would be the most important quality of life factors that would determine your choice?" Education was first followed by recreation, culture and safety.

Letting Everyone Decide

Informed decision makers make better decisions.

- Private and public sector executives make better decisions knowing the quantified impacts of their choices. **This study will reveal how many people use our protected open spaces and include tourists and sportsmen, and present bottom-line numbers - in home values, dollars and jobs.**

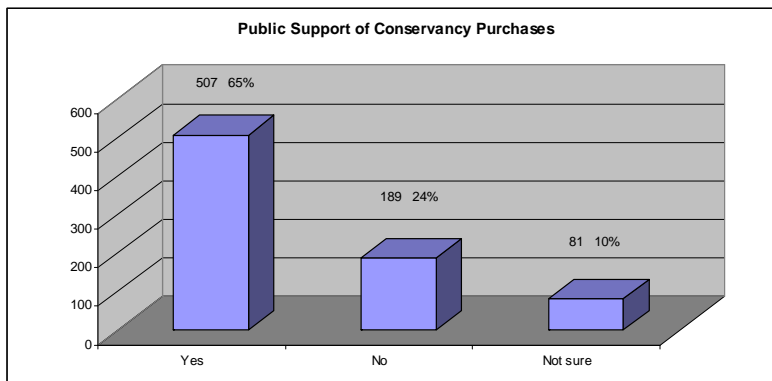
An informed electorate is critical.

- **This study will support a planned effort for a ballot referendum** on setting aside County money for future protection of open space.

Public Perceptions

Unlike many public issues, there already appears to be strong public awareness and support for public land conservation in Erie County, as displayed in Table 2-1. Only one recent public opinion survey within Erie County was identified, conducted by GoErie.com and published on May 24, 2012. [2] The poll asked “Do the benefits of protecting wildlife habitat and public access through conservancy purchases outweigh the loss of tax revenue and other benefits of keeping the land private?”

TABLE 2-1 Public Support of Conservancy Purchases		
Do the benefits of protecting wildlife habitat and public access through conservancy purchases outweigh the loss of tax revenue and other benefits of keeping the land private?		
Response	Number Responding	% of Responses
Yes	507	65.25%
No	189	24.32%
Not sure	81	10.42%
Total	777	100.00%



- 65% of respondents favor conservancy purchases of land, despite any loss of tax revenue and other benefits of private control.
- Assuming randomness in respondents, the sampling error for this survey would be 3.5% with a confidence level of 95%.