

Open Space Makes \$ense

How many of you have lived in this area most of your lives? Remember how it used to be? We no longer live in the "country". Worcester and most of our surrounding townships have succumbed to suburban sprawl. Our open land is rapidly being consumed by new developments.

Last November, Montgomery County voters authorized the county to spend \$150 million over the next 10 years to preserve open space, farmlands, recreational trails, historic resources, and more. Worcester benefited from the county's previous open space program with several purchases of land or development rights with money from the state, county and township. Beyond the benefits of land preservation, why should we continue to spend our tax dollars this way?

Worcester should aggressively continue to support open space preservation. Here is why.

THESE ARE THE FACTS!

Let's take a look at what Worcester has spent:

To date, Worcester has purchased three township parks and has helped to permanently preserve five large parcels of farmland in the township totaling 302 acres. The cost was \$3,527,252, which includes all acquisition fees – appraisals, legal, engineering, and consulting costs. The average cost to the township per acre was \$11,676.

<u>LAND PRESERVED</u>			
<u>NAME</u>	<u>ACRES</u>	<u>TWP COST</u>	<u>LOCATION</u>
<i>Land Purchases</i>			
Heebner	72.9	\$1,764,662	Heebner Park
Lenhardt	16.5	661,373	Heebner Road
Dyka	10.0	178,758	Berwick Place
<i>Purchase of Conservation Easements</i>			
Gerstemeier	32.5	246,223	Schultz Road
Harris	59.0	62,700	Kriebel Mill Rd
Markel	22.4	297,936	Greenhill Rd
Markley	38.7	165,300	Merrybrook Rd
Scarlett	<u>50.1</u>	<u>150,300</u>	Shearer Rd
	302.1	\$3,527,252	\$11,676/acre

WHY IT MAKES SENSE

DEVELOPMENT & SCHOOL COSTS

Each household averages 0.8 public school children and \$4588 in annual school taxes. The annual cost to educate one child in the Methacton School District for the 2003-2004 school year is \$11,900.

THE ANALYSIS

0.8 x \$11,900	=	\$ 9520
School taxes/new home	-	<u>4588</u>
Shortage shared by taxpayers, per home	=	\$4932

Worcester's cost to permanently preserve 302 acres of land has been an average of \$11,676 an acre. Assuming that these parcels could have been developed as 2-acre lots, these permanently preserved acres could have produced 151 new houses. Each household in our school district averages 0.8 public school children. The average amount paid by Worcester residents in school taxes in 2003 was \$4588 per home, but the annual cost to educate one child in the Methacton School District for the 2003-2004 school year is \$11,900. That's a tax shortfall of \$4932 per household. If those 151 homes had been built, the resulting tax shortfall would have been \$744,732 each year. This is the amount that would have been made up by the rest of the taxpayers in the district, every year.

151 x 0.8 students per home	=	120.8
Cost to educate each child	x	<u>11,900</u>
Total cost to educate	=	\$1,437,520
151 x 4588 (Average School Tax)	-	<u>692,788</u>
Shortage shared by taxpayers <u>each year</u>	=	(744,732)

Cost to preserve 302 acres	\$3,527,252
Shortage shared by taxpayers <u>each year</u> ÷	<u>744,732</u>
	= 4.7 years

After 4.7 years our already preserved properties are no additional cost to the district taxpayers. In contrast, new homes would continue to cost all of us additional taxes.

Let's look at our most recent conservation easement purchase, completed in February 2004, which preserved the Scarlett farm on Shearer Road. The easement, which protects 50.1 acres, cost the township \$150,300. Assuming that 25 houses could have been built on this property, how soon will taxpayers see a tax benefit from this purchase?

Here's the math:

25 x .8 students per home	=	20
Cost to educate each child	x	<u>11,900</u>
Total cost to educate	=	\$238,000
25 x 4588 (average school tax)	-	<u>114,700</u>
Shortage shared by taxpayers <u>each year</u>	=	(123,300)

One-time cost to preserve 50 acres	=	150,300
Tax shortfall each year	÷	<u>123,300</u>
	=	1.2 years

That's right! After only 1.2 years, there will be no additional costs to district taxpayers, and this property will be preserved forever as farmland. In contrast, new homes continue to cost all of us additional taxes forever.

WHAT IS OUR PLAN?

SCHOOL TAXES IN WORCESTER 2000-2003

YEAR	MILLAGE	AVG TAX BILL	% INCREASE
2000	16.58	\$3,524	
2001	16.99	\$3,760	7%
2002	18.11	\$4,101	9%
2003	19.72	\$4,588	12%
2000 – 2003			30%

POPULATION GROWTH IN WORCESTER

Year	Population	% Growth
1980 – 1990		0.5
1990	4686	
1996	5681	21
1998	6076	7
2000	7789	28
2005 (estimate)	8910	14

Worcester's population has grown by 66% in the 10 years from 1990 to 2000. By 2005, projections are for 90% growth in the 15 short years from 1990 to 2005. In the last 10 years, approximately 1500 new building lots have been approved. Additional subdivisions totaling 384 homes are currently proposed and awaiting final approval.

In the face of all this development, what can we do? Investing taxpayer dollars in land preservation actually saves us money. We can still preserve our rural township from being developed completely. Here's how –

The Open Space Referendum that Worcester residents strongly supported last November is only one source of available funding. There are several state programs in which Worcester can participate. Additionally, many townships in the area have authorized bond issues ranging from \$4 million to \$10 million specifically to preserve open space. Several other townships have enacted a 0.25% earned income tax for the same purpose. Finally, landowners can be encouraged to donate land or conservation easements. They can realize tax benefits and provide a legacy of open space to the community.

SOURCES OF FUNDS AVAILABLE

State Farmland Preservation Program
County Farmland Preservation Program
Montgomery County Open Space Program
DCNR Community Conservation Partnership Program
Growing Greener
Keystone Recreation, Park & Conservation Fund
Private Organization Natural Resources/Heritage Area Program
Private Donations
Township Funds
Bond Issues
Earned Income Tax

METHODS OF PRESERVING OPEN SPACE

Purchase Development Rights
Buy Land, Add Restrictive Easements, then Resell
Cluster Housing
Voluntary Deed Restriction
Gifts of Conservation Easements
Gifts of Land
Natural Resource Protection
Open Space within Developments
Townships Purchasing Land Together
TDR – Transfer of Development Rights
Zoning Ordinances
Building Moratorium – allows municipalities time to update their land-use ordinances & comprehensive plan

BENEFITS OF LAND PRESERVATION

Decreased School Taxes
Decrease Costs for Services
Less Demand on Groundwater Aquifers
Preserve Rural Community Character
Quality of Life
Reduced Air Pollution
Reduced Flooding
Reduced Local Traffic
Increased Property Values
Recreational Areas
Habitat for Wildlife
Greenway

WHAT OTHER TOWNSHIPS ARE DOING

Bond Referendums

Date	Where	Amount
1995	Buckingham Twp, Bucks Co.	4 million
1999	Buckingham Twp, Bucks Co.	9.5 million
1996	Plumstead Twp, Bucks Co.	4 million
2001	Plumstead Twp, Bucks Co.	6 million
1996	Upper Makefield Twp, Bucks Co.	6 million
2000	Upper Makefield Twp, Bucks Co.	15 million
1999	Whitpain Twp, Montgomery Co.	10 million
1996	Solebury Twp, Bucks Co.	4 million
1999	Solebury Twp, Bucks Co.	10 million

Earned Income Taxes for Open Space

2001	Franconia Twp, Montgomery Co.	.25% eit
2000	Hilltown Twp, Bucks Co.	.25% eit
2000	New Britain Twp, Bucks Co.	.125% eit
2001	Skippack Twp, Montgomery Co.	.25% eit

BENEFITS TO LANDOWNERS WHO SELL THEIR DEVELOPMENT RIGHTS

- Will Still Own Property
- Can Continue to Use Property
- Can Continue to Live on their Property
- Can Leave Property to Heirs
- Can Use Money Otherwise Tied Up In their Property
- Federal Income Tax Benefits/Charitable Donation
- Leave a Legacy for the Community
- Property Can Still Appreciate In Value
- Lower Real Estate Taxes

We all benefit from land preservation. Fewer homes mean less demand for costly municipal services, less demand on limited groundwater aquifers, reduced air pollution, and reduced street and yard flooding.

The time is NOW to preserve our community character and quality of life! We must not miss this opportunity!

There are important issues to consider. Development will not stop. Land prices are increasing. Investing in land preservation saves money. After the costs to purchase development rights are paid, our costs end. If the land were developed, the costs for services and schools would continue indefinitely.

Once it's gone, It's gone forever!