



Conference on the Economic Impacts of Preserving Open Space Lands

**February 2, 2008
The American Mountaineering Center**

Sponsoring organizations:

**PLAN Jeffco
Jeffco Open Space Foundation
First Bank of Lakewood
Colorado Mountain Club
Clear Creek Land Conservancy (honorarium assistance)
Denver Parks and Recreation
American Planning Association
League of Women Voters of Jefferson County
Jefferson County Open Space
Audubon Society of Greater Denver**

What is PLAN Jeffco?

PLAN Jeffco is a citizen organization, based in Jefferson County, that for over thirty-five years has advocated the formal preservation of key lands as open space. In 1972 the organizers of PLAN Jeffco realized that because of Jefferson County's location at the boundary between the growing Denver Metro area and the Front Range, preservation of open space was absolutely necessary to offset the rapid loss of natural and scenic lands to development.

PLAN Jeffco authored and successfully campaigned for a ballot initiative that established a ½-cent sales tax in Jefferson County to fund open space acquisition and to establish the award winning Jefferson County Open Space program. While that program has grown in size and significance PLAN Jeffco has provided citizen oversight and impetus for new program directions.

Philosophy.

PLAN Jeffco believes that publicly owned and preserved open space is a cornerstone of any rational land use policy with a goal to provide citizens with enhanced quality of life. In this regard, PLAN Jeffco continues to support the acquisition and preservation of key lands as open space, by any and all efforts.

Significant Accomplishments.

1972: Organized and led successful ballot initiative to establish sales tax revenue and Jefferson County Open Space program.

1980's & 90's: Actively supported acquisition of Jefferson County open space in the Clear Creek Corridor. Efforts culminated in successful and very significant Great Outdoors Colorado (GOCO) Legacy Grant for open space acquisition.

1998: PLAN Jeffco analysis determined that open space acquisition rate was too slow to keep pace with land prices and commercial development. Organized and led successful ballot initiative to permit the financing of \$160 million in bonds for acceleration of open space acquisition approved by more than 70% of the voters.

1998: Endorsed successful efforts to oppose inappropriate corporate development of South Table Mountain, reaffirming its status as a high priority program acquisition.

1999: Organized a Natural Areas citizens' workshop at annual meeting to promote the subsequent formulation of an ecologically based open space acquisition strategy. Illustrative of efforts to establish new directions for the Open Space program with substantive collaboration with county staff.

2002: Spearheaded efforts to formulate important policy governing disposal of Jefferson County open space, preserving integrity as well as flexibility of program.

2002: Actively participated in crafting of Lafarge transaction with Jefferson County Open Space program. Creative transaction provided for acquisition of open space on high priority project, North Table Mountain as well as important tall grass prairie near Rocky Flats.

2003, 2008: Over the course of existence of the Jefferson County Open Space program PLAN Jeffco has actively participated in the formulation of Open Space Master Plans that provide vision and goals for the program.

PLAN Jeffco continues to provide an important citizen education function. Important county and statewide issues such as transportation, growth management and eminent domain have been topics for annual meetings, citizen workshops and analyses in our periodic newsletter.

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Welcome and Goals
Margot Zallen, Chair, PLAN Jeffco

Some of the issues and concerns that we are going to hear about today date back to 1972 when, PLAN Jeffco, was trying to convince the County Commissioners to put a tax increase on the ballot to raise funds to preserve open space lands. They were concerned about the effects of taking lands off the tax roles and other potential negative impacts to the county's economy. We prepared a report for the commissioners, using the scanty data that existed at that time, which showed that positive economic benefits accrued as a result of acquiring and preserving open space lands. Apparently this report lessened their concerns, as they agree to put the issue on the ballot and the voters overwhelmingly agreed to tax themselves to protect the disappearing open lands.

At that time, Jefferson County was growing faster than India which had been the poster child for uncontrolled population growth. Today growth and loss of open lands are nationwide issues with approximately two million acres of open lands developed each year, amounting to a loss of 6,000 acres a day.

This year, 2008, marks the 36th year of the Jefferson County Open Space program. With over 50,000 acres of lands preserved and hundreds of miles of trails developed, we thought it was time to reassess how the Open Space Program affects the economy of Jefferson County and answer some reoccurring questions. Does it tie up lands that are needed for development? An important question in times of reduced tax revenues and increased demand for county services. Do we continue to buy open space lands and if so, where? What role does it play in the county? Will the maintenance costs outstrip the tax revenues? To answer these and other questions, we invited a number of experts to join us in a discussion today.

Opening Remarks Greg Stevinson, Chair, Jefferson County Open Space Advisory Committee and businessman.

We have an impressive attendance and panel today, exemplifying the high quality of leadership Jefferson County has brought to the open space program. First there is one question I would like to address: "Can we maintain what we are acquiring?" My personal perspective is yes, we will, and yes, we can, as long as we do not get into the park and recreation business or build and maintain Kentucky blue grass. I say this because the open space acquisition process is very rigorous and detailed, and takes maintenance into account. It is updated each year with good people working on it.

Jefferson County has, in my opinion and in some respects, a structural deficit issue and I applaud the Commissioners for tackling a problem they inherited. There are capital infrastructure needs for repairs and replacement, jails need improvements, the county administration building is showing needs of maintenance, and we have ever-increasing demands from the sheriff's department, needs for substations, needs for additional personnel, and more.

Jefferson County attracts business owners, employers, and employees because of our lifestyle opportunities and amenities. We are near the foothills and mountains and easily accessible. We have seen that businesses often locate where a CEO wants to live and Jefferson County attracts these types of businesses. Jefferson County is blessed and cursed with wonderful highways and accessibility. We have five major highways intersecting in this county allowing for ease of access; however, this places an extra

burden on the Open Space lands by bringing visitors to our county for recreation and open space enjoyment opportunities. Some other counties do not have as much open space and/or do not allow the multiple uses. Our accessibility can be good economically. Cities live off sales tax and the Open Space Program is funded by sales tax (the sales tax has been flat since 2001). If we keep our county and cities vibrant, people will want to locate, live, and shop here, paying sales tax while they shop. If we have a healthy economic base, it will continue to support the health of the Open Space Program, which is then also based on the health of Jefferson County.

Another question I want to address is: “What is the impact of taking property off the tax roles?” The Open Space Program has strategically made acquisitions that are of the lowest economic impact. Potential losses are offset by the increased value and sales of properties next to open space parks. Every time the program looks at acquiring property we do a myriad of analyses: one is cost of maintenance of that piece of property. We can and have continued to afford the stewardship of the properties we have. We can acquire more provided the economy stays strong, we encourage the public to leave Open Space sales tax as it is, and we don’t get into the park and recreation business.

Keynote Address
Dr. John Crompton
Texas A&M

Speaker biography

Dr. Crompton is a Distinguished Professor of Recreation, Park and Tourism Sciences at Texas A&M University. Dr. Crompton has been active in the fields of Tourism, Recreation and Park Administration since 1974. He is a recipient of awards from the National Park Foundation, the National Recreation and Park Association, the Society of Park and Recreation Educators, the Travel and Tourism Research Association, plus numerous awards from Texas A&M during his 33 years of teaching there. He also has authored or coauthored 16 books.

Dr. Crompton’s presentation

This county was a pioneer in dedicating funds for conservation back in the 70's and still today is one of the only counties in the country that has that kind of dedication to open space preservation. The rest of the world is catching up: the last few years have seen incredible progress for open space preservation.

For example, the Trust for Public Land (TPL) noted there have been 1,500 open space bond issues in the last eight years and 77% passed, which is a higher pass rate than any other public service. Every opinion poll says America wants to spend more money on parks and conservation. From 1995 to 2004 America experienced a 64% increase of real dollar expenditures by local governments on parks and recreation-again, higher than any other public service.

There now are 1,700 Land Trusts in the nation, an increase from only 400 just 25 years ago. There is \$400 million more for trails than there was 20 years ago. According to the Army Corps budget, the biggest polluters of the past now spend 25% of their budget on clean up or greening projects. The last farm bill had \$20 billion in conservation programs. This is the golden era for conservation.

On personal level, six months ago, I allowed peers to pressure me into running for city council and I ran on a green platform in central Texas. It came down to a runoff between a development-pro, five-year councilman and me. I won and people came out supporting green in Texas. In the six months since, there has been a complete change because other council members are seeing that their constituents support

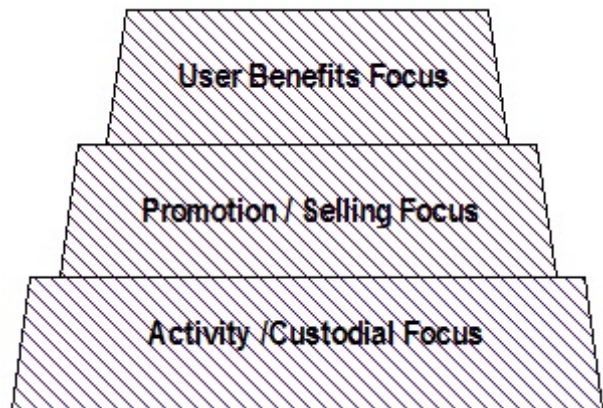
green efforts. There are social merits for promoting green and open space protection, but the bottom line is that it has to make economic sense.

I have a marketing and finance background so I have carried out a number of studies to analyze the economics of open space protection.

Officials frequently view parks and open space as costly investments from which they see no economic return. They often also believe that it is development that brings prosperity to a community and that while there is social merit for parks and open space; those amenities are secondary at budget time.

Too many community leaders feel they must choose between economic growth and open space protection. But no such choice is necessary. Open space protection is good for a community's health, stability, beauty, and quality of life. It is also good for the bottom line.

Over time, there have been different attitudes and focus toward open space and we have studies on its effects. The partial pyramid shows three foci during the gestation period.



In some of our studies, we assumed there are four different sets of folks in a community:

- Proximate residents within three blocks of the park (Property Capitalization)
- Other city residents who use the park (Contingent Valuation)
- Other city residents who do not use the park (Psychic or Opportunity Value Contingent Valuation)
- Residents from out side the city who use the park (Economic Impact)

The questions in these studies were given to users asking them if they are able to measure the value of a home that is attributable to a park. Even if an individual doesn't utilize the park, there is a value there. We measure the economic impact by looking at visitor use. We have done dozens of studies that measured user values and how much users got from the park.

We realized that looking at only users and user satisfaction might be insufficient to justify parks and conservation. Measuring users proved to be inadequate because most taxpayers are not direct users of most of the facilities so why should they pay for them? For this type of nonuser, it's the offsite benefits rather than the onsite benefits that give them value for the park.

There are people who might not typically use the parks, such as the couch potatoes to the right.



We recognize that parks need the support of even those who do not use the park amenities.

A park performs necessary service for the community beyond responding to the demands of particular user groups. Originally parks were intended to clean the air from pollution, serve as a place where workers could regenerate themselves and be more productive, increase real estate values, serve as tourist attractions, etc. The purposes of the parks did not include rationale for user-related values like walking dogs or picnicking.

The value of parks and recreation is that they perform a necessary service for the community beyond responding to the demands of particular user groups

“The provision of leisure for its own sake still lacks political clout. It has to show other, more tangible returns, such as jobs, urban regeneration, alleviating delinquency or whatever, to be worth funding. On its own it sounds too flippant: It carries real political conviction only if advocated for other, instrumental, reasons too.” --Sue Glyptis, Leisure and Unemployment

Around 1990, there was a shift to a new era focused on community benefits, see figure, and making a case for a whole community, not just those that are going to use the parks.

This work is outlined in our book and identifies the following 19 possible community-wide benefits related to economic prosperity due to open space.

Benefits Related to Economic Prosperity:

- Attracting tourists
- Attracting businesses
- Attracting retirees (affluent retirees are the new economic development tool in America)
- Enhancing real estate values
- Reducing taxes
- Stimulation of equipment sales

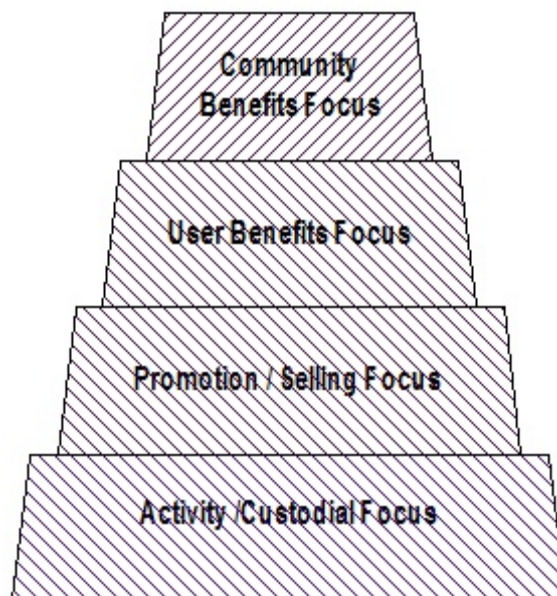
We are seeing a big change and we now have the social science evidence that shows these things are true.

The evidence shows there are benefits related to environmental sustainability as well; such as:

- Cleaning water
- Controlling flooding
- Cleaning air
- Reducing traffic congestion
- Reducing energy costs
- Preserving biological diversity

Additionally, there are benefits related to alleviating social problems.

- Reducing environmental stress
- Community regeneration
- Cultural and historical preservation
- Facilitating healthy lifestyles



- Alleviating deviant behavior among youth
- Raising levels of educational attainment
- Alleviating unemployment distress

You can pick which factors are best related to you in Jefferson County.

The evidence has great credibility. This field only started in 1965 with a focus on recreation, value of parks, and open space. “We have come a long way in essentially less than a half-century and have much to be proud of. In fact, few areas of scientific inquiry have realized such advancements in so short a time.” --Driver, 1999

Critics who argue there is inadequate evidence to support the potential contributions of these benefits are wrong. There is strong empirical support for all of the benefits listed to justify their advocacy in formulating policy.

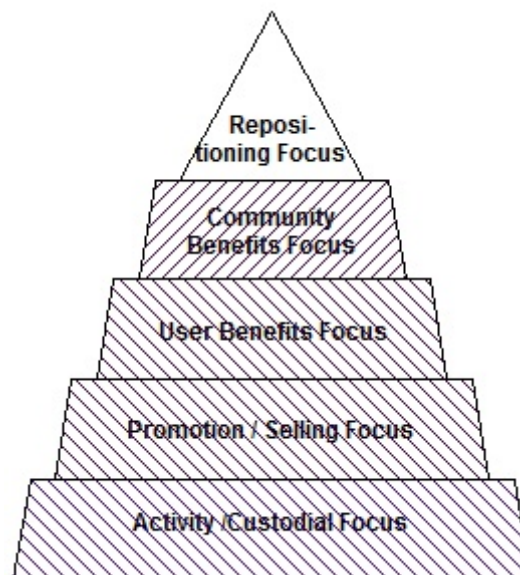
There is plenty to support the benefits outlined in our book. The book is written with the idea that communities can take the various benefits and apply them into their planning processes as appropriate for that area. I work in tourism as well and the amount of data relating to tourism is much less than what we have relating to parks and recreation, but in tourism they don’t hesitate to use it. For some reason, those of us in parks and recreation say we need more information. We have to make judgments based on the information we have and our data is as good as in any other field.

A “future perspectives” paper from 1974 said: “We are not identified with major problems which confront our total American Society [which is a] deep concern and disappointment. The field should focus park and recreation services on the great social problems of our time and develop programs designed to contribute to the amelioration of those problems.” --Gray and Greben, 1974

We are now repositioning foci relative to our focus and attitudes toward parks and recreation.

The ‘big idea’ associated with repositioning is that funds are invested in solutions to a community’s most pressing problems. The term ‘investing’ suggests a positive, forward-looking agenda with a return on the investments. Elected officials usually have no mandate to fund programs; their mandate is to invest resources into solutions. For every nickel you put into parks and open space, I can demonstrate there will be an economic return on that nickel. The community challenge is to show how the investment in parks will generate solutions and results.

Here is an example: Parks Victoria (Australia) focuses on ‘healthy parks; healthy people.’ Keeping their environment cared for is one of their core concerns. Healthy people are another core concern and they have created a strategy of implementing solutions to both their core issues.



Their focus communicates two principal health themes:

- The role of Parks Victoria in keeping the environment healthy by addressing such core public concerns as enhancing air quality, enhancing water quality, and alleviating flooding.
- The physical and mental health benefits accruing to state residents using the parks.

In their marketing, Parks Victoria links with **Heart Foundation**, the **Asthma Victoria** group, the **Arthritis** group, and others. By linking with these credible and well-known groups, Parks Victoria's message can borrow from their credibility and legitimacy.

We also need to ensure we're using effective vocabulary in psychological repositioning for parks and conservation:

- Water: clean water, preserving water quality
- Protect wildlife habitats: not "endangered species", which is more polarizing
- Natural areas: avoid "open space" cf. empty space of no benefit to people; "urban space" cf. an abandoned lot or bench among big buildings
- Hiking, biking and walking trails, not "trails," attaching uses to it makes it more resonant
- Creating parks and other places where children can play safely, not "neighborhood parks" or "playgrounds"
- Protecting quality of life and carefully planned areas, not "sprawl," "unplanned growth," or "reducing sprawl"
- Our* and *we* imply ownership and inclusion, e.g., "WE need to protect OUR beaches, lakes, and natural areas"
- Protect natural areas for future generations
- Talk about ourselves as conservationists not environmentalists

Talking now about some of the benefits that might be germane to Jefferson County.

I would like you to go home and try this with your communities. The exercise is to write in one sentence, the place you want to live given your druthers -- your dream destination -- and why you picked that place.

More than 80% of people will cite a park or recreation or cultural ambiance dimension. So what is this exercise about? It's about business relocation.

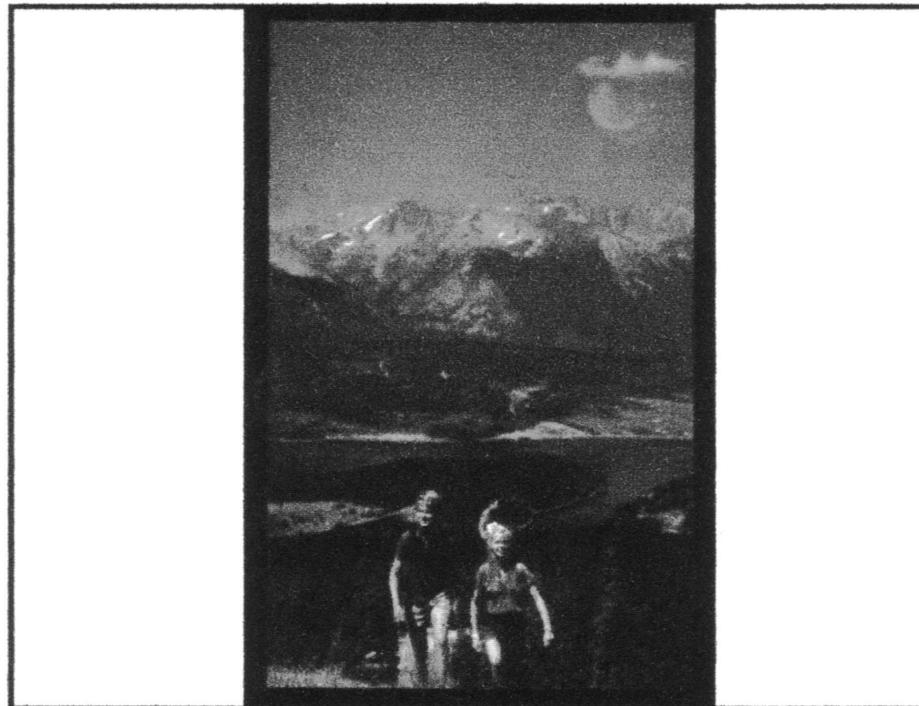
What are the drivers to move an employee?

Beyond a threshold salary level, people are persuaded to relocate by quality of life factors rather than money.

The number one factor to move an individual is quality of life. What is quality of life? It is the adjectives you wrote down earlier in the community benefits exercise.

Parks have a lot to do with business relocation factors: there are no great cities in this world that do not have

a great park system. There is a “dis-amenity” compensation where businesses have to pay higher wages in places with lower quality of life factors and vice-versa. For example, there are higher salaries at Texas A&M in College Station versus perhaps Boulder, Colorado.



What is the significance?

Most new business growth comes from small companies and 90% of businesses in the US employ 10 or fewer people. Small business owners often sacrifice profit for quality of life rather than optimize their profit potential. A CEO of a small business will locate the business where he or she wants to live and, to a certain degree, will trade profit for lifestyle.

The financial package is not necessarily the differentiating element in relocation decisions. Economic development today is not about incentives; it is about creating a nice place where businesses and employees want to live.

Strategic economic development marketing means designing a community to satisfy the needs of its current and potential stakeholders (i.e., Real Repositioning).

In our study, we gave the participants 100 points and asked them to allocate points across six elements (government incentives, quality of life, labor, proximity to customers, operating costs, and transportation) the first six rows. The allocations were to be relevant to the level of importance that drove the participant in relocating their company. Most interesting analysis: when we look at small companies (10 or fewer employees) and large companies (40 or more employees), among small companies: quality of life is most important and proximity to customers next; for large companies, labor and operating costs were most important, probably because they have stockholders and are mandated to make the highest bottom line, so they operate by different criteria.

The table on the right shows data from an actual study comparing the perceptions of the relative importance of quality of life elements in location decisions in large and small companies.

This shows that parks and recreation have a lot to do with business relocation in Jefferson County.

Quality of life -- what is it? Primary and secondary education, recreation and open space, cost of living and housing, personal safety and crime rates, culture opportunities, health and medical services are shown in the second six rows. For small companies, recreation had the highest importance, 26.4 versus 12.1 for large companies

Comparison of the Perceptions of the Relative Importance of General Elements in Location Decisions between Decision Makers in Large and Small Companies		
Elements	Small Companies Means - N=38	Large Companies Means - N=42
Government Incentives	3.9	14.2
Quality of Life	33.3	14.7
Labor	10.3	24.0
Proximity to Customers	28.4	11.6
Operating Costs	17.2	24.3
Transportation	6.7	7.7
Primary/Secondary Education	19.4	18.0
Recreation/Open Space	26.4	12.1
Cost of Living/Housing	23.0	34.5
Personal Safety/Crime Rate	12.9	13.2
Cultural Opportunities	10.6	9.5
Health/Medical Services	7.1	9.2

We also conducted focus group interviews for the Trust for Public Land. We categorized different people and did interviews (business leaders, conservation leaders, political leaders, philanthropic leaders, etc.). The results showed that businesses have to provide for good quality of life factors or opportunities.

Economic Development Agency staff rated the elements different from the business owners.

Economic Development Agencies typically become involved only in the final stages of a company's decision process: These agencies:

- Serve as a conduit through which companies conveniently can request specific information from communities that they are considering.
- Host and coordinate visits to the community by company officials.
- Coordinate company requests for easements and planning permissions.
- Coordinate the negotiation of incentive packages that their community is prepared to offer.

“People working in high tech companies are used to there being a high quality of life in the metropolitan areas in which they live. When we at Dell go and recruit in those areas, we have to be able to demonstrate to them that the quality of life in Austin is at least comparable or they won't come. It's not just about salary. It's about what's the community like where I'm going to live.” -- Vice President, Dell Corp., Austin Editorial newspaper article. (Off the record, Dell said they have a recruiting office in Seattle for the one purpose of stealing employees from Microsoft and moving them to Texas, but they have an incredibly hard time getting people to move from Seattle to Austin. -Additionally, an editorial in the *Des Moines Register* titled “Focus on the good life,” stated that Iowa tried to provide incentives for businesses to bring economic development, but it didn't work. Regions with highest quality of life had better economic development.)

The retirement migration is the new “clean growth industry” in America today. People want these retirees to move to town as an economic driver.

They are called GRAMPIES: Growing number of Retired Active Monied People In Excellent Shape

Perceived Importance of Quality-of-Life Elements in Location Decisions by Economic Development Agency and Business Respondents		
Element	Agency Respondent Means - n-73	Business Respondent Means - n=174
Primary/Secondary Education	25.8	16.6
Recreation Parks/Open Space	13.1	18.1
Cost of Living/Housing	25.6	28.6
Personal Safety/Crime Rate	12.7	16.3
Cultural Opportunities	8.3	9.9
Health/Medical Services	12.5	9.3

You are what you were, yesterday. Among GRAMPIES, the major hobbies you did in your younger years will stay with you and many of these folks are leisurely literate. Retires now want more leisure opportunities. If a community wants to attract retirees, they need the stuff GRAMPIES want.

GRAMPIES are an appealing economic target market because:

- Their Social Security and Private Retirement incomes are stable -- not subject to the vicissitudes of economic business cycles.
- They are "Positive" taxpayers, i.e., generate more tax revenue than the cost of serving them (e.g., schools, criminal justice).
- They contribute to development of the health care industry.
- Volunteer pool --they are -- active in churches, service organizations, and philanthropic organizations.
- GRAMPIES stimulate housing and retail, but do not put pressure on local job markets or social services.

The economic inflow of 100 retired households with \$40,000 annual income is equal to a new \$4 million annual "payroll."

The advantages of attracting GRAMPIES over Business Relocations are that:

- Retirees do not require incentive packages.
- Capital investments by city can focus on quality of life amenities (so if they don't come, you still have the quality of life stuff, that also benefit existing residents.)
- Recreation opportunities
- Ambiance
- Beautification
 - c.f. Individual parks, infrastructures, tax incentives for businesses

Retention of GRAMPIES is as valuable as recruitment.

Roger Ulrich's *Studies* for his 1980 dissertation focused on the recovery time of hospital patients that faced a park and patients that faced a brick wall.

Records show patients facing the park (the "tree group") healed an entire day faster with fewer complications, fewer negative evaluations, and the other group (the "wall group") had more doses of pain drugs.



The results from the study showed the tree group had one less day of recovery in the hospital, the tree group had fewer minor post surgical complications, and the tree group had fewer negative evaluative comments. The wall group used more doses of pain drugs classified as moderate or strong.

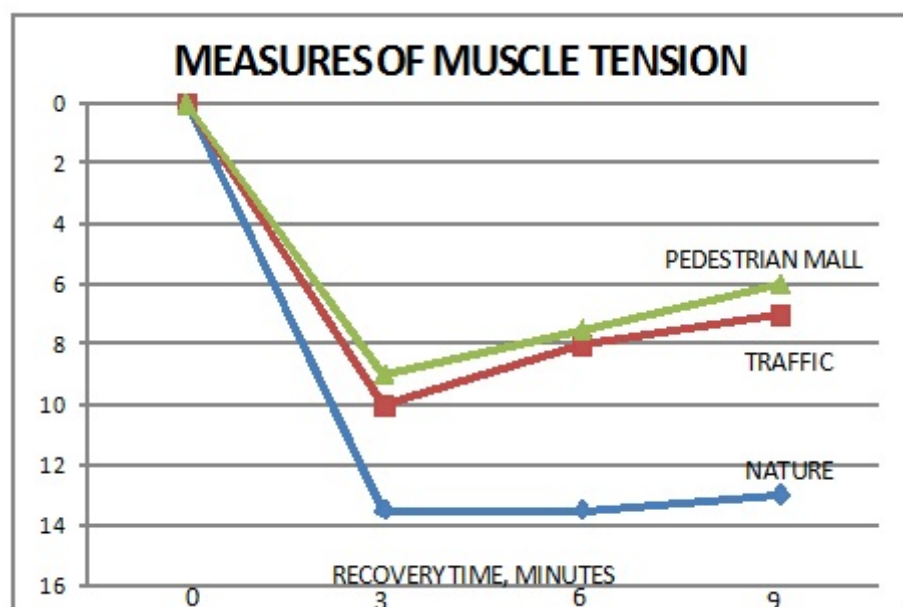
The tree group used fewer moderate and strong drugs, but used more weaker drugs than the wall group. For day one there is no difference because when you first come out, you're so hazy you can't see anything at all. Day's 2 to 5 are more significant.

Another Ulrich -study showed participants a video of horrid car accidents followed by a recovery video. The recovery video was one of three options:

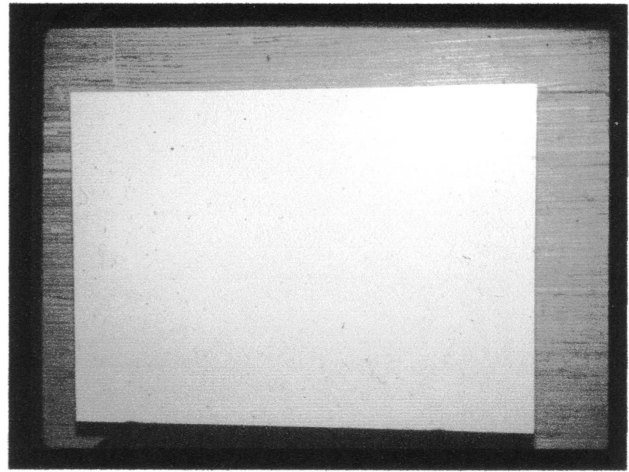
1. Watching traffic flowing on a local street
2. Watching people walking in the local pedestrian mall
3. Looking at nature scenes from local parks

The nature scene group had their blood pressure come down fastest.

Muscle tension reduced much more quickly for those that were shown the nature scenes (see graph.)
“The findings clearly showed that individuals recovered faster and more completely from stress when they were exposed to nature as opposed to any of the urban settings. “In my judgment, it may prove quite difficult to locate urban settings lacking nature that have physiological relaxation consequences matching those of the unspectacular natural amenities,” -Roger Ulrich.



Another study posted different ceiling images before patients go into surgery. One image was white (shown on the right), one was of nature (see next page) and one was of animals staring at the patients. The nature scene patients were most relaxed.



Another study showed recovering patients a scene looking at a white board or a nature scene after heart surgery. The nature scene patients healed faster.

Conclusions: nature aids healing. Stress is a major source of people ending up in a hospital. If there is nature around, the stress dissipates, resulting in healthier people and economic implications for the community.

The three main foci for providing parks and open space are: attracting retirees, attracting business relocation, and reducing residents environmental stress. All of the above listed 19 benefits can help to do this and we have the economic information to show this.

Questions & Answers from the Audience:

Q: In reference to the book "Last Child in the Woods," have there been any tests to quantify what the book says?

A: The book diagnoses the problem well, but doesn't have a solution other than helping children get out more; it doesn't provide the ammunition in moving economic development forward. We need economic values on those things so it gets attention in the political process.

Q: Have you or others made attempts to quantify what the book says, economically?

A: Yes, in ways. We have looked at delinquency prevention programs and drop-out rates vs. recreation -- we used recreation as a hook to show the reduction over time in drop-out rates.

Q: Is there a correlation of property values between parks and proximity to them? What is the applicability of that study to larger-scale Open Space Program where the residential area is necessarily close to the recreation areas?

A: In an urban area and a hypothetical park, the zones around the park have increased property values that correlate to the distance from the park. If you use the key assumption that 20% increase in Zone A, 10% increase in Zone B and 5% increase in Zone C, and then apply premiums, you find that the park pays for itself because homes closer have higher values and higher taxes. This does not work in every situation. It works for natural/passive parks, but not for ball fields, etc. For natural, open space areas it shows that it will raise the value of all homes in an area so when one measures proximate values, it becomes difficult as the comparison is not as legitimate when all of the homes values raise, not just adjacent ones.

However, a lot of work has been done in the area of cost of services and fiscal impact analysis. The developer mentality is that they can cut trees because it will raise the tax base and income and then be able to go plant other trees. If you look at median values from 98 studies addressing revenues versus service costs for three areas-- commercial and industrial, farm and forest open space, and residential --for every revenue dollar generated, the service cost was \$0.27 for commercial, \$0.35 for open space, and \$1.16 for residential. Not one study case showed residential with less service cost than revenue. It nearly always costs more to service residential than is received in revenue. An exception sometimes is with senior citizen developments because they have higher income houses and taxes with fewer services. Commercial is low cost, but needs to balance with residential needs for the employees. You can save money by having open space to prevent houses because in the long term it is cheaper to buy open space than to allow houses to be there.

When new businesses move into an area, they cause residential growth. That residential growth does not pay for itself. Therefore, unless there is high unemployment, attracting the typical business to an area will not generate more additional revenue than the additional service requirements of the additional growth.

Protected Lands and Property Values (panel)

Matt Cohen:

A Realtor's Experiences and Perspectives

Speaker biography

Matt Cohen is on the Jefferson County Association of Realtors Board of Directors; he is a member of the Government Affairs Committee, and a Realtor with REMAX Alliance.

Presentation

My purpose here today is to show and back up that "Space Sells." Customers ask about proximity to open space areas and recreation opportunities. In housing, people demand choices, and proximity to open space provides the perception that they have the choices for a lifestyle they want.

Perceptions are key; they are what shapes reality. Some customers may want a house that is close to a park and even if they do not use it, they may still be getting the benefit of living nearby. Lifestyle choices have a lot to do with housing choices. The build out of the FasTracks systems is contributing to growth in our area; as we see light rail coming to our area, we'll see a shift in how people feel about their living and working location. Light rail will create options for people and make their desired lifestyle more available.

A number of people are moving from the southeast side of the city to live closer to the mountains and they are willing to make lifestyle, work, or commuting sacrifices/choices. Realtors supported the Open Space ballot initiative in the past and we would/will again.

Wide-open vistas are a draw for people moving out west. We are trying to balance the employment and working needs with open space needs. For example, when a person is selling a home, the first thing to do is reduce the clutter because people are drawn to space - open space, even inside living areas. Jefferson County Association of Realtors will continue to support smart growth/smart development to preserve

open space lands and the associated lifestyle that brings and keeps people here. The Metro area is growing and we'll need to accommodate this growth, but we do not want to see the available resources that we have going to development.

While it may be more expensive up front, we need to focus on strategic development and open space corridors. Our aging infrastructure needs to be upgraded, people want choices, and the more we can preserve the fabric of what has brought people to this community, the better off we will all be. We need to focus on sustainable communities when we are looking at new developments. They need to be in appropriate locations and have sustainable footprints for generations to enjoy. The more sustainable we build, the better components and products we use, the better off we will be.

I have out of state clients and deal with relocation companies and individuals. Many want to be near or close to the mountains. I appreciate that I can show them a development where the residents are focused on ensuring that the area has protected open space that they steward the area (cut trails, work in their HOA's, etc.) They have made the area a draw for relocation.

There is a new development called "Carma" with 1,800 home sites proposed, 1,500 build out. It is a Canadian company with a background in landscape architecture. Their focus is to integrate the surrounding topography into their development. There are more and more folks coming into Jefferson County to use our Open Space resources, but they are bringing in economic resources that stay in our county.

Economic development is a driver and plays a large role in what draws people to areas. A CEO determines where they want to live and brings the rest of the company with them. If you have an industrial complex built out in the open, then the employees are able to look out at the mountains, nature, etc. Space inspires and preservation of open space lands is a key ingredient to our growth and existence here in Jefferson County.

**Mark Weston:
An Appraiser's Experiences and Perspectives**

Speaker biography

Mark Weston is a Principal with Hunsperger & Weston Ltd. He is an independent appraiser focusing on valuation and counseling related to conservation easements and a member of Douglas County Open Space Advisory Committee.

Presentation

As an appraiser, it is always delightful and important to have access to the research. In 1993 a few citizens in Douglas County began to look into open space protection as directed from the planning commission. They looked to PLAN Jeffco and Jefferson County Open Space for guidance. An Open Space initiative passed in 1994 in Douglas County and we're very proud of our program. Douglas County does more with conservation easements than with fee purchase; some due to voter registration because the constituency is more conservative and wanted to preserve land, but not necessarily hold a fee interest.

In 2001, the newspaper reported on the planned construction of a golf course in Highlands Ranch. In 2006, what was going to be a private golf course associated with Highlands Ranch changed to plans for a "South Rim" 400+ acre open space area. The intent of the development was to set aside 8,000 acres of

open space, a pact between the developer and the county. The developer asked focus groups of people what they wanted and people said a golf course was all right, but they were willing to pay the same if not more to have protected open space and access to recreational opportunities, bird walks, guided nature walks, etc. It was like a private country club where people pay an HOA fee to have access to private open space, a “backcountry residential development.”

Taxes may go up on homes that are near a greenbelt or open space area. Data shows that this is true and may increase even more. Lots and parcels that border open space certainly have a much higher assessment. The highest residential real estate market in western US is Jackson, Wyoming.

There are two points: 1) the County Assessor will be applying green space and open space proximity into the assessment equation; and 2) other developers are seeing this trend toward residents wanting open space and are offering that rather than golf or other previously popular amenities.

Dan Pike: Future of Open Space Preservation

Speaker biography

Dan Pike is the President of Colorado Open Lands, a statewide land trust responsible for protecting 180,000 acres in 29 counties. Dan has worked in conservation real estate for more than 30 years with for profit firms and non-profits.

Presentation

Trends in Open Space

Open space conservation in the 70's was more of a boutique effort among a few. It is now a major recognized phenomenon in the world. Colorado was and still is in the forefront of conservation and much of it began with PLAN Jeffco and others. Colorado Open Lands did a project in Mt. Evans touted as the first limited development project. Things like Great Outdoors Colorado (GOCO), the lottery, etc., began and exists in Colorado, and other states covet and copy these efforts. Our tax credit program is the most progressive for conservation easements in the country. There are 50 land trusts and 51 county open space programs; open space is the name of the game in Colorado.

Nice places don't stay the same -- they change

People will be better off recognizing that and trying to impact where development goes, what changes and what gets preserved rather than trying to stop change. If your community isn't threatened with change, nobody wants to be there. Land protection is a really bad way of controlling development. It is expensive and resource-intensive. I would rather see resources directed toward the land that people want to see protected, and the amenities people want to see preserved such as open space, trails, wildlife, etc.

There are other means to control development that work better like incentives, regulation, etc. Haphazard conservation is as bad or worse than haphazard development. The highest priorities will not get protected if we only spend resources on haphazard conservation to control development.

Priorities change

For example, the town of Vail has an aggressive Open Space Program. They have many one-half and one-acre parcels protected, but that is what is available to protect. In recent years, they have been thinking about converting those parcels to employee housing. Vail is facing a change in priorities. Those decisions need to be open to a lot of public scrutiny.

Open space protection, on both the national and local scale, has focused on being able to protect large pieces of property. Opportunities to protect big pieces are almost gone; there are not many 6,000+ acres available within 30 minutes of an urban area. Now, we are focused on creating open space buffers between communities to separate communities and protect open space amenities. Opportunities for protection of large properties are going to be gone in the next 5 to 10 years and when that happens, the next phase of open space conservation will be a phenomenon of planning.

The effort will focus on sound planning, not opportunistic growth or conservation. We need to be creative and open to incorporating planning and preservation together. For example, preserving parks or open space makes sense for the ultimate landowners. Countywide planning: needs to identify what we need to protect. Developers don't want to get into long-term fights with the community over a property. Developers want certainty; they want to know where they can go to build. The difficulty is to both say where we want to see development and be able to direct development there.

There will always be people who do not want development in a certain area and it takes courage because development will happen. By influencing where it will happen, we are also saying where it will not happen. Leapfrogging out for development may be cheaper per acre and the cost of construction is cheaper than infill, but it is cheaper for the developer, not cheaper for society with the cost of services and loss of possible amenities. There may also be other limiting factors for development like water. It is imperative for us as open space advocates to acknowledge that development is going to happen, help shape it from a positive standpoint, and direct where that development is going to occur.

Planning

There are five groups of conservation organizations that are looking at Colorado and deciding what and where the most important landscapes in Colorado are to preserve. These groups are also outlining the conservation objectives for each of those preservation regions. We are now looking at a bigger vision in terms of what the conservation community might be in the future. There is opportunity for us to make things better and more cohesive through conservation planning.

Case Example: Jefferson County Open Space and Economics (panel)

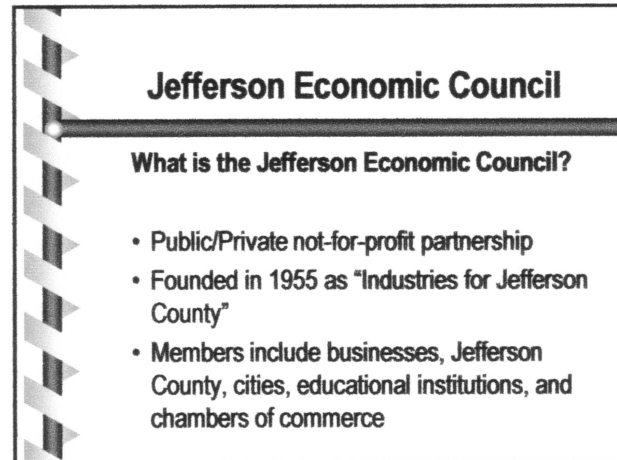
Preston Gibson: Open Space and Economic Vitality of Jeffco

Speaker biography

Preston Gibson is the President and CEO of Jefferson Economic Council which has a mission to strengthen the economic vitality of Jefferson County by retaining, expanding, and attracting primary employment.

Presentation

I am talking today about economic development and the relation of open space to economic development. There is an important balance of recreation, open space, and housing. We promote our area through job growth and generally in high tech segments. Most of our focus and attention are directed at those folks and working to promote relocation to our area. Jefferson County has created a video for advertising to be aired on Frontier airlines directed at these high tech companies and employees.



Preston Gibson showed the video. The video shows mountain views, open lands, scenic vistas, thriving economy, and cutting edge technology industry. It talks about the Open Space Program and recreation opportunities and nearby neighborhoods and good economic development. This region has become a high tech area nestled in the foothills of the Rocky Mountains. It discusses the highly educated work force, good education system (schools of excellence), colleges, and their contribution to the skilled labor force of local companies. Jefferson County is a high tech haven for companies in new energy technologies and others. References are made to the current local companies, NREL, and Lockheed-Martin aerospace company. Proximity to airports, highways and freeways are mentioned as a benefit. Companies say they need to be in an attractive location to attract the high-skilled workers they need. Jefferson County has a business friendly government because it streamlines permitting processes and does not have the red tape for approval processes. There is a probusiness tax climate. There is room to grow in Jefferson County like land in open for development of a business. "If you are looking to expand or relocate your business, we'd love to have you in Jefferson County."

Some of the Jefferson Economic Council's efforts are shown in the slide on the right.

Jefferson Economic Council is a public and private nonprofit partnership enjoying support and cooperation from the local community. It has seen enormous growth in energy development in the last few years. NREL scientists have received funding to start developing their projects there.

It is not just about open space when we are looking at the jobs we're trying to attract, we're looking for people who want opportunities and our second to none quality of life. We have a majority of small businesses here; with 18,500 total businesses, most with four or fewer employees. Open space can improve business parks and multi use development.

Jefferson County Open Space does it right and has for 35 years. They've purchased land to provide opportunities for its residents to recreate, de-stress, and have opportunities. They do not purchase land in areas where we could put jobs and businesses. Some do it wrong by purchasing land in the path to opportunity to create jobs, but not Jefferson County.

Jefferson Economic Council

Retention and Attraction Efforts

- Events that spotlight companies and issues
- Enterprise Zone Administration
- Synchronist program and surveys
- Demographic Reports
- Business Personal Property Tax Rebates
- Connect businesses with financing opportunities
- Locate offices and real estate opportunities
- Industry Trade Shows
- Site Selector Conferences
- Images Magazine, Profile, and Videos
- New Target Industry Marketing Brochures

**Amy Ito:
Open Space Master Plan Revision and Relation to Economic Development**

Speaker biography

Amy Ito is the Manager of Planning & Development for Jefferson County Open Space. She manages the design and planning staff as well as consultants to develop plans and the Open Space Master Plan, planning proposals, and park management planning and reporting.

Presentation

First some background on the Open Space Program. There is a 0.5% sales tax that goes to fund the program and it includes the municipal cities as well. The program is a division within the county and it has a 12-member advisory board appointed by County Commissioners to help give guidance.

The program would not be able to acquire property without a strategy to help us move forward. We use our master plan and acquisition valuation process to help give us

Jefferson County Open Space

Master Plan Acquisition Values

- Any landowner, individual or group may submit a recommendation for land acquisition.
- Lands are considered for inclusion into the program based on identified Master Plan Acquisition Values.
- These Values include attributes such as natural and cultural resources, regional trails, the Front Range Mountain Backdrop/Foreground, city and recreation district priorities, contiguity with other public lands.

direction as well. We take proposals from anyone and we sometimes initiate projects and try to get grand, high priority pieces (see slide on previous page.)

Preservation of the Front Range Mountain Backdrop is an important guiding factor as well. This is a much bigger strategy than just the Jefferson County plan; we are working with other public open space programs. Adjacency, open space, vistas, etc. are all values and we use a lot of stakeholders and contributors to help us protect natural areas with a safe place for children.

Jefferson County Open Space has acquired 50,000 acres, has more than 1.6 million visitors to 30 parks and 200 miles of trails, and we are a very proud, well-established program. County ownership over time has grown in focus areas like the Front Range Mountain Backdrop.

Six reasons why land conservation makes good economic sense (Trust for Public Land, Land and People, Spring 2007):

1. Parks and open spaces often increase the value of nearby properties, along with property tax revenue.
2. Parks and open spaces attract businesses and trained employees in search of a high quality of life.
3. Parks and open spaces attract tourists and boost recreation spending.
4. Parks and open spaces reduce obesity and health care costs by supporting exercise and recreation.
5. Working lands, such as farms and forests, usually contribute more money to a community than the cost of the services they require.
6. Conserved open space helps safeguard drinking water, clean the air, and prevent flooding - services provided much more expensively by other means.

There was a study done to determine whether or not Jefferson County Open Space parcels have a significant effect on the price of housing in the area surrounding them. The title was, "Study of Economic Benefit to Property Surrounding Open Space," by Douglas Felton, 1992. The results show an example of Crown Hill Park: Nearly \$2 million was added to the market value of homes within 3,200 walking feet of the park. In the case of the Westwoods Ranch Golf Course, more than \$17 million was the market benefit of homes within 4200 feet. This led to \$218,000 of additional annual tax revenue.

The Open Space strategic plan is updated every five years to make sure we are applying the best strategies of the time; the next update is this year, 2008. We are working closely with Denver Mountain Parks on this plan. We will be looking for input and you will see a draft this spring on our website. The Planning and Zoning division of Jefferson County will also be involved in the strategic planning process.

**John Wolforth:
Integration of New Comprehensive Plan and Open Space Master Plan**

Speaker biography

John Wolforth is the Planning & Zoning Director for Jefferson County. He directs the Planning & Zoning staff, which among all their other duties, is in the process of updating its comprehensive plan in coordination with Jefferson County Open Space Department.

Presentation

Balancing Development.

Planning & Zoning staff evaluate projects for sustainability and we like it when economic development and open spaces are combined into one project. We aim to get a lot of community input and focus on

balancing the community needs, an applicant's proposal, community plans, agency objectives such as open space, economic development, health department, urban drainage, etc.

The Planning & Zoning department is the funnel point where it all comes together. Jefferson County initiated a design excellence award program. This program recognizes and promotes innovative architecture and site planning. In 2007 the award was given to Aardex Signature Centre, a commercial center in Denver West Office Park, which incorporates sustainable design.

We are currently undergoing the update to the Jefferson County comprehensive plan. Open Space and Economics are actively working together to provide a high quality of life for the Jefferson County community.

Questions and Answers Session for Both Panels.

Q: In the Jefferson Economic Council's *Images* publication, I see the top 10 reasons to do business in Jefferson County and #7 is mobility. Jefferson County provides ease of access to major arterials, but it doesn't mention access to open space. I would recommend it be added to this business directory media/journal piece. Perhaps it is not in there because two of our commissioners have said maybe we do not need any more open space?

A: Preston Gibson: I do not know if that is our Commissioners position and they did not have anything to do with putting that piece together. I have not heard commissioners say anything negative toward open space. Typically we have an article in *Images* magazine about open space and recreation.


Greg Stevenson responded: Apparently there is a misconception. We have never had a commissioner turn down one of our (Open Space Advisory Committee) open space acquisition recommendations. There was only one time the commissioners overturned a recommendation and it was the right decision due to the fact that a concrete trail in that location was unacceptable. I also want to address a comment about an interconnecting open space parcel: the open space master plan takes into account each of the other cities and counties master plans so that all trails are interconnected and coordinated.

Q: No one addressed the tax incentives, both property and sales tax incentives, for the big box stores of transnational companies. These large big box companies do not bring any economic benefit to the local community, they force local businesses to bankruptcy, they drive down the minimum wage, and they take away medium wage jobs.

A: Preston Gibson: Colorado is a low incentives state to help attract businesses. We have very few, but one is a business/personal property tax rebate offered by our Commissioners and only for our high tech job producing companies.

Open Space and Economics

As we travel this path we look forward to working together to provide quality of life for the Jefferson County community.



THANKS!

Q: I would like to ask about the beltway issue. The economic council recently released a pro-beltway study; however, the principles discussed today were not included in your study and neither were the considerations of taxpayer costs and water availability. Will you produce a supplement study that addresses these principles?

A: Preston Gibson: We support beltway construction, but not a six-lane super highway. We are sensitive to any resident or citizen needs that might be negatively impacted by the beltway. We need it for economic growth and we would get twice as much economic growth with the beltway. We need that growth and have not decided whether we're going to do a supplemental report.

Q: There was a reference made to the opportunity for conservation easements. Is the opportunity for donations or acquisitions of large parcels becoming minimal because those property owners that have land they could contribute are hesitant due to the tax laws under current scrutiny? And, how does this mesh with organizations that are hesitant to deal with landowners that come forward with smaller parcels? Maybe we need some kind of tax incentive to deal with the easements?

A: Dan Pike responded: Congress is progressively providing greater incentives and the current hesitance you're seeing is unique to Colorado because we have the IRS all over us due to a few abusive practices. You're seeing reluctance to move forward until we have more clarification about what constitutes a qualified donation according to the IRS. The IRS is auditing 500 conservation easements and 250 are in Colorado. There is no pure size for conservation easements.

Q: As Jefferson County approaches build-out; can someone speak to the role of open space in redevelopment?

A: John, Amy, and Preston: It is going to take a concerted effort of the various county divisions working together along with the cities as well to weigh in on the issue. The cities are involved in providing active recreation amenities and this is probably where development is best suited. A number of parcels are vacant and the infrastructure is there, but to what extent do we emphasize pocket parks over large open space areas may be the crux of the question. We are constantly looking at build-out and demographics and asking the message of today: park areas are an amenity and other attributes help us decide where open space and development should be located. Some thought open space build-out would be about 10,000 acres, but now it is more than 50,000 acres of open space build-out and we are looking to voters to tell us how much is enough. Over time, we will most likely see opportunities to infill the open space parcels up the canyons, etc. and then direct money to incorporated areas to invigorate those areas along with more joint venture area grants in older areas to build a park or trails.

Q: In Jefferson County, do we actually provide incentives for companies to go do infill development as opposed to taking out undeveloped lands? We have learned that open space is good for our tax base and perhaps better than commercial or residential. However, then we see the Jefferson Economic Council video and it implies that we have plenty of open space for you to come build your structure.

A: Preston and John:

John: We have malls crumbling and yes, when an applicant comes in for redevelopment, we welcome that. Planning & Zoning is not in the business of providing incentives.

Preston: There are very few incentives in Colorado and there are limits in terms of what the County can do. Cities can do tax increment financing to help pay off the infrastructure costs and help that area grow, but there are not incentives other than that, that I am aware of.