



MERCER COUNTY RETURN ON ENVIRONMENT EXECUTIVE SUMMARY

Mercer County is home to diverse landscapes and people, containing urban, suburban and rural areas and people of all ages, races and cultures.

The County's emphasis on land preservation began over 30 years ago, resulting in a multitude of preserved parks and open spaces. From the elevation of Baldpate Mountain to the tidal floodplains of the Abbott Marshlands; the urban South Riverwalk Park to Howell Farm, the County's park offerings reflect the diversity of the County's natural features.

Protected open space provides substantial economic, environmental, and health benefits to surrounding communities, but these benefits are often overlooked or undervalued in policy debates and investment decisions. A better understanding of these benefits can demonstrate how protected open space contributes to economic development and fiscal stability and reverses the common misconception that conserved undeveloped land is non-productive and non-revenue producing.

There are around 38,995 total acres or approximately 27 percent (up from 9 percent in 1990) of Mercer County's land area permanently preserved in one form or another, either as public parkland and open space, or as privately-owned conserved land or farmland. The parks, farms, and forests of Mercer County account for millions of dollars each year in savings, earnings, and avoided costs.

Building on a previous Return on Environment report completed in 2011 by the Greenspace Alliance and the Delaware Valley Regional Planning Commission that estimated the economic benefits of protected open space in the 5-county region of Southeastern Pennsylvania, this report is the first attempt to apply this methodology to Mercer County, New Jersey, measuring impacts of four major categories: property values, economic activity, environmental benefits, and recreation and health.



Property Value Impact Open Space Generates Premium for Home Values

The property value impact from open space is reflected on the home value premium that homeowners are willing to pay to live near protected open space. As a result, the existing protected open space in Mercer County adds to the overall value of its housing stock. This increased wealth is captured by citizens through higher sales values of homes near protected open space, and generates increased government revenues via larger property tax collections and greater transfer taxes at time of sale. This report analyzes more than 38,995 total acres of protected open space and approximately 39,600 home sales in Mercer County from 2000-2020 to estimate the effect of protected open space on residential property values and the attendant fiscal impacts. Results indicate that proximity to protected open space contributes a significant positive impact to residential property values.

➤ \$791M ADDED TO THE VALUE OF HOUSING STOCK

There is an average increase of over \$7,100 in the value of homes in Mercer County that are located up to a ½ mile from protected open space. When added together, this proximity to protected open space totals \$791 million in increased property value.

➤ \$21.5M IN ANNUAL PROPERTY TAX REVENUES

By increasing the value of homes within a ½ mile radius, protected open space also increases the amount of property taxes and transfer taxes that local governments and school districts receive. These increased property tax revenues total \$21.5 million per year.



Economic Activity Open Space and Farmland Generates Jobs and Attracts People to Spend in the Region

Open Space in Mercer County generates economic impacts by creating management and maintenance expenditures and related jobs at public parks. The direct spending which goes to labor income gets circulated back into an economy when those employees spend some of their earnings on various goods and services, which creates ripple effect in the regional economy. What's more, agricultural activities occurring on protected farmland will also generate economic impact. Lastly, open space and farms attract tourists to visit the region, whose associated expenditures will also create economic impacts in the region.

➔ \$104M IN ANNUAL ECONOMIC IMPACT

It is estimated that \$104 million in annual economic impact occurs on and because of protected open space in Mercer County. Examples of these expenditures include spending related to tourism associated with protected open space, spending for the purchase of goods made on preserved farmland, and government spending for the management and maintenance of public open space.

➔ 980 JOBS SUPPORTED FROM OPEN SPACE-RELATED UPKEEP, PROTECTED FARMLANDS, AND OPEN-SPACE TOURISM

Protected open space in Mercer County contributes an estimated 980 jobs to the economy. Examples of these jobs include public maintenance workers, municipal, county, and state park administrators, and rangers; farmers, distributors, and suppliers working on protected farmland; and guides and hospitality professionals catering to tourists who visit protected open space.

➔ \$40M IN ANNUAL SALARIES

Salaries paid to individuals from the economic activity directly and indirectly supported by protected open space in Mercer County total \$40 million per year.



Environmental Benefits Open Space Reduces Pollution and Storm Water Risks

Protected open space in Mercer County provides visible environmental benefits for the communities they serve, including air pollution removal, the provision of water supply, water quality improvement, flood mitigation, wildlife habitat conservation, and carbon sequestration and storage. Combined, these benefits create ecosystem functions that would require costly measures to replicate if lost. The upkeep of the protected open space will ensure the value of the services if the ecosystems are retained. If these ecosystems were removed, municipalities would incur additional costs to recoup their value.

➔ \$97.6M ANNUALLY THROUGH THE PROVISION OF SIX ENVIRONMENTAL SERVICES

The six ecosystem services include replenishment of water supply, water quality improvement, flood mitigation, wildlife habitat, air pollution removal, and carbon storage in trees on protected open space. This sum represents value gained and costs avoided by not having to sacrifice or artificially replace vital ecological services currently provided by protected open space within Mercer County.

➔ \$107.9M IN CARBON STORAGE IN TREES

It is estimated that trees on Mercer County's protected open space store a tremendous amount of carbon that would cost \$108 million to replicate.

➔ \$102.1M IN AVOIDED ANNUAL STORMWATER SYSTEM MAINTENANCE AND STORMWATER POLLUTANT REMOVAL COSTS.

Protected open space helps mitigate stormwater impacts by reducing the volume of runoff from storm events and the pollutants that stormwater carries. This reduces the burden placed on communities and their stormwater infrastructure to manage the volume of runoff and pollutant loads, thereby avoiding both capital and long-term maintenance expenditures, as well as

improving ecological habitats, recreational resources, and sources of current and future public water supplies.

Protected open space avoids \$66.8 million of capital cost for stormwater infrastructure construction, plus an additional \$8.9 million to operate and maintain the additional infrastructure. This avoids an additional annual investment of \$102.1 million needed to remove annual pollutant loadings.



Direct Use Benefits

Open Space Provides Low Cost or Free Recreational Opportunities and Promotes Health

Protected open space in Mercer County provides a multitude of free and low-cost recreational activities to residents. Many of these activities consist of strenuous or moderate exercise, which contributes to physical well-being and defrays health-care costs. Those who are physically active are not the only ones who derive benefits from protected open space—employers whose employees are healthier have lower healthcare costs, see fewer workers compensation claims, and have lower rates of absenteeism and presenteeism (coming to work while sick or injured).

➔ \$47.6M IN ANNUAL RECREATION BENEFITS FOR RESIDENTS

Nearly \$47.6 million in benefits accrue annually to residents who participate in recreational activities on protected open space within Mercer County. This value represents the additional amount of money that residents in the county would be willing to spend in the private market to participate in the recreational activities that they currently enjoy on protected open space.

➔ \$84.1M IN MEDICAL COSTS AVOIDED ANNUALLY

Physically active people typically enjoy a variety of health benefits, including lower incidence of cardiovascular diseases, diabetes, depression, certain cancers, and obesity. It is estimated that the moderate and strenuous activity that takes place on protected open space in the county accounts for almost \$84.1 million in avoided medical costs annually.

➔ \$65.2M IN LOST PRODUCTIVITY COSTS AVOIDED ANNUALLY

It is estimated that businesses in Mercer County avoid \$65.2 million in lost productivity costs per year as a result of the physical activities their employees engage in on protected open space in the region. This total represents the combined value of costs not incurred as a result of avoided productivity losses due to physical activity on the protected open space in Mercer County.

Conclusion

As demonstrated in this report, preserved open space in Mercer County is more than a pretty landscape. These lands increase property values, add to the economy and economic diversity, protect the natural environment and offer direct recreation and health benefits to residents and visitors. The greatest benefits result from well managed and well maintained parks and open spaces, where best stewardship practices are implemented and clean, safe public access and amenities are provided for our diverse citizenry. Mercer County will continue the efforts for the next 30 years including continuing acquisition of key parcels to expand and improve upon existing parks and open spaces, increased focus on stewardship of the land—caring for the intrinsic values of the land to ensure environmentally healthy parkland, and keep providing a broad range of recreational facilities and passive parks, adapting and evolving to meet the needs of County residents.

Figure E.1:
The Key Benefits of Protected Open Space



PROPERTY VALUE

\$791M

added to the value of housing stock located within a ½ mile of protected open space.

\$7,100+

average increase in the value of homes that are located within a ½ mile of protected open space.

\$21.5M

in annual property tax revenues



ECONOMIC ACTIVITY

\$104M annually

from expenditures associated with protected open space.

980 jobs supported

from open space-related upkeep, protected farmland, and open-space tourism.

\$40M annually

in salaries.



ENVIRONMENTAL

\$97.6M annually

from water supply replenishment, water quality improvement, flood mitigation, wildlife habitat, air pollution removal, and carbon storage in trees.

\$107.9M

value of carbon storage in trees.

\$102.1M annually

in avoided stormwater system maintenance and pollutant removal costs.



DIRECT USE

\$47.6 million annually

in recreation benefits for residents.

\$84.1M annually

in medical costs avoided.

\$65.2M annually

in lost productivity costs avoided.