



Virginia Coastal Zone Management Program Semi-Annual Success Story ("Section C")

October 2017 – March 2018

Submitted to the Office of Coastal Management/NOAA

Socioeconomic Benefits of Conserved Lands on Virginia's Eastern Shore

THE PROBLEM: Since the early 1990's the Southern Tip Partnership (comprised of VA CZM, US Fish & Wildlife Service, The Nature Conservancy and the VA Departments of Conservation & Recreation and Game & Inland Fisheries) had been acquiring lands on the southern tip, bayside and seaside of Virginia's Eastern Shore in order to protect hemispherically important migratory songbird migration corridors and stopover habitats. A great deal of progress was made by pooling resources and focusing on our shared acquisition priorities. However, over the past 5-10 years, as this rural coastal area tried to deal with a deep recession, there was a growing concern among residents that conserved lands, especially private lands with conservation easements, were creating a drain on the local economies of Accomack and Northampton Counties.

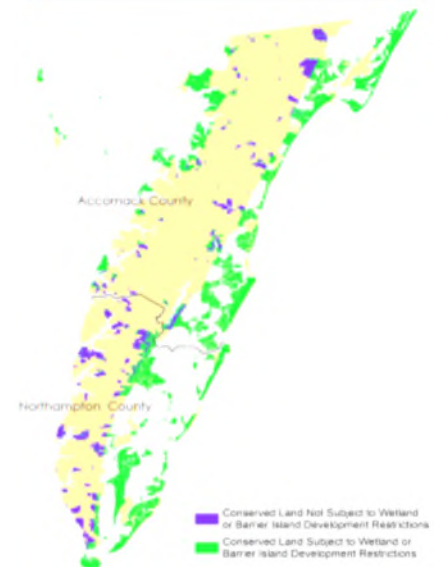
Misinformation was often presented at public meetings and it became evident that facts needed to be gathered and an unbiased economic analysis of the situation needed to be undertaken. Although some reports touting the benefits of conserved lands were available, they were not considered trustworthy by many because they were written by environmental organizations or people not "from here."

THE FIX: To allay this growing concern, the Virginia CZM Program suggested to the Southern Tip Partners that we set aside, for one year, some of the CZM land acquisition funds for an economic analysis of conserved lands. All agreed and in fact said they did not want to pursue any additional acquisitions until this analysis was completed. The group was unsure what the net balance would actually be for these two specific counties after forgone tax revenues on private lands with conservation easements were added up and compared to costs of servicing lands in each county (the fiscal impacts) as well as the overall socioeconomic benefits derived from having conserved lands (socio-economic impacts).

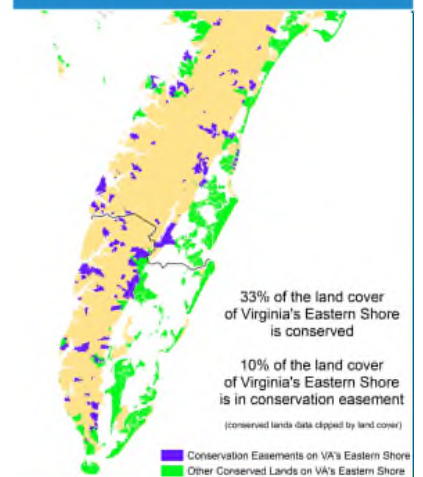
The next step was to create a "study team" comprised only of local government reps and the CZM Program. Each county was asked to appoint two officials of their choosing to the study team, as was the Accomack-Northampton Planning District Commission and the Eastern Shore Soil & Water Conservation District. The role of the study team was to:

- approve the Request for Proposals (drafted by VA CZM and restricted to Virginia academic institutions);
- decide the scoring criteria;
- score the proposals;
- make the final selection of a grantee;
- participate in meetings with the grantee and provide local data to the grantee for analysis; and
- approve the final product.

Conserved Lands on Virginia's Eastern Shore



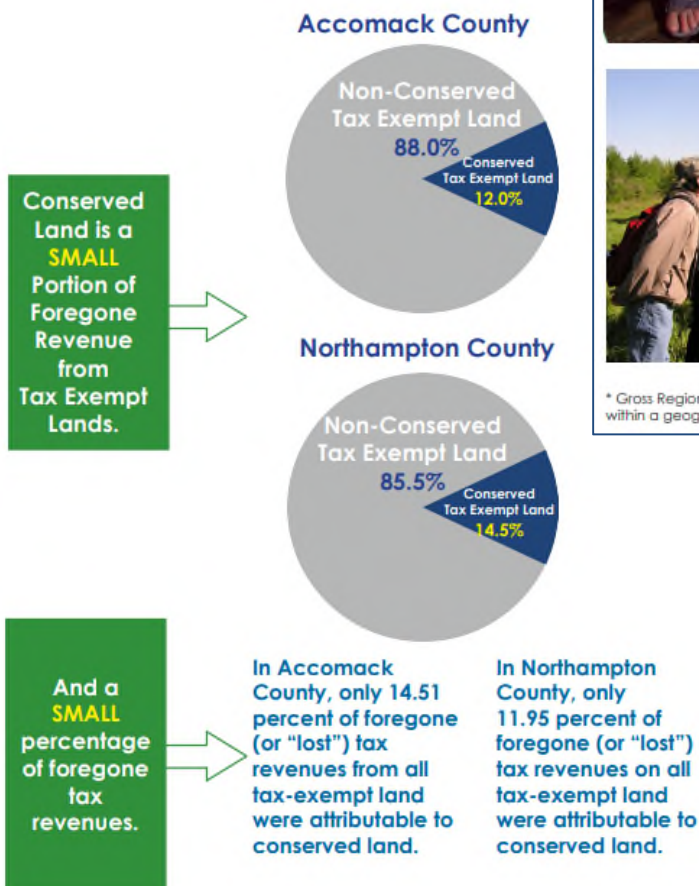
Only 7.4% is conserved land that could have been developed because it was *not* subject to wetland or barrier island development restrictions. 33% of the land cover on Virginia's Eastern Shore is conserved.



Economists at George Mason University were selected. They were not specifically natural resource economists, but had experience dealing with local government budgets and economic development issues. They delved into the county tax records and after much hard work calculated that for 2016, Accomack County real estate taxes forgone on private lands with conservation easements = \$79,095 and for Northampton County it was \$283,611. These numbers pale in comparison to the benefits revealed by their research as illustrated below:

In Accomack County, every \$1 spent annually to provide public services to land with conservation easements yields \$2.38 in public revenues.

Northampton County, every \$1 spent annually to provide public services to land with conservation easements yields \$1.15 in public revenues.



Note: "Direct Organizations" on the top price tag above refers to the economic impact provided by the people who work for government and non-profit land conservation organizations (e.g. US Fish & Wildlife Service, state agencies, The Nature Conservancy, etc.). Aquaculture indirectly depends on land conservation because helps maintain the high water quality needed to grow shellfish.

THE IMPACT: In summer of 2017, once the final report was completed and approved by the study team, the CZM Manager and the economists from George Mason and Urban Analytics presented the results at each county's Board of Supervisors monthly meeting. The economists were careful to note how conservative the estimates of economic value were in describing the benefits derived from the three sectors dependent on conserved lands (shellfish aquaculture, tourism and direct expenditures by land conservation staff). The results were surprisingly well received. There were no criticisms of the process, the data used, nor the results. In fact, one Accomack Supervisor asked whether the calculations had considered the economic benefits of conserved land in protecting structures and humans from sea level rise and storm surge. The answer is no. However this does lead one to consider whether such numbers could be added to the equation through an additional analysis.

The report has been widely used by the Nature Conservancy, which has posted a link to the study on their website

(<https://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/virginia/placesweprotect/va-coast-reserve.xml>) and created their own fact sheet on the project which is available at: <https://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/virginia/placesweprotect/vc-eastern-shore-economics-rev32118.pdf>

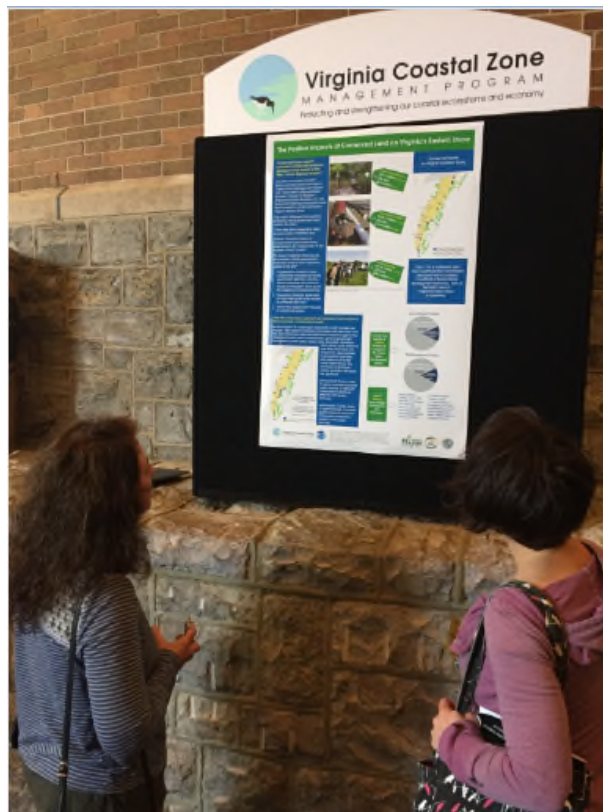
Delmarva Now printed an article on the project available at:

<https://www.delmarvanow.com/story/news/2018/03/19/conserved-land-has-millions-dollars-impact-va-shore-study/403243002/>

The Virginia United Land Trusts (VaULT) published an article on their website highlighting this project: <https://vaunitedlandtrusts.org/virginia-needs-investment-conservation-spur-economy/>

CZM staff prepared a fact sheet available at:

<http://www.deq.virginia.gov/Programs/CoastalZoneManagement/CZMIssuesInitiatives/LandAcquisition.aspx> and created a poster for VaULT's April 24-26 Virginia Conservation & Greenways Conference in Roanoke, Virginia which was attended by Virginia's Governor and Secretary of Natural Resources. Other attendees are shown viewing the poster in the photo below.



The project inspired the Virginia CZM Program to develop a new 3-year focal area in 2017 that looks at how communities (especially rural coastal communities) can improve their economic condition by capitalizing on the protection of their natural resources. This has led to three new initiatives:

1. For the lower Chickahominy River the same economists were selected to do similar economic analyses for the rural counties in that region.
2. Promotion of ecotourism in the Middle Peninsula, Northern Neck and Eastern Shore including connecting various water, oyster and birding trails through branding and a website. Also construction of enhanced interpretive signage.
3. Promotion of oyster aquaculture while minimizing use conflicts by analyzing the current oyster industry in Virginia, what areas are currently or potentially productive and what areas further offshore could potentially be used for aquaculture.

Taking an economic approach to the value and importance of land conservation seems to help communities find more common ground in these politically divisive times.

MORE INFORMATION: To see the complete study please visit the Virginia CZM Program website at: <http://www.deq.virginia.gov/Programs/CoastalZoneManagement/Funding/2014Projects/2014VirginiaCZMGrantProjectTask100114.aspx>

PARTNERS: The Virginia Coastal Zone Management Program worked initially with the Southern Tip Partnership to solidify the concept of conducting an economic analysis of conserved lands and then with the local governments of Accomack and Northampton Counties as well as their Planning District Commission and their Soil & Water Conservation District to guide the work. George Mason University and Urban Analytics conducted the economic analyses.

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