



The Economic Benefits of LCHIP

The New Hampshire Land and Community Heritage Investment Program (LCHIP) is an independent state authority that provides matching funds for projects to preserve the state's natural and historic resources. LCHIP grants are funded by a small fee charged on documents recorded at county Registries of Deeds; LCHIP does not receive any money from the state's general fund. LCHIP's administrative costs are covered by proceeds from the sale of conservation license plates and interest earned on a trust fund.

An LCHIP grant often provides an essential state endorsement that triggers the opportunity to secure matching funds from federal, municipal, and private sources. To date, LCHIP has awarded funding to 202 projects in 136 communities throughout the state, helping to protect 290,000 acres and revitalize 118 historic structures.

LEVERAGING OUTSIDE FUNDS

LCHIP attracts significant local and federal funds. For every \$1 invested in a project, LCHIP leverages another \$6.26 in other funds for projects in New Hampshire.¹

GENERATING JOBS & STRENGTHENING LOCAL ECONOMIES

LCHIP not only preserves New Hampshire's most important natural, cultural and historic resources, but also contributes millions of dollars to the state's economy in jobs, taxes, tourism, and other revenue.

Recreation and Tourism

New Hampshire's natural and cultural resources, from pristine forests to historic town centers, create recreation opportunities for residents and visitors alike and attract billions of tourist dollars into the state. In 2010, more than 46 percent of overnight travelers enjoyed scenic drives and 22 percent visited historic sites and museums.² Travelers to New Hampshire spent \$3.6 billion in 2008 and generated \$315.6 million to federal, state and local governments.³ There were 24,400 travel and tourism jobs, representing 3.8 percent of the state's total non-farm employment.⁴ In 2010, travelers spent \$4.18 billion in New Hampshire.⁵

The outdoor recreation industry is integral to a vibrant New Hampshire economy. As of 2007, New Hampshire's active outdoor recreation economy supports 53,000 in-state jobs,

generates \$261 million in annual state tax revenue, and produces nearly \$4 billion annually in retail sales and services across the state – accounting for 7.8% of Gross State Product (GSP).⁶ Natural areas around the state protected by LCHIP and other programs also provide much-needed wildlife habitat. Many people enjoy New Hampshire's rich diversity of wildlife. Hunters spend nearly \$75 million and anglers more than \$172 million in trip-related equipment and other spending in the state.⁷ Nearly 750,000 people enjoyed wildlife watching activities, spending about \$274 million.⁸

Working Forests

LCHIP-funded projects help to protect New Hampshire's working forests and farms. The 290,000 acres protected with assistance from LCHIP are part of the land base that allows these two industries to continue to succeed in the state.

New Hampshire is the second most heavily forested state in the nation. Working forests have long been a major component of our economy and landscape. In 2008, forestry, logging and related manufacturing employed more than 5,600 people and accounted for \$224 million in payroll.⁹ Individual proprietorships and small corporations are the heart of the industry; over 1,000 forestry-related firms without paid employees generated more than \$90 million in receipts in 2008 through the sale and manufacturing of timber products.¹⁰ The impact of wood products and furniture manufacturing alone added \$292 million to the state economy in 2009.¹¹ The economic value of forest-based manufacturing, forest-related recreation and tourism, and Christmas tree/maple syrup economies, at \$2.26 billion annually, is nearly 4 percent of GSP – that amounts to \$472 of value per acre of timberland in the state.¹²

“The New Hampshire Land and Community Heritage Investment Program is a source of funding that helps keep New Hampshire's recreation economy vibrant. Our business success at Eastern Mountain Sports can only thrive if our customers can continue to enjoy protected public lands for their outdoor recreation.”

—Will Manzer, CEO, Eastern Mountain Sports



Acworth Meetinghouse



Community Forests



Hurd Farm, Derry

Working Farms

Protecting farmland helps sustain the agricultural industry, provides fresh local food and helps to support the economy of the many communities near working farms. Agriculture continues to thrive in our state, with 4,150 farms occupying 470,000 acres – 7 percent of New Hampshire’s total land area.¹³ In 2008, the total value of the state’s agricultural sector production was \$270 million.¹⁴ Overall, the local food system contributes \$3.3 billion in GSP – 5.7 percent of the state’s economy – and provides employment for 81,000 people.¹⁵ The dairy industry is essential to New Hampshire’s agriculture. In 2008, the total value of dairy production was nearly \$60 million – 28 percent of crop and livestock production.¹⁶ Dairy farming also supports local businesses related to milk production such as feed stores and suppliers of milking equipment.

Historic Preservation

Between 2008 and 2010, LCHIP preservation grants supported 436 jobs, increased income by over \$14 million, and generated \$30 million in sales.¹⁷ During that time, each dollar of LCHIP preservation grants created \$4.76 of economic impact in the state economy.

FISCAL RESPONSIBILITY

Protecting open space saves local governments money. Open space pays more in taxes than it requires in services from the community. Studies of eleven New Hampshire towns indicate that, for each dollar of tax revenue

LCHIP helped secure a conservation easement on the Bohanan dairy farm in Hopkinton, allowing the family farm to continue operation, and reserving agricultural land near Concord.

“We employ 4 full-time and 5 part-time local workers, and purchase supplies and equipment from neighboring communities. The conservation easement helped us reposition the farm into a more profitable business. We used the conservation opportunity provided by LCHIP as an economic driver for the future.”

—Heather Bohanan Robertson and Jamie Robertson

generated, farmland and open space require \$0.56 in services compared to \$1.12 in services for a residential property.¹⁸ Other statewide studies show that towns that retain more land in open space have, on average, lower tax bills than towns with more development.¹⁹ Similarly, historic preservation limits the cost of sprawl through the adaptive reuse of older buildings. Providing municipal services to facilities in town centers costs less than providing the same services to facilities in less-centralized areas.²⁰

WATER QUALITY

LCHIP funds have been used to protect vulnerable drinking water supplies. Although New Hampshire is graced with plentiful stores of water, much of the important public water supply land is not protected from future uses that might degrade the quality and quantity of the water. While 850,000 people, approximately 64 percent of New Hampshire’s population, are served by community public water systems,²¹ only 12 percent of the critical water supply land in the state – more than 406,000 acres – is protected. Further, only 11 percent of wellhead and reservoir areas are protected.²² This lack of protection leaves New Hampshire water supplies susceptible to future problems.

Our rivers, lakes and seashore are also recreational assets that contribute significantly to the state’s economy: in 2007, swimming, fishing, and boating in the state supported 6,000 jobs, \$134 million of income and \$379 million in sales.²³

QUALITY OF LIFE

Residents and visitors alike treasure the quality of life in New Hampshire. Natural, cultural and historic resources, including those protected with LCHIP assistance, are important contributors to our high quality of life. New Hampshire is ranked 4th out of the 50 states for quality of life.²⁴

For endnotes, go to: www.tpl.org/newhampshire

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ENDNOTES

- 1 Land and Community Heritage Investment Program (January 2011).
- 2 S.H. Thurston. NH VISITOR SURVEY, SPRING 2010 (Institute for New Hampshire Studies).
- 3 U.S. Travel Association. *Travel Powers New Hampshire* (2010), http://www.poweroftravel.org/statistics/impact_sub.htm?select_state_id=30.
- 4 Ibid.
- 5 L.E. Goss. NEW HAMPSHIRE TOURISM RETURN ON INVESTMENT FOR FY2010 DTTD TOURISM PROMOTION ACTIVITIES (Institute for New Hampshire Studies: 2010).
- 6 Outdoor Industry Foundation. STATE-LEVEL ECONOMIC CONTRIBUTIONS OF ACTIVE OUTDOOR RECREATION – TECHNICAL REPORT ON METHODS AND FINDINGS (Fernandina Beach, Florida: April 13, 2007). Prepared by Southwick Associates, Inc. 8 types of activities were considered in this study: bicycle-based recreation, camp-based recreation, paddle-based recreation, fishing, hunting, snow-based recreation, trail-based recreation, and wildlife viewing.
- 7 U.S. Department of the Interior, Fish and Wildlife Service. 2006 NATIONAL SURVEY OF FISHING, HUNTING, AND WILDLIFE-ASSOCIATED RECREATION.
- 8 Ibid.
- 9 U.S. Census Bureau. 2008 COUNTY BUSINESS PATTERNS.
- 10 U.S. Census Bureau. 2008 NONEMPLOYER STATISTICS. Nonemployers are businesses without paid employees that are subject to federal income tax, as described in introductory material. Most are self-employed individuals operating very small unincorporated businesses. These firms are excluded from most other business statistics
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- 12 North East State Foresters Association, THE ECONOMIC IMPORTANCE AND WOOD FLOWS FROM NEW HAMPSHIRE'S FORESTS, 2011.
- 13 National Agricultural Statistics Service. NEW ENGLAND AGRICULTURAL STATISTICS, 2009 (United States Department of Agriculture). Available at http://www.nass.usda.gov/Statistics_by_State/New_England_includes/Publications/Annual_Statistical_Bulletin/09start.htm.
- 14 Ibid.
- 15 Matt Magnusson and Ross Gittell. HOME GROWN: THE ECONOMIC IMPACT OF LOCAL FOOD SYSTEMS IN NEW HAMPSHIRE (Food Solutions New England: April 2010).
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- 17 Extrapolated from Brian J. Gottlob's IMPLAN model to produce impacts during the first three years of LCHIP grant-making. THE IMPACT OF LCHIP HISTORIC PRESERVATION GRANTS ON THE NEW HAMPSHIRE ECONOMY (July 2004). Prepared by PolEcon Research for the New Hampshire Preservation Alliance. Based on the type of construction projects, we assumed that \$1 of LCHIP preservation project funds (both LCHIP grants and matching funds, but excluding donations) generated the same ratio of jobs, sales, and income between 2008 and 2010.
- 18 Farmland Information Center. COST OF COMMUNITY SERVICE STUDIES FACT SHEET (American Farmland Trust: August 2010).
- 19 theTrust for Public Land. MANAGING GROWTH: THE IMPACT OF CONSERVATION AND DEVELOPMENT ON PROPERTY TAXES IN NEW HAMPSHIRE (2005).
- 20 New Hampshire Office of State Planning. ACHIEVING SMART GROWTH IN NH (April 2003).
- 21 New Hampshire Department of Environmental Services. ANNUAL COMPLIANCE ON PUBLIC WATER SYSTEM VIOLATIONS, JANUARY 1, 2007-DECEMBER 31, 2007 (2008). NHDES-R-WD-08-10. Available at http://des.nh.gov/organization/divisions/water/dwgb/documents/2007_annual_compliance_report.pdf.
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- 23 Lakes, Rivers, Streams, & Ponds Partnership. THE ECONOMIC IMPACT OF POTENTIAL DECLINE IN NEW HAMPSHIRE WATER QUALITY: THE LINK BETWEEN VISITOR PERCEPTIONS, USAGE AND SPENDING, PHASE IV REPORT (May 2007).
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