



# 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.<sup>1</sup> LCHIP receives no general fund dollars, but is funded by a small fee charged on documents recorded at the county Registries of Deeds. LCHIP's administration is covered by proceeds from the sale of conservation license plates and the interest earned on a trust fund.

LCHIP grant funds generally cover 20 percent of project costs, and often provide an essential state match to secure federal, local, and private funds. To date, LCHIP has awarded grants to 116 communities throughout the state, helping to protect 260,000 acres and preserve 99 historic structures.

## GENERATING JOBS & STRENGTHENING LOCAL ECONOMIES

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

### THE TOURISM INDUSTRY

Preserving important natural, cultural and historic resources creates recreation opportunities for residents and visitors and generates revenue and jobs in the local economy. For example, the annual total private sector direct spending by visitors to New Hampshire's park system is just over \$500 million, most of the spending in restaurants and general retail stores.<sup>2</sup> In fact, visitor spending to the state park system produces a total (both direct and indirect<sup>3</sup> spending) of \$1.3 billion in the state; supports 8,200 direct jobs and 12,500 total jobs (induced and indirect jobs); and generates \$45 million in state revenues annually, exclusive of state and local property taxes.

The 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation reports 61,000 hunters<sup>4</sup> in New Hampshire accounted for nearly \$75 million in

trip-related equipment and other spending in the state.<sup>5</sup> In addition, 230,000 anglers in New Hampshire spent more than \$172 million. During the same year, 710,000 participants spent approximately \$274 million related to wildlife watching activities. Participants spent an additional \$39 million on trips and equipment related to more than one of these activities.

A 2002 report showed that visiting historic and cultural sites ranked second to shopping in the list of activities engaged in while on vacation.<sup>6</sup> More than 55% of travelers enjoyed scenic drives, and over 25% visited historic sites and museums.<sup>7</sup>

## LEVERAGING LOCAL & FEDERAL FUNDS

LCHIP attracts significant local and federal funds. For every \$1 invested in a project, LCHIP leverages another \$6.27 in private and federal funds.<sup>8</sup>

## SUPPORTING AGRICULTURE, FORESTRY & RURAL COMMUNITIES

LCHIP-funded projects help to protect New Hampshire forest and agricultural land. Farmland preservation helps sustain the agriculture industry, secures the food supply, and provides an economic stimulus to rural communities. Timberland preservation sustains the forestry industry and the value timber products add to the New Hampshire economy.

In 2007, 4,170 farms in New Hampshire occupied 472,000 acres – 7 percent of New Hampshire's total land area.<sup>9</sup> The local food system contributed \$3.3 billion in Gross State Product (GSP) – 5.7 percent of the state's economy.<sup>10</sup> New Hampshire has 81,000 employed in food system industries.

The value of the combined forest products manufacturing and forest-related recreation industries in New Hampshire is \$2.6 billion annually.<sup>11</sup> As of 2008, the forest products industry directly employed 7,200 people. In 2006, the estimated value of the sale of timber products ranged from \$30 to \$50 million.



## FISCAL RESPONSIBILITY

Protecting farmland and open space saves local governments money. Residential development imposes costs on communities in the form of increased demand for schools, roads, water, sewer and other community services – costs that usually exceed related tax revenue. Studies of six New Hampshire towns indicate that, for each dollar of tax revenues generated farmland and open space require \$0.51 in services compared to \$1.11 in services for the average home.<sup>12</sup>

## WATER QUALITY PROTECTION

LCHIP funds have been used to protect drinking water supplies but much more remains to be done. Critical water supply lands include all high-yield aquifers, public wellhead, and surface water protection areas.<sup>13</sup> Of the 460,000 acres of these critical water supply lands statewide, roughly 8 percent of New Hampshire's total area, only 11.6 percent, are protected from development. More critical water supply land – 12.5 percent of the state total – is already developed for roads or other urban land uses. Further, only 11 percent of wellhead and reservoir areas are protected.

The protection of water quality also ensures the vitality of New Hampshire's water-based recreation economy. The economic impact of swimming, fishing, and boating in the state is substantial, amounting to \$379 million in sales, \$134 million of income, and 5,990 jobs.<sup>14</sup>

## QUALITY OF LIFE

Preserving important natural, cultural and historic resources contribute to New Hampshire's high quality of life. New Hampshire is ranked 4<sup>th</sup> out of the 50 states for quality of life in CNBC's 2010 Top States for Business ranking.<sup>15</sup> New Hampshire places 19<sup>th</sup> overall in the top states for business.

## ENDNOTES

<sup>1</sup>New Hampshire Land and Community Heritage Investment Program, <http://www.lchip.org/>.

<sup>2</sup>New Hampshire Division of Parks and Recreation, STRATEGIC Development AND CAPITAL IMPROVEMENT PLAN (November 2009), AER Economic Impact Report.

<sup>3</sup>As direct spending circulates through the state's economy, it generates yet more spending, referred to as indirect and induced spending.

<sup>4</sup>Hunters, anglers, and wildlife-watchers are aged 16 and over, resident and non-resident. Participants may overlap – some people may hunt and fish, etc.

<sup>5</sup>U.S. Department of the Interior, Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. 2006 NATIONAL SURVEY OF FISHING, HUNTING, AND WILDLIFE-ASSOCIATED RECREATION.

<sup>6</sup>Cherl M. Hargrove. "Heritage Tourism," CRM (2002) :10.

<sup>7</sup>S.H. Thurston, *NH Visitor Survey, Summer 2003*. Institute of NH Studies, November 2003.

<sup>8</sup>Dijit Taylor, Interim Executive Director, LCHIP, Jan 2011.

<sup>9</sup>United States Department of Agriculture, Economic Research Service, *State Fact Sheets: New Hampshire*, <http://www.ers.usda.gov/statefacts/NH.htm>.

<sup>10</sup>Food Solutions New England, Home Grown: The Economic Impact of Local Food Systems in New Hampshire (University of New Hampshire: April 2010).

<sup>11</sup>New Hampshire Department of Resources and Economic Development Division of Forests and Lands, NEW HAMPSHIRE STATEWIDE FOREST RESOURCES ASSESSMENT – 2010.

<sup>12</sup>Statewide Program of Action to Conserve Our Environment (SPACE), A Layperson's Guide to New Hampshire Current Use.

<sup>13</sup>Society for the Protection of New Hampshire Forests, NEW HAMPSHIRE'S CHANGING LANDSCAPE (2005). The statistics pertaining to water supply lands in the SPNHF document were provided by the New Hampshire Department of Environmental Services, Water Division.

<sup>14</sup>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).

<sup>15</sup>CNBC, *America's Top States for Business 2010*, <http://www.cnbc.com/id/37554006/>.