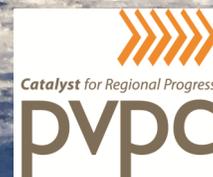


Exploring Financial Impacts of Land Conservation on the Town of Chesterfield

January 2020



Prepared by the
Pioneer Valley Planning Commission
for the Town of Chesterfield, MA



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Executive Summary

The rural quality of the landscape and wealth of natural and recreational resources are among the Town of Chesterfield's prize assets.¹ There are concerns, however, among some town officials about the impacts of additional land conservation and the implications for municipal fiscal health. Conserved land owned by nonprofit organizations and government agencies is typically property tax exempt.

Town officials are especially concerned about additional land conservation proposed by the *Silvio O. Conte National Fish and Wildlife Refuge Final Conservation Plan*. A summary accounting by the Chesterfield Tax Collector based on the Conte Refuge Plan proposal to acquire some 150 parcels in Chesterfield indicates a potential revenue loss in current dollars of about \$260,000.²

It is in this context that the Town of Chesterfield asked the Pioneer Valley Planning Commission (PVPC) to help in understanding the impacts of additional land conservation efforts within the town's jurisdiction. PVPC endeavored to provide some insights with a three pronged approach: looking back at available data and trends over a 25 to 30-year period; using look-back information to explore potential impacts for the future; and identifying potential strategies that support local fiscal health while also attending to a program that supports values articulated about landscape and quality of rural life in local planning documents.

Major findings from the analysis are as follows:

- The amount of permanently protected land in Chesterfield more than doubled, from 3,424 acres in 1990 to 7,628 acres in 2019. Of the current permanently protected land, 71% is owned by state agencies, 21% is owned privately (either in Conservation Restriction or Agricultural Preservation Restriction), 4% is owned by federal agencies, and 4% is owned by nonprofit organizations. Also, because of wetlands and steep slopes (slopes >15%) 4,601 acres or 61% of the 2019 total acreage are constrained for development.
- Removal of lands from the tax base with permanent protection during this period, coincided with a drop in state aid, from 19.62% of total revenue to the Town in 1990 to 9.19% of total revenue in 2019, a more than 10% decrease (from \$486,950 to \$358,076 in adjusted for inflation to 2019 dollars). Given efforts to keep pace with a significant rise in local expenses during this same period, the Town had little choice but to increase the local property tax levy

¹ In the survey conducted as part of the Town's last Open Space and Recreation Plan from 2003, more than 70% of the 149 households responding cited forests, wildlife, lakes and streams as "very important" for why they best like Chesterfield.

² The accounting assumed fee simple acquisition of the parcel by U.S. Fish & Wildlife Service, which would mean loss of the entire current amount of property tax paid by a parcel owner. Partial loss of revenue with land protected with the existing landowner through Conservation Restriction was not part of this accounting.



by 35.6%, from \$14.74 to \$19.99 per thousand of value. The 2019 tax rate puts Chesterfield at 29th highest out of 355 municipalities in the state.

- Related concerns from Town officials about affordable housing availability and population loss were difficult to correlate with additional protected land. Though the amount of permanently protected land in the look-back period to 2019 more than doubled, the population increased by 15.6% in this period and affordable housing units as a percentage of existing housing stock in Chesterfield fluctuated, from 0.25% in 1997 to a high of 5.8% in 2005-2010, and then down to 3.2% in 2017.
- The Conte Refuge Plan identifies 3,724 acres for permanent protection in Chesterfield that are part of the Conservation Focus Area (CFA) for the Dead Branch Division, an area of high ecological value that also has large areas that are constrained for development due to wetlands or areas of steep slopes. It is in the CFA (of which there are 22 in the entire Conte Refuge) that U.S. Fish and Wildlife Service intends to focus its own land acquisition efforts, working with willing sellers through fee title acquisition or easement agreements. The plan would bring total permanently protected acreage to account for 57% of all land (11,352 acres) in Town.
- Payment in lieu of taxes paid by the state to mitigate for tax losses on lands owned by the Massachusetts Department of Conservation and the Department of Fish and Game in Chesterfield, increased from \$6.40 per acre in 2010 to \$10.84 per acre in 2019 (in adjusted to 2019 dollars for inflation). The state's current formula for these payments is dependent on relative property value increases across the state. The federal government also provides payments in lieu of taxes for permanently protected lands it owns in Chesterfield. The 2019 payment in lieu of taxes from the Department of the Interior for lands owned by U.S. Fish and Wildlife (98 acres) and the U.S. Army Corps of Engineers (196 acres) was \$324 or \$1.10 per acre. The U.S. Fish and Wildlife Service also provides annual Refuge Revenue Sharing Program dollars for land that it owns. In 2016, the revenue sharing payment was \$677 for the 98 acres formerly owned by Berkshire Hardwoods. While the federal PILOT payment plus revenue sharing roughly amount to about \$8.00 per acre for this property, Town officials have noted that the former landowner—Berkshire Hardwoods—had annually paid a total of about \$12,000 in property tax for this same acreage.
- The look-back analysis provides some footing for forecasting average expected change going forward, but there are many influencing factors at work. These include the possibility of population growth, with the likely climate-related migration of people to safer and cooler places and the estimated April 2021 completion date for broad band installation in

Chesterfield³; limited control on certain costs of services, particularly insurance coverage; and level of engagement within the Town to more actively influence future outcomes. Based on the idea of average expected change, using trends from the look-back period, one could expect total expenditures and revenues to rise approximately 60%. To make up for revenue losses based on fee simple acquisition of conserved land (using \$260,000 loss calculated by the Town), the property tax rate increases from \$19.99 to an estimated \$21.86 per \$1,000 of value in 2019 dollars. Increased state PILOT payments in this period could help offset some of this loss. There are two other possible scenarios outlined in Chapter IV, one of which is based on a doubling of population and the other of which is based on the Town undertaking an active program that promotes balance. The most likely future will be a permutation of one or a combination of the three scenarios.

The final chapter of the report includes five recommended strategies aimed at helping the Town move to a future that better integrates and supports local economic health with land protection. These strategies include advocating for recognition of the value of forests as forests in Western Massachusetts and advancing a recreational economy by identifying and pursuing solutions that are scaled to what the Town would like to see. More information on all of the strategies are provided in the last chapter.

³ Memorandum on Broadband Network Operational Status, Executive Office of Housing & Economic Development, October 10, 2019.

I. Introduction

As in many rural towns of Western Massachusetts, there is a struggle in Chesterfield between conserving additional open space and securing adequate revenue to meet the Town's costs of services. Conserved land owned by nonprofit organizations and government agencies is typically property tax exempt. Yet these lands of forest, meadow, rivers, streams, and wetlands in Chesterfield are what residents hold dear. In the Town's last Open Space and Recreation Plan (2003), more than 70% of the 149 households responding cited forests, wildlife, lakes and streams as "very important" for why they best like Chesterfield. Rural quality and wealth of natural and recreational resources are prize assets.

With the amount of permanently protected land in Town edging beyond 38% and the Conte Refuge Plan proposing additional acreage that would bring that total to 57%, concern is rising among some local officials about the implications for municipal fiscal health. Officials point to the 2011 purchase by the U.S. Fish and Wildlife Service of 98 acres formerly owned by Berkshire Hardwoods as a case in point. The owner of Berkshire Hardwoods had been paying annual property taxes of about \$12,000, but now the Department of the Interior (parent agency of Fish and Wildlife) pays no property taxes. Instead, the Department of Interior sends a nominal payment as part of the federal Payment in Lieu of Taxes program. The 2019 payment on these 98 acres, plus the 196-acre U.S. Army Corps of Engineers property at Indian Hollow, was \$324. (See DOI letter in *Appendix A*) The Town received additional monies for the former 98- acre Berkshire Hardwoods property as part of the Refuge Revenue Sharing Program of \$677.⁴

This and other ongoing experiences of revenue loss led Town officials to do some accounting with respect to the land acquisition/conservation recommendations within the *Silvio O. Conte National Fish and Wildlife Refuge Final Comprehensive Conservation Plan and Environmental Impact Statement* (December 2016). A January 2019 letter from the Town Administrator to the Pioneer Valley Planning Commission (PVPC) describes an accounting by the Tax Collector that indicates that with acquisition of approximately 150 parcels in Chesterfield, as proposed by the Conte Refuge Plan, there could be a revenue loss for the Town of about \$260,000.⁵ This calculation of revenue loss was based on what the owner of each parcel is paying currently in property taxes and assumed fee simple acquisition of the parcel by U.S. Fish & Wildlife Service, which would mean loss of the entire current amount.

The Town requested assistance from the PVPC to help in understanding the impacts of additional

⁴ The Revenue Sharing amount here is based on the 2016 payment as a more recent figure was not available.

⁵ In a FAQ sheet issued by U.S. Fish & Wildlife Service, there is a question and answer about time frame on acquisition that reads as follows: Q: Over what period of time does the refuge anticipate acquiring the lands identified? A: Service policy is to work with willing sellers as funds become available. It often takes decades for identified lands to be acquired.

land conservation efforts within the town's jurisdiction. These impacts as articulated in the Town's letter of request are:

- Financial, particularly loss of real estate tax revenue
- Affordable housing availability and population loss if homeowners sell property to conservation organizations
- Future growth if there is a loss of building lots

In responding to the Town, PVPC staff (who admittedly are not economists) recommended a simple three-pronged approach to explore the issues and begin building toward greater understanding:

- Looking back at available data and trends over a 25 to 30-year period to examine net economic impacts of land conservation to date
- Using this look-back information to explore potential impacts of additional protected lands going forward
- Identifying potential strategies for increasing local revenue while also attending to local objectives for preserving landscape values articulated in the last Community Development Plan and Open Space and Recreation Plan.

At PVPC's request, Town Administrator Susan Labrie assembled an advisory group of town representatives to help in guiding the project work and reviewing data and other elements as needed. Advisory group members were: John Follet, Conservation Commissioner; Susan Labrie, Town Administrator; CJ Lammers, Planning Board member; and Bob Recos, Selectboard member.



II. Net Economic Impacts of Land Conservation

To obtain some understanding of past land conservation efforts and potential corresponding local economic impacts, PVPC used data from a variety of sources. The recent completion of a study by Amherst College Professor Katharine Sims, Jonathan Thompson, Spencer Meyer, Chris Nolte, and Joshua Plisinski, entitled *Assessing the Local Economic Impacts of Land Protection*, helped to point PVPC in the direction of several important economic indicators. That study's analysis of local economic impacts of land protection within 1,501 New England towns used the following indicators: number of people employed, number of people in the labor force, unemployment rate, and number of new building permits issued. PVPC's analysis for Chesterfield extended to include several additional indicators, including changes in local property tax revenue as compared to payment in lieu of tax revenue, and to the extent possible, changes in home sale values and number of affordable housing units.

Specific information collected as part of PVPC's "look-back" include the following (*ital* = indicators in Sims, et al study):

- Total acreage with permanent protection (public and private) and total acreage of protected land as percentage of all land in Town
- Payment in lieu of tax revenue from all sources for protected land
- Total acreage of parcels enrolled in the Chapter 61 program

- Total population
- Number of people over 65 years of age
- Number of school-aged children
- *Estimated number of people in the labor force (# of people working or unemployed and looking for employment)*
- *Estimated number of people employed*
- *Estimated unemployment rate*
- Estimated number of people unemployed (and looking for work)
- Median household income
- Estimated number of people living below the poverty threshold

- Number of single-family homes
- Median sale price and number of home sales – single family homes
- Median sale price and number of sales – all homes
- Number of affordable housing units

- Property tax revenue and property tax rate
- Total municipal revenue
- Total municipal expenses

Cost of Services Analysis

PVPC’s work did not include a cost of services analysis. Such an analysis provides information on revenues derived from various land uses and the corresponding demands on services. The American Farmland Trust provides a methodology for such an analysis and UMass Amherst has used this methodology already in four Massachusetts communities: Great Barrington, Whately, Upton, and Haverhill. These four studies show that open space and commercial land uses have lower revenue to expense ratios than residential land uses. For example, the 2017 analysis for Whately—the study community with a population closest to that of Chesterfield—shows that for every \$1 of revenue brought in from residential land, \$1.13 is spent providing services for that land. In contrast for every \$1 of revenue brought in from commercial/industrial land or open space land, only \$0.56 and \$0.46 respectively is spent providing services for those lands. The table below summarizes these figures.

Land use	Ratio of Revenue to Expenses
Residential	\$1 : \$1.13
Commercial/Industrial	\$1 : \$0.56
Open Space	\$1 : \$0.46

Jeanne LeClair, Economic Development Director for the towns within the Gateway Regional School District, has noted that for very rural communities, new residential development can act to provide a customer base for local businesses/commercial land uses. The cost of services analysis, she suggests, should account for the need for a critical mass of residential use in a given community in order to ensure economic viability. Where rural populations are so low, note LeClair, it is not possible for local businesses to survive. A municipality must also still fully pay for meeting certain local needs though capacity of the service may not be fully used, perhaps a half full school bus or van, or even a classroom.

PVPC recommends that the Town work with staff from American Farmland Trust or UMass' MassWoods program on such an analysis, with such considerations as suggested by LeClair, to supplement understanding provided by the report here. For more information, see: <https://masswoods.org/communityconservation>

A. Land conservation in Chesterfield – 1990 to 2015, 2019

1. Permanently protected lands

The amount of permanently protected land in Chesterfield more than doubled from 3,424 acres in 1990 to 7,538 acres in 2015 (*Harvard Forest Protected Open Space Database*). By 2019, MassGIS data shows the acreage of protected open space increased to 7,628.

Based on a comparison between the 2002 and 2019 protected open space maps from MassGIS (*see maps IIA1 and IIA2 below*), it appears that land conservation efforts have been focused on large areas along the East Branch of the Westfield River and also in the watershed of Dead Branch Brook. These areas of focus are consistent with aims articulated in the Town's 2003 Open Space and Recreation Plan of conserving lands that are key connectors to already protected open space.

The 2019 MassGIS data showing a total of 7,628 acres of land with permanent protection in Chesterfield includes land owned by state agencies, private landowners, federal agencies, and nonprofit organizations as shown in Table IIA.1 below. Land in private hands is either under a Conservation Restriction (1,102 acres) or Agricultural Preservation Restriction (491 acres).

Of particular note is that many of the lands acquired for permanent conservation between 2002 and 2019 were lands that were enrolled in the Chapter 61 program, which provides landowners a tax break for maintaining property as open space, either for timber production (Chapter 61-forestry), agriculture (Chapter 61a), or recreation (Chapter 61b).

Two other noteworthy points from the 2019 protected land data in Chesterfield are:

Permanently Protected Land (Article 97): A Summary

Land that is permanently protected by state agencies is known as "Article 97 land," referring to the amendment to the Massachusetts Constitution that describes certain rights to clean air and water as purposes to protecting land in perpetuity. These permanent protections are authorized under Sections 31-33 of Chapter 184 of the General Laws of Massachusetts.

Land is considered to be permanently protected if it is either publicly owned conservation land or if it is private land with a permanent conservation restriction (CR). A CR is a legally binding agreement between a landowner and the CR holder, usually a public agency or a private land trust, whereby the landowner agrees not to develop the land in order to protect certain conservation values. The CR is recorded at the Registry of Deeds, and the land is considered permanently protected if the CR runs in perpetuity. An Agricultural Preservation Restriction (APR) is a special type of CR where development rights of farmland are purchased in order to keep it in permanent agricultural use. Once a parcel of land is permanently protected, this status can only be removed by a vote of approval by two-thirds of the Massachusetts State Legislature.

- The 7,628 acres of protected land accounts for 38% of all lands given a total area of 20,003 acres in Town.
- Because of wetlands and steep slopes (slopes >15%), 4,601 acres or 61% of these protected lands are constrained for development (*see map IIA.3 below*).

Table IIA.1: Ownership of permanently protected land within Chesterfield - 2019

Ownership	Acres	% of total protected land acreage
State agencies (MA DCR or MA DFG)	5,432	71%
Private	1,593	21%
Federal agencies (ACOE, NFWS)	294	4%
Nonprofit organizations	309	4%
Total	7,628	

Data adapted from MassGIS, 2019

2. Payment in lieu of tax programs

Permanent land protection by nonprofit organizations, and state or federal agencies typically results in a Town's loss of property tax payments for a given parcel. To help mitigate for those losses, the Commonwealth of Massachusetts has a payment in lieu of tax (PILOT) program for lands owned by the Massachusetts Department of Conservation and Recreation and Department of Fish and Game.

In Chesterfield, PILOT payments from the state have increased overall since 2010 from \$26,096 (in adjusted to 2019 dollars for inflation) to \$58,910 in 2019, representing a 70% increase in the per acre amount, from approximately \$6.40 to \$10.84 per acre.⁶ Despite this increase, there is argument that the formula for PILOT payments falls short of where they should be for rural communities such as Chesterfield. Given that the formula is based on fair cash value of land and is balanced against other values across the state, it does not recognize the other important values that such large tracts of protected land in rural communities provide, including reduction of flood flows, sequestration of carbon, and production of food. It should also be noted that the lands provide important values

⁶ The 2010 total state-owned acreage (of 4,080 acres) used to make this calculation here was derived from the Harvard Forest permanently protected lands that are public, minus the Indian Hollow acreage owned by the U.S. Army Corps of Engineers. The 2019 total state-owned acreage (of 5,432 acres) comes directly from MassGIS.

inherent to the "rights" cited in Article 97 of the Amendments of the Massachusetts Constitution (to clean air and water, etc.)

The federal government also provides payments for permanently protected lands it owns in Chesterfield, using two approaches: revenue sharing dollars from the U.S. Fish and Wildlife Service for the 98 acres it owns in Chesterfield currently and PILT payments from the Department of the Interior for both the 98 acres owned by both U.S. Fish & Wildlife plus 196 acres owned by the U.S. Army Corps of Engineers. Revenue sharing from 2016 was \$677 and the 2019 PILT payment was \$324. Roughly estimated, using these two sources of funding, the amount provided for the 98 acres U.S. Fish & Wildlife Service currently owns within the Dead Branch CFA amounts to a total of \$872 (\$8.90 per acre). As noted above, Town officials have noted that the former landowner—Berkshire Hardwoods—had annually paid a total of about \$12,000 in property tax for this same acreage.⁷ The federal PILOT appears subject to political decision making about fully funding or not in each year.

3. Chapter 61 land

Some conservation lands are temporarily rather than permanently protected. Land enrolled in the Massachusetts Chapter 61 tax abatement programs (Mass General Law, Chapter 61) are considered to be temporarily protected from development. Chapter 61 offers landowners reduced local property taxes in return for maintaining land in productive forestry (Chapter 61), agricultural (Chapter 61A) or recreational (Chapter 61B) use for a certain period of time.

As noted above, many of the lands that became permanently protected between 2002 and 2019 were lands already enrolled in the Chapter 61 program. Even with this significant transfer of Chapter 61 land into permanent protection, the total acres of land now enrolled in the Chapter 61 program in Chesterfield increased slightly to 6,389 acres in 2019. This is up from 6,344 acres in 2002. (2002 number from *Chesterfield Open Space and Recreation Plan*; 2019 number from *MassGIS*.) It is important to note that these totals include parcels where land is partially enrolled in the Chapter 61 program (due to residential areas, buildings, etc. on the parcel).

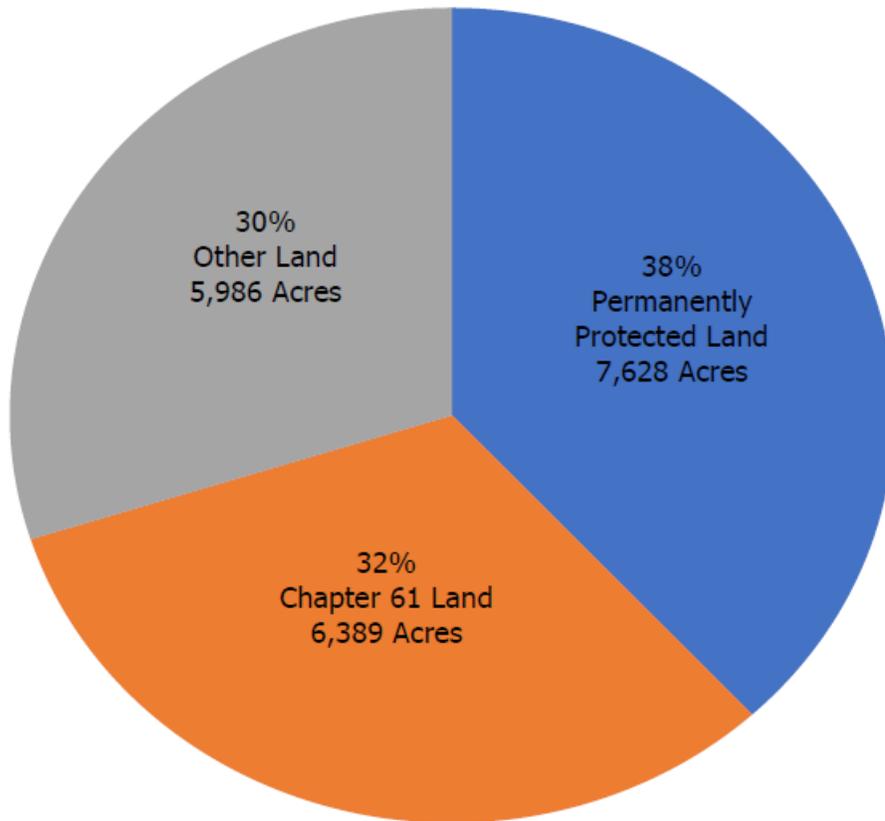
The Chapter 61 programs were created through a series of constitutional amendments instituted to address the rise in property values that were forcing farm and forest landowners to sell land because of increasing tax burden. Amendments to this program were instituted in 2007, making it easier for landowners to enroll (Chapter 394 of the Acts of 2006).

Landowners withdrawing from the program for a change to another use (residential, industrial, or commercial) within either 10 years of enrolling in Chapter 61 or 5 years of enrolling in Chapters 61A

⁷ For more information on the Federal PILT program, see: <https://www.doi.gov/pilt>
For more information on the U.S. Fish & Wildlife Service revenue sharing program, see: <https://www.fws.gov/refuges/realty/rrs.html>

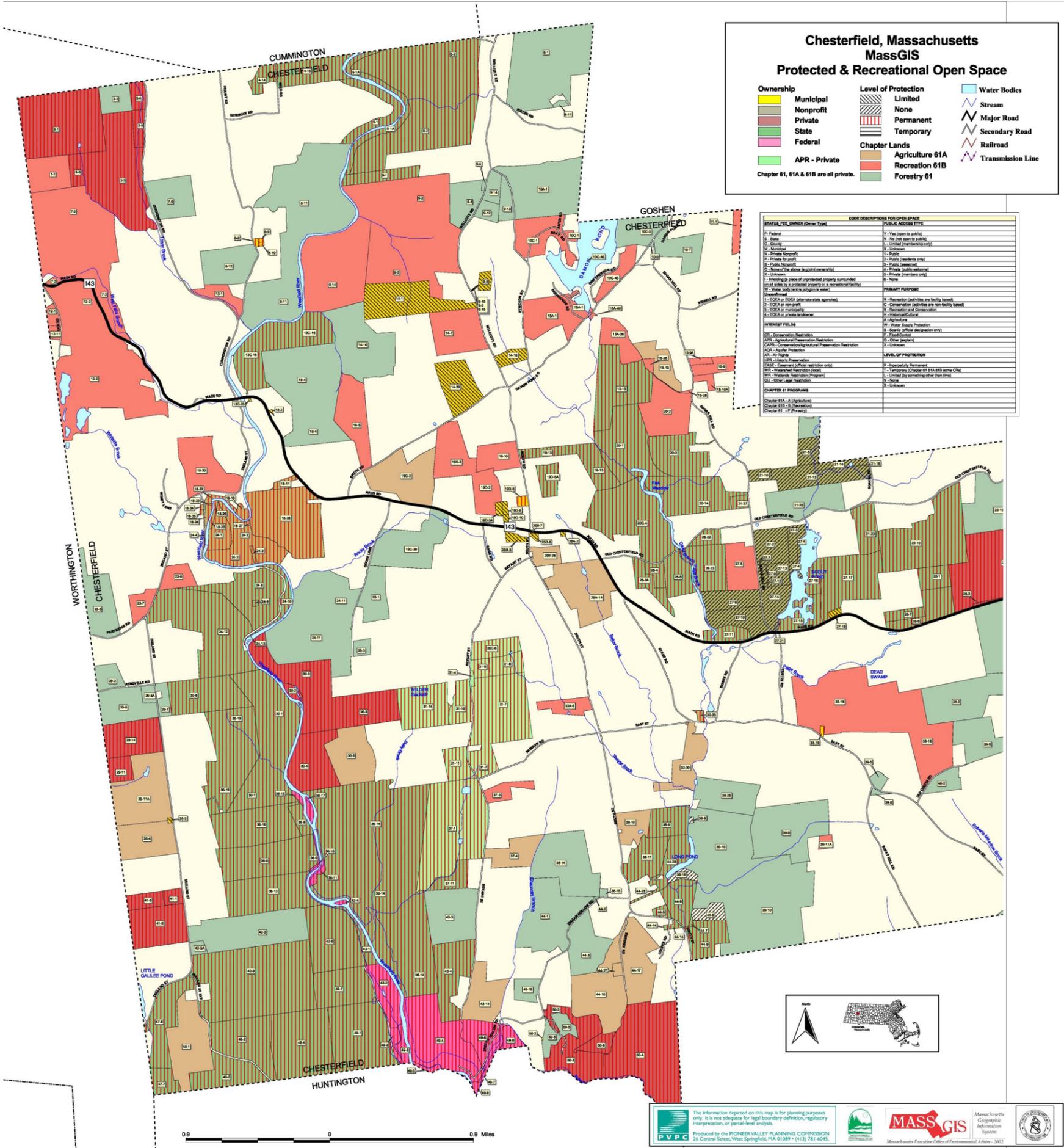
or B, must pay a penalty of payment, either rollback taxes or conveyance taxes. Chapter 61 also offers towns the opportunity to protect land permanently. When a parcel that has been enrolled in one of the Chapter 61 programs is being sold and proposed for conversion to a use that would make it ineligible to participate in the Chapter 61 programs, the town where the parcel is located is guaranteed a 120-day waiting period during which it can exercise its “right of first refusal” to purchase the property at fair market value and preserve it permanently. For more information on the Chapter 61 program, see the document prepared by UMass Extension and MassDCR entitled, *Chapter 61 Programs: Understanding the Massachusetts Ch. 61 Current Use Tax Programs* at: <https://masswoods.org/sites/masswoods.net/files/Ch61-v2.pdf>

Table IIA.2: Status of Land in Chesterfield – 2019 (total acres = 20,003)

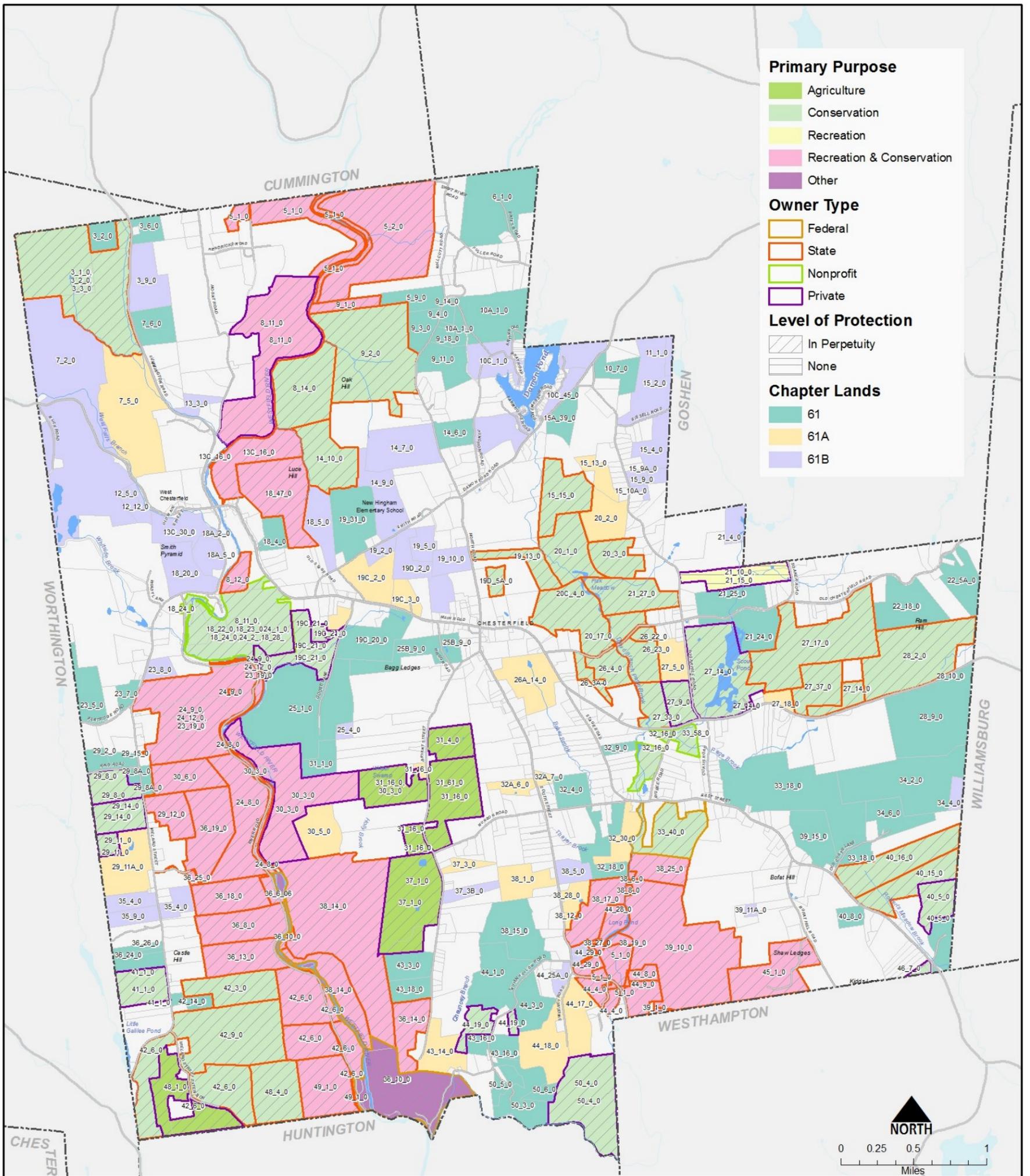


Data source: MassGIS

Map: IIA.1 Protected & Recreational Open Space—2002



Map: IIA.2 Protected & Recreational Open Space—2019



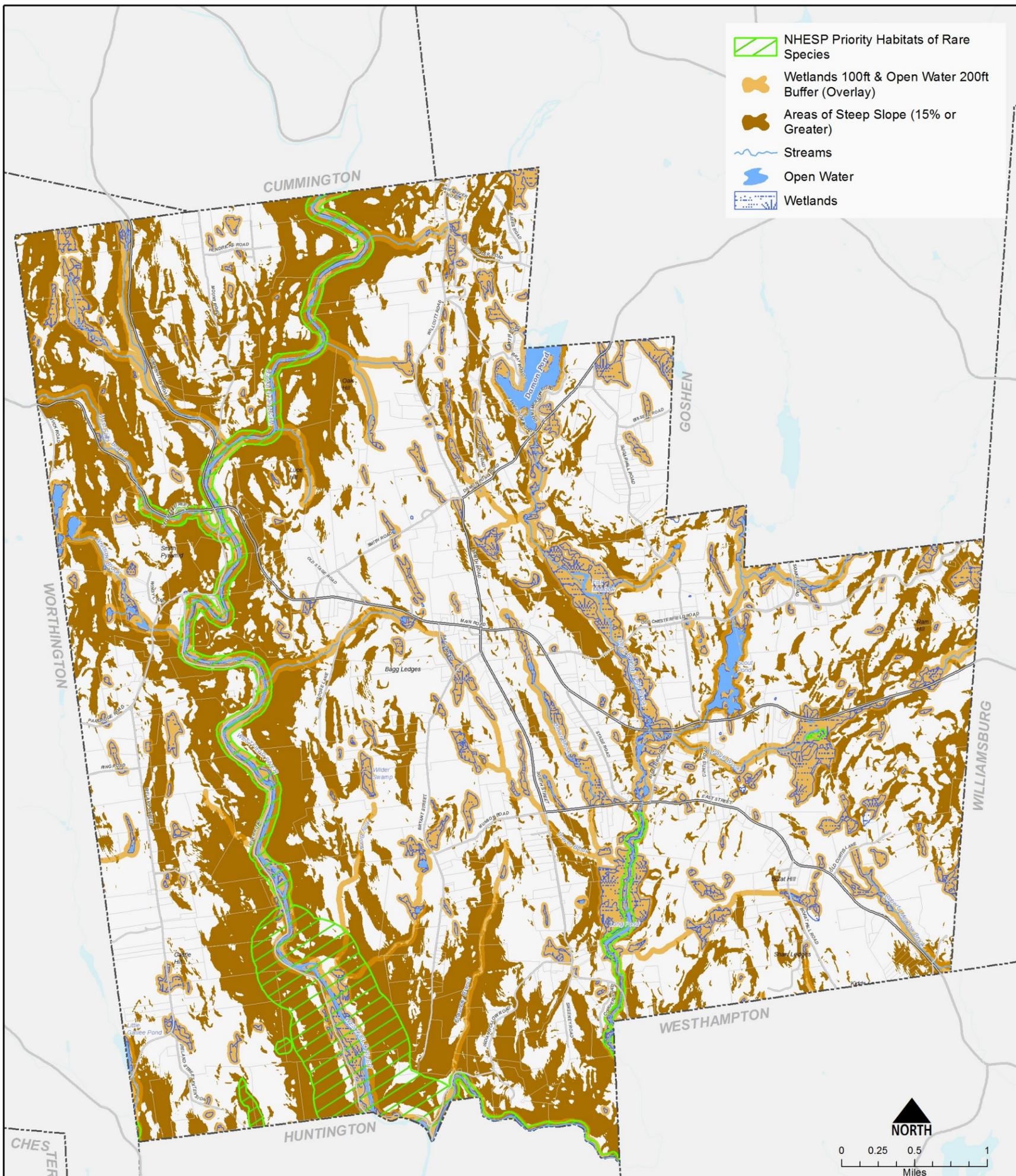
PROTECTED & RECREATIONAL OPEN SPACE 2019 LAND CONSERVATION STUDY CHESTERFIELD, MA

DATA SOURCES:
MapGIS, Pioneer Valley Planning Commission
This map is based on the best available data.
All information is subject to field verification.

MASS GIS
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Map: IIA.3 Constraints to Development—2019



CONSTRAINTS TO DEVELOPMENT 2019 LAND CONSERVATION STUDY

CHESTERFIELD, MA

DATA SOURCES:
 MassGIS, Pioneer Valley Planning Commission
 This map is based on the best available data.
 All information is subject to field verification.



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B. Economic indicators in Chesterfield – 1990 to 2015, 2017, 2019

Looking at economic indicators for Chesterfield, it appears the Town has done relatively well since 1990. There has been growth in population, median household income, number of single-family homes, and revenue. Details within these indicators, however, point to possible stressors on fiscal health for the Town that seem akin to challenges in other rural communities of Western Massachusetts. The narrative below describes overall data on population, labor force, housing, and municipal revenue and expenses with several highlights on important details.

1. Population

Chesterfield's population has increased 15.6% (164 people), from 1,048 people in 1990 to 1,212 people in 2019. (*U.S. Census Bureau and Town of Chesterfield*) This reflects a more reasonable rate of growth than the more than doubling of population increases reported for earlier periods (between 1960 to 2000, from 556 to 1,201 people) and suggested for the future within the Town's 2003 Open Space and Recreation Plan. Population figures reveal other important considerations:

- The number of people over 65 years of age more than doubled from 83 to an estimated 211 people as of 2017. Proportionately people in this age range increased, from representing 7.9% of the population in 1990 to an estimated 17.4% of the population in 2017. As this population typically relies on a fixed income, the cost of living increases become very real challenges. (*U.S. Census Bureau – for non-census years, number come from population estimates program*)
- At the same time, the population of school aged children has declined by 40%, from 235 children in 1990 to 142 in 2017 (*Department of Elementary and Secondary Education – School Attending Children Report*).⁸

2. Labor force and household income

With population increases, the labor force also grew by an estimated 147 people between 1990 and 2017. (*U.S. Bureau of Labor Statistics*) This larger labor force saw median household income increase nearly 10% between 1990 and 2017 when adjusted for inflation to 2019 dollars, from \$70,929 to \$77,945.

The unemployment rate decreased from 5% in 1990 with 31 out of 619 people looking for work to 3% in 2017 with 23 out of 766 people looking for work. The highest unemployment rate during this period occurred in 2010 with 7.5% or 55 out of 735 people looking for work, which is consistent with the period now known nationally as the “Great Recession.” (*U.S. Bureau of Labor Statistics*)

⁸ The New Hingham Elementary School serves both Chesterfield and Goshen children from pre-kindergarten through 6th grade. Chesterfield students from grades 7 through 12 attend Hampshire Regional High School in Westhampton, a district that also includes Goshen, Southampton, Westhampton, Williamsburg, and Worthington. High school students can also opt to attend Smith Vocational and Agricultural School in Northampton.

The number of people living below the poverty threshold in Chesterfield appears to have increased from an estimated 68 people in 2000 to an estimated 72 people in 2017. (*SF3 Census 2000; American Community Survey DPO3*)

3. Housing

The number of single-family homes during this period grew by 17%, from 446 in 1990 to 522 single family homes in 2019. (*Division of Local Services, MA Department of Revenue; 2019 from Town of Chesterfield for 2019.*) The sale price of single-family homes, however, reflects little change. Using 2019 adjusted for inflation dollars, the average sale value in 1990 was \$197,576 (based on the sale of 5 single-family homes that year) while in 2015 the average sale value was \$204,638 (based on the sale of 13 single-family homes that year). (*Warren Group*)

Though this relatively slight change in sale price translates to greater housing affordability overall, meeting the 10% affordable housing threshold set within M.G.L. Chapter 40B has been an ongoing challenge for Chesterfield (as it is for many rural communities). With less than 10% of a town's total year-round housing subsidized for low or moderate-income residents, a developer has the right to bypass certain municipal review by seeking a single comprehensive permit to construct such housing. Affordable housing units as a percentage of existing housing stock in Chesterfield went from 0.25% in 1997, to a high of 5.8% in 2005-2010, and then down to 3.2% in 2017.⁹ (*MA Department of Housing and Community Development Subsidized Housing Inventory*)

4. Revenue and Expenses

Adjusted for inflation to 2019 dollars, total municipal revenues for the Town of Chesterfield rose 57%, from \$2,479,493 in 1990 to \$3,897,760 in 2019. While revenue has appeared to keep pace with expenses since 1990, the relative proportion of sources of revenue has shifted during this time period to put more burden on local property owners. Where state aid accounted for 19.62% of total revenue for the Town in 1990, it accounted for only 9.19% of total revenue in 2019, a more than 10% drop. See *Figures IIB.1 and IIB.2 on the following page, which show how the burden has shifted.* In adjusted for inflation to 2019 dollars, state aid decreased from \$486,950 in 1990 to \$358,076 in 2019.

Though exact revenue implications based on conservation of 4,204 additional acres in Chesterfield between 1990 to 2019 is not available, there is likely some associated loss of revenue. It is important to note that some of this additional conserved acreage, an estimated 1,453 acres, was protected through Conservation Restriction or Agricultural Preservation Restriction. As such, this subset of landowners continued with some amount of property tax payment.¹⁰

⁹ The decline in affordable housing is due to “sunset clauses” that limit the term for which housing must remain affordable.

¹⁰ This estimate is based on subtracting a figure in the 2003 Open Space and Recreation Plan, which indicates the Agricultural Preservation Restriction acreage as 140 acres (there is no mention of any Conservation Restriction acreage) from the 2019 figure of 1,593 acres in Conservation Restriction or Agricultural Preservation Restriction.

Figure IIB.1: Revenues by Source - Chesterfield FY1990

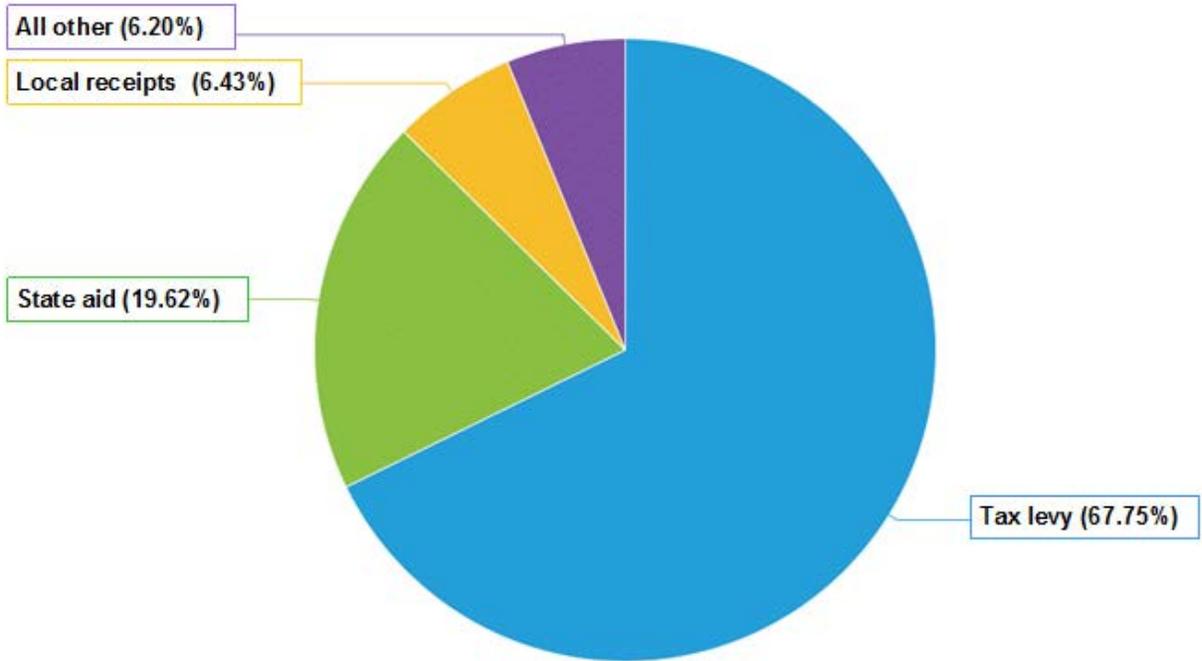
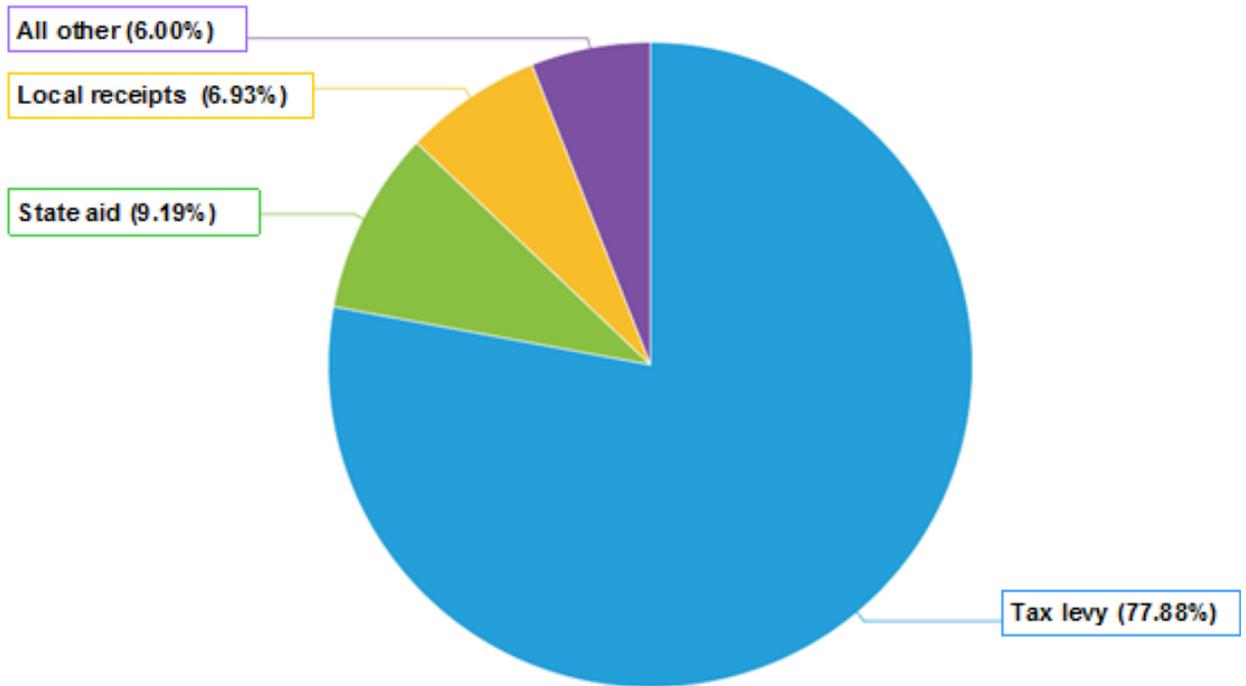


Figure IIB.2: Revenues by Source - Chesterfield FY2019



Source: <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=RevenueBySource.RBS.RevbySourceMAIN>

The Town has made up such losses with increases in local property tax levies. Adjusted for inflation to 2019 dollars, local property tax revenue increased 95.5%, from \$1.56 million in 1990 to \$3.05 in 2019. (*Town of Chesterfield and MA Department of Revenue*) As shown in the table at right, the tax rate rose from \$14.74 in 1990 to \$19.99 in 2019 per \$1,000 of value for residential, commercial, and industrial properties. For the average single family in Town, this has entailed a tax bill increase of 35.6% from \$1,341 in 1990 to \$4,595 in 2019. The 2019 tax rate puts Chesterfield at 29th highest out of 355 cities and

Year	Tax rate per \$1,000 of value	Single-Family Tax Bill
1990	14.74	\$1,341
1995	17.50	\$1,790
2000	21.49	\$2,351
2005	18.55	\$2,867
2010	15.26	\$3,409
2015	19.09	\$4,064
2019	19.99	\$4,595

Sources: Tax rate from Town of Chesterfield; Single family tax bill from MA Division of Local Services, Data Analytics and Resources Bureau.

towns in the state. Nearby towns of Chester, Westhampton, Huntington, and Williamsburg are 17th, 25th, 30th, and 32nd highest in the state for residential tax rate respectively.

Chesterfield has also managed such losses by deferring maintenance on much of its infrastructure. Town Administrator Susan Labrie points to two prime examples: the fire station, which dates to the 1950s and the Town Offices, which date to the 1940s.

Adjusted for inflation to 2019 dollars, total municipal expenses rose 65%, from \$2,293,662 in 1990 to \$3,795,401 in 2019. While expenses generally rose in all categories, the most notable proportional shifts in dollars spent from 2005 to 2019 were in the education and general government categories of the budget. Dollars spent in the general government category rose from 6.99% of the total budget in 2005 to 14.81% of the total budget in 2019. Labrie says that this change is due largely to increase costs for insurance (vehicles, liability, and health) that the Town must carry. Dollars spent in the education category shifted from 60.8% of the budget to 51.8% of the budget in 2019 some of which is due to decreased enrollment.¹¹ See Figures IIB.3 and IIB.4 on the following page, which show the shifts in expenses, most notably the general government and education categories.

¹¹ 2005 is the earliest year for which Chesterfield expenses are available on the Massachusetts Department of Revenue, Division of Local Services Gateway.

Figure IIB.3: Expenses by Source - Chesterfield FY2005

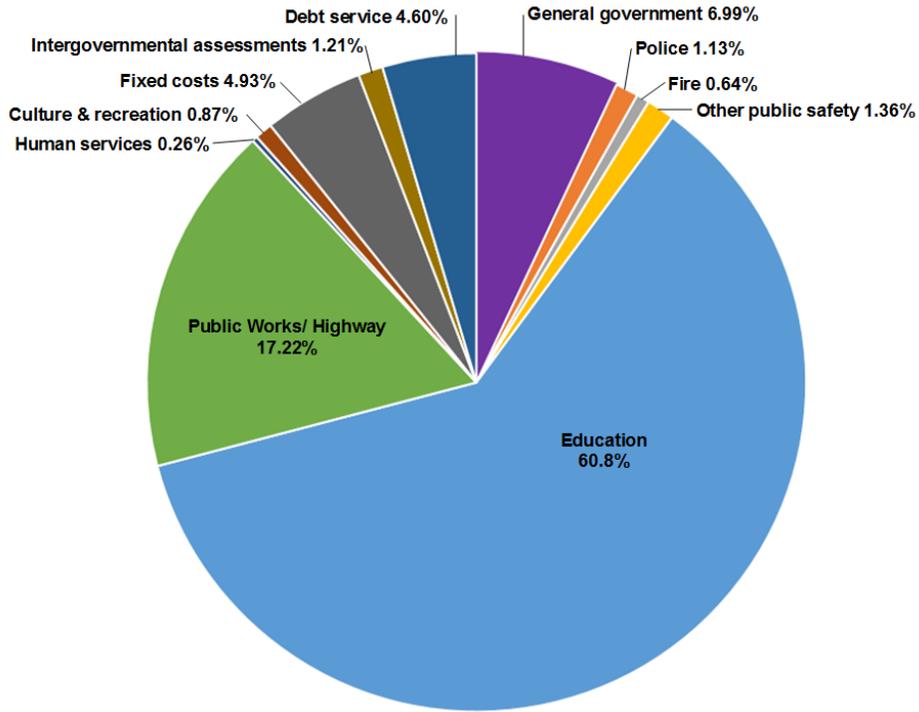
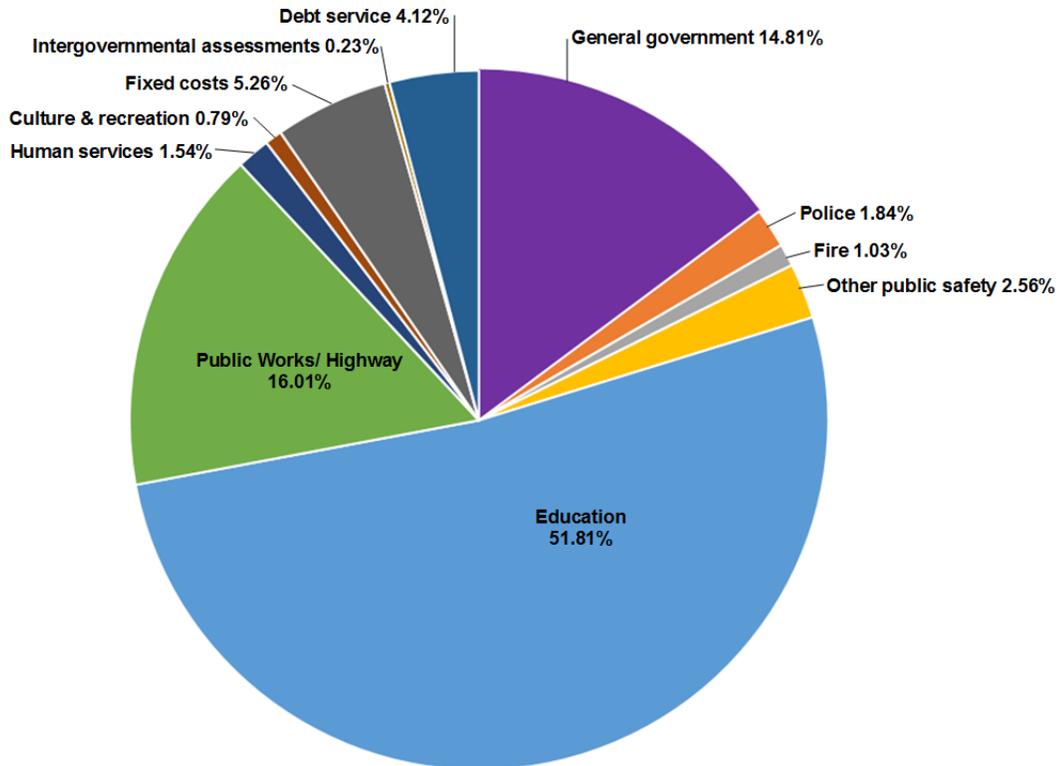


Figure IIB.4: Expenses by Source - Chesterfield FY2019



Source: Massachusetts Department of Revenue Dashboard

C. Land conservation and economic indicators taken together

There are few hard conclusions that can be drawn to connect economic trends since 1990 directly to the doubling of permanently protected land acreage in Chesterfield during this same period. Too many variables are at play to be able to point to direct cause and effect. Rather, the story is more about the convergence of multiple factors that left the Town of Chesterfield with few options but to lean more heavily on property tax increases to continue to be able to provide local services in this period.

What can be said is as follows:

- Any impacts from removal of lands from the tax base with permanent protection (1990 to 2019) occurred during a period in which the state was generally decreasing its share of municipal financial support overall, though per acre PILOT payments to the Town increased between 2010 and 2019.
- The Town made up for losses by increasing the local property tax levy by 35.6% in a 29-year period, from \$14.74 in 1990 to \$19.99 in 2019.
- Properties enrolled in the Chapter 61 program, which provides some tax break to landowners account for some 32% of the acreage in Chesterfield, an indicator of success for the program, but also a factor in further reducing revenues for the Town.
- The following population, housing, and labor information cannot be tied directly to increased acreage of protected land:
 - Population has increased as has the number of single-family homes during this period (1990 to 2019). Population numbers indicate an aging population and fewer families with school-age children.
 - Housing numbers indicate that the sale price of a single-family home reflects little change and that affordable housing numbers in town have increased overall from 0.25% in 1997 to 3.2% in 2017, but that the 10% affordable housing threshold set within M.G.L. Chapter 40B has not been reached.
 - Unemployment decreased from 5% to 3% and median household income increased by 10% between 1990 and 2017, while the number of people living below the poverty threshold appears to have increased from an estimated 68 people in 2000 to an estimated 72 people in 2017.



III. Proposed Land Conservation in the Conte Refuge Plan

A. Conte Plan proposal

The Silvio O. Conte National Fish & Wildlife Refuge is named after the former Congressman from Pittsfield, who served from 1959 to 1991 and proposed the idea of a watershed-wide refuge to achieve a clean, fishable, and swimmable Connecticut River and return of Atlantic salmon. The measure to establish the refuge was signed into law by President George H.W. Bush in 1991 and the refuge was fully established by 1997. *See “Silvio A. Conte National Fish and Wildlife Refuge Legislated Purposes” in Appendix B.*

In 2016, the U.S. Fish and Wildlife Service completed a Final Comprehensive Conservation Plan and Environmental Impact Statement for the Conte Refuge, encompassing the entire 7.2 million-acre watershed of the Connecticut River. Plan development took some 10 years, involving a detailed process with extensive public outreach. Given the nature and scale of the Refuge, the Final Conte Refuge Plan notes the following:

The emphasis on partnerships across the watershed remains the underpinning of this final CCP/EIS as we look toward Conte Refuge’s future. Partnerships are essential to all that we do. The ultimate goal is for Conte Refuge to be an integral component of the natural, cultural, and economic fabric of the diverse communities in the watershed. To convey our intent, early in the process we developed as the mission for Conte Refuge...’Work in partnership with others to inspire stewardship, magnify achievements, and celebrate shared successes that enhance, nurture, and protect the natural, cultural, and sustainable economic richness of the Connecticut River and its watershed on public and private land.’

The Final Conte Refuge Plan sets out a program for the Refuge—through preferred Alternative C—to acquire a total of 197,337 acres across Vermont, New Hampshire, Massachusetts, and Connecticut from willing sellers to protect key wildlife habitats for biodiversity, recreation, and education. Fee title, easements, leases, and cooperative management agreements are all acquisition options available. The approach to land conservation is defined in two ways:

- 19 Conservation Partnership Areas (CPAs), where U.S. Fish and Wildlife Service supports partners to best achieve shared conservation, education and recreational goals; and
- 22 Conservation Focus Areas (CFAs), where U.S. Fish and Wildlife Service focuses its own land acquisition efforts from willing sellers for the Conte Refuge (both fee title and easement)

B. Proposed program for Chesterfield

Two Conservation Partnership Areas, identified by the U.S. Fish and Wildlife Service, extend into Chesterfield: the Westfield River Conservation Partnership Area and the Mill River Conservation Partnership Area. As noted above, the focus for U.S. Fish and Wildlife Service is on Conservation Focus Areas. For Chesterfield, this CFA is known as the Dead Branch Division and it includes lands that extend into Westhampton and Huntington. This area is a priority for conservation because of its location in an area with an extensive conserved lands network, and near a high-quality segment of the Westfield River around which are eight priority refuge resources of concern.¹²



¹² In *Silvio O. Conte National Fish and Wildlife Refuge Final Comprehensive Conservation Plan and Environmental Impact Statement*, December 2016, see Appendix A, pages A-249 through A-277.

For the Dead Branch Division, the breakdown of CFA land protection objectives for the Conte Refuge are as follows (see also Map IIIB.1 below):

Existing Refuge ownership in Conservation Focus Area (CFA) <i>Land in Chesterfield owned formerly by Berkshire Hardwoods</i>	98 acres
Existing acres in CFA already permanently conserved by others <i>This includes lands currently owned by the State of MA along Dead Branch Brook and the East Branch of the Westfield River</i>	1,812 acres
Additional acres in CFA proposed for Refuge acquisition from willing sellers <i>On-line appendix for Dead Branch CFA Parcel Information indicates that this total number here is 4,769 and that of these total acres, 3,724 are located in Chesterfield and 1,045 are located in Westhampton and Huntington¹³</i>	5,088 acres
<hr/>	
Total acres in Conservation Focus Area	6,998 acres

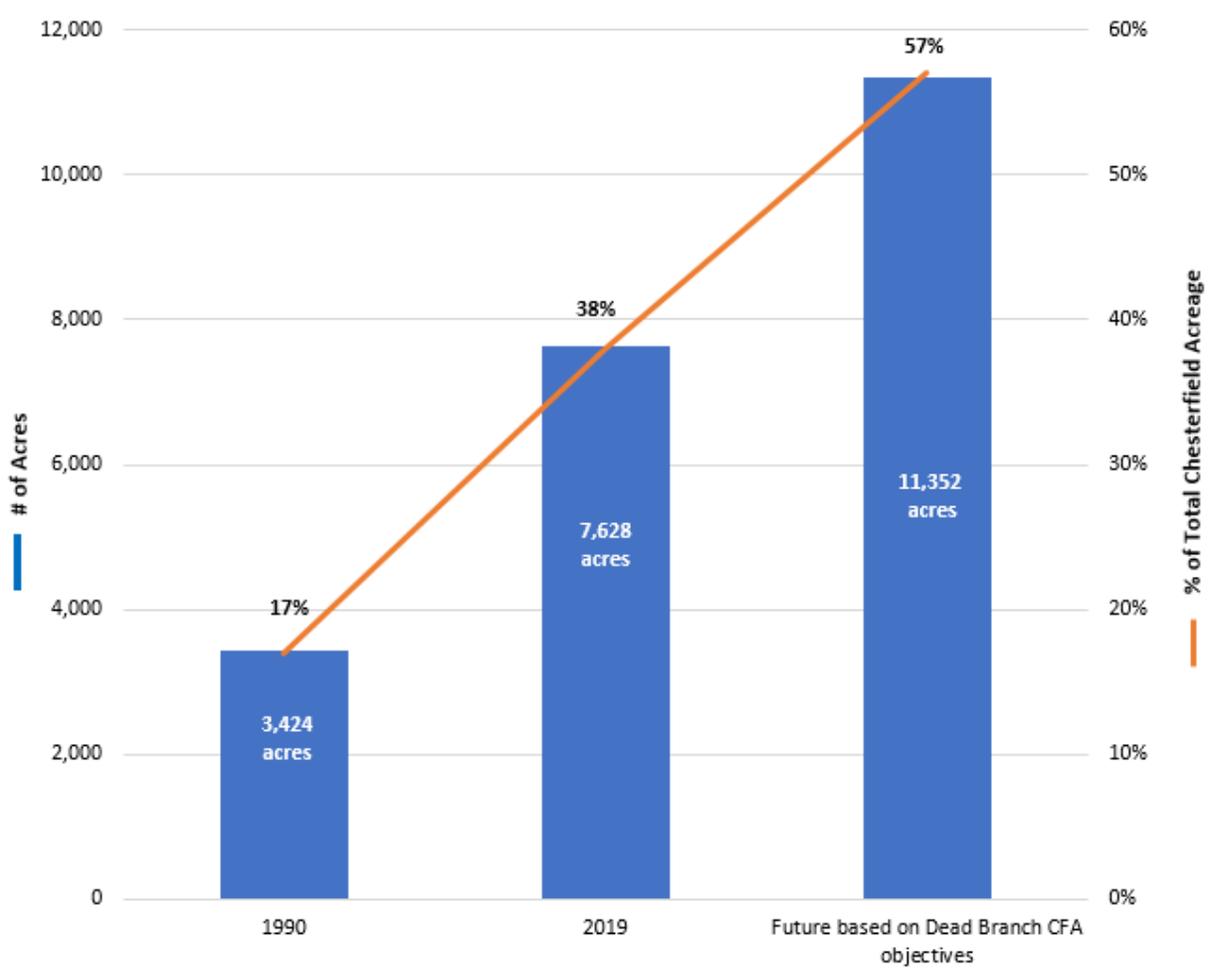
Total numbers above pulled from Massachusetts Section of Appendix A of Final Conte Refuge Plan. Information in italics above added by PVPC.

It is important to note that there are large areas in the Dead Branch Division that are constrained for development due to wetlands or areas of steep slopes. This can be seen by comparing the CFA and CPA conservation areas (Map IIIB.1) and the constraints to development map in the previous section (Map IIA.3). Also, some of the properties included in the CFA area are lands with existing homes.

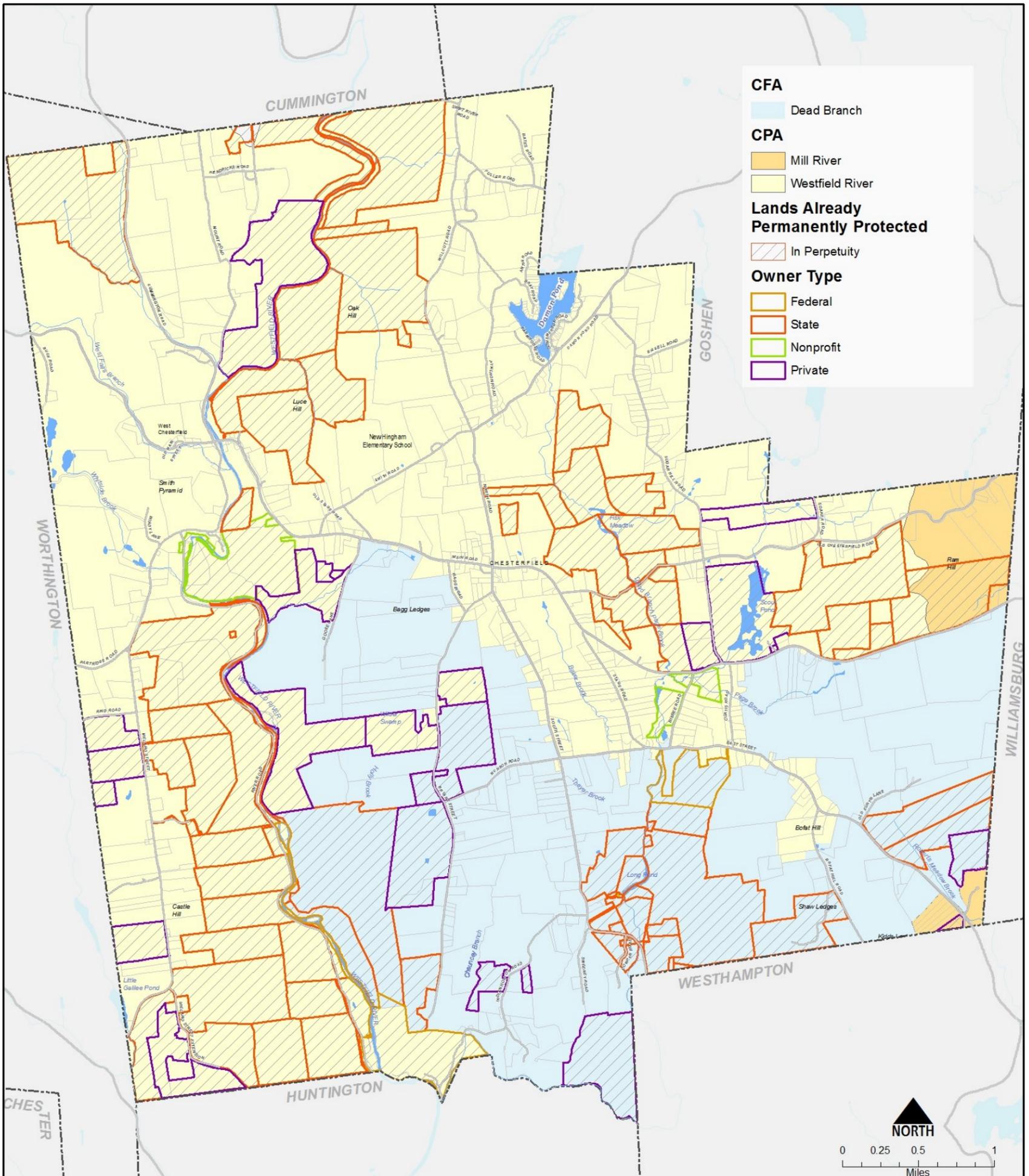
In any case, the land protection objectives in the Dead Branch Division, if met, could result in a total of approximately 11,352 acres of permanently protected land in Chesterfield. This translates to about 57% of the land area in permanent conservation within the Town. *See Figure IIIB.1 below.*

¹³ Note total numbers here are slightly different than acreage numbers reported in the on-line Appendix that enumerates Dead Branch CFA Parcel Information. Staff at U.S. Fish and Wildlife Service were unable to provide an explanation for this discrepancy within the timeframe of this report. It has been suggested that it may be that the tallies for Appendix A and the on-line appendix were done at different times, one document being more current than another.

**Figure IIIB.1: Permanently Protected Land in Chesterfield:
1990, 2019, and with Future Conte Refuge Dead Branch CFA Objectives**



Map: IIIB.1 Conte Refuge Conservation Focus Area and Conservation Partnership Areas Showing Lands Already Permanently Protected



CPA & CFA 2019 LAND CONSERVATION STUDY CHESTERFIELD, MA

DATA SOURCES:
MassGIS, Pioneer Valley Planning Commission,
U.S. Fish & Wildlife Service.
This map is based on the best available data.
All information is subject to field verification.

MASSGIS
Pioneer Valley Planning Commission
pvpc

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Manager of the Silvio O. Conte National Wildlife Refuge Andrew French has noted that lands purchased by the U.S. Fish and Wildlife Service for the Conte Refuge allow for compatible public use, including hiking and snowmobiling. While the U.S. Fish and Wildlife Service will not likely establish additional visitor centers (such as the Great Falls Discovery Center in Turners Falls), they are working to build what French called “visitor contact points” associated with each Division within the Conte Refuge.

As an example, he cited the trail system within the Fort River Division at Moody Bridge Road in Hadley where U.S. Fish and Wildlife Service has created a successful ADA accessible trail destination. French remarked, “Where there is sufficient land base and the community is supportive, we will work to create these visitor contact points.” He said the idea is that such destinations create opportunity for visitors to spend more time in an area and that the longer visitors stay, the more likely they are to spend dollars in a given place.¹⁴



Photo: Kestrel Land Trust

As part of its work in the Fort River Division in Hadley, U.S. Fish and Wildlife Service has constructed a 1.2-mile-long trail with boardwalks and flat surfaces, which makes it universally accessible to wheelchairs, strollers, and the blind.

¹⁴ PVPC phone conversation with Andrew French on December 23, 2019.

C. Addressing local concerns

The concerns among Town of Chesterfield officials—regarding loss of local property tax revenues given land conservation objectives—mirror concerns raised during the development of the *Silvio O. Conte National Fish and Wildlife Refuge Final Comprehensive Conservation Plan and Environmental Impact Statement* published December 2016.¹⁵

The Final Conte Refuge Plan reflects these concerns and some of the discussion about finding a certain ratio between fee-title acquisition by the federal government (which does not pay property taxes) versus conservation easements (where land would remain in the hands of private property owners and presumably have less impact on property tax revenues, assuming the landowner is not tax exempt). Reflecting on that discussion, authors of the report write, "In practice, we often need to defer to the preference of each individual landowner, so the actual ratio of fee to easement is difficult to predict with certainty."¹⁶

The report also notes that the U.S. Fish and Wildlife Service has a program specifically authorized by the Refuge Revenue Sharing Act of 1935, as amended, through which revenues earned on refuges are collected and then disbursed to local taxing authorities where refuge land is located. The authors report:

Congress sets the revenue sharing payment rate each year. The maximum rate is approximately three-fourths of one percent of the market value of the property. The Service has no control over what rate Congress sets. Although historically revenue sharing exceeded the corresponding tax revenues generated from private lands, payments in recent years have fallen considerably.¹⁷

Refuge Revenue Sharing dollars reported for Chesterfield for the Dead Branch Division (for the 98 acres on East Street now owned by U.S. Fish and Wildlife Service) in Chapter 3, page 3-81, of the plan are as follows:

Year	Total amount
2012	\$517
2013	\$607
2014	\$568
2015	\$597
2016 ¹⁸	\$677

¹⁵ In *Silvio O. Conte National Fish and Wildlife Refuge Final Comprehensive Conservation Plan and Environmental Impact Statement*, December 2016, see Chapter 2 and particularly pages 2-28 through 2-31.

¹⁶ *Silvio O. Conte National Fish and Wildlife Refuge Final Comprehensive Conservation Plan and Environmental Impact Statement*, December 2016, pages 2-30.

¹⁷ *Ibid*, pages 2-31

¹⁸ 2016 figure from: <https://www.fws.gov/refuges/realty/pdf/RevShareWebLocalGovtSummary.pdf>

Appendix C of the Conte Conservation Plan, includes a summary of a USGS report that describes the economic impacts of the Conte Conservation Plan alternatives. It notes the following:

The report quantifies current contributions of the refuge to regional economies, but emphasizes that the economic impacts from additional land acquisition are highly dependent on the timing, amount, and distribution of those acquisitions. With the high level of uncertainty, and the many variables at play, it is not possible to precisely predict the economic impacts from a refuge expansion thus they are presented qualitatively. The authors predict that over time, any possible losses in local government revenues from property taxes, or from losses from agricultural and forestry production, will be at least partially offset by the gains from refuge management activities and spending within other economic sectors (food, recreation, and other service sectors) generated through refuge visitation. There is no expectation of a significant impact on the economies of any subregion as a result of the proposed refuge expansion. However, in some of the more forestry based economies, it could result in some diversification in the economic base in the service sectors.¹⁹

Another note of interest along economic lines from the development of the Conte Refuge Plan are concerns of rising property values and consequently property taxes. Authors of the report write, "...we acknowledge that landowners may see their property values rise from owning property next to the refuge." They cite a 2002 report that shows that land and property values are typically higher next to a national wildlife refuge, when holding other factors constant.²⁰

¹⁹ *Ibid*, Appendix C, page C-47.

²⁰ *Ibid*, Chapter 2, page 2-28.



IV. Potential Impacts of Additional Protected Lands

A. Possibilities for the future

Since 1990, Chesterfield has seen a significant increase in permanently protected land, which has in part contributed to loss of local property tax revenue. Other loss of tax revenue can be attributed to reductions in the state’s share of support within Chesterfield’s local budget and to a lesser extent increased enrollment of properties in the Chapter 61 program. With little other recourse over this period, the Town turned to increasing the tax rate.

Looking at past data to forecast into the future, provides some footing to think about average expected change going forward. There are many factors, however, that could influence the path forward, including population growth, climate change impacts, expenditures on cost of services, and ability within the Town to more actively influence future outcomes. Though somewhat over-simplified, following are three possible scenarios, starting with a projection that draws on the 30-year look back for an idea of average expected change. Most likely for the future, is some permutation of one or a combination of these scenarios. Worksheets in the appendices provide more detail.

Scenarios	Related outcomes
<p>#1. Average expected change (based on 30-year look back and local knowledge)</p> <p>Land conservation continues along the same pace as over the past three decades, with willing landowners negotiating privately the future of their property, using either conservation restriction or fee sale to land conservation agents. The U.S. Fish & Wildlife Service reaches the 4,769-acres conserved objective for the Conte Refuge’s Dead Branch Division in the next 30 years.</p> <p>Population grows modestly by 15.6% or 189 people to 1,401 residents and 47 to 63 new single-family homes are built to accommodate this new population.</p>	<p>Total expenditures and revenues rise approximately 60%. To make up for revenue losses based on fee simple acquisition of conserved land (using \$260,000 loss calculated by the Town), the property tax rate increases from \$19.99 to an estimated \$21.86 per \$1,000 of value in 2019 dollars. Increased state PILOT payments in this period could help offset some of this loss.</p>

Scenarios	Related outcomes
<p>#2. Population doubles</p> <p>Population increases go well beyond the rate of the past 30 years—due to new access to broad band, climate migration, and availability of land at relatively low cost. While some land conservation activity continues, perhaps with protection of 2,000 acres (about half the rate as in the previous 30 years), residential development occurs on some 1,000 acres to accommodate the 1,200 new people in Town. More of these new residents may work at home given the availability of broad band.</p>	<p>Total expenditures and revenues rise far higher than in Scenario #1. Revenue losses due to fee simple acquisition of conserved land produces far less of an impact and is largely offset by increased state PILOT payments. Expansive residential development results in a larger tax base. With potential for increased cost of services, however, there is some additional “burden” on the Town. <i>(See text box on “Cost of Services” in the Introduction of this report.)</i></p>
<p>#3. An active program that promotes balance</p> <p>Officials and active residents promote a program that is protective of Chesterfield’s rural and historic character, collaborating more actively with others to integrate ongoing land conservation with local objectives for housing and economic development. More than 4,000 acres of land is conserved, and the population grows, but residential development is more concentrated in the areas closer to the Town’s village center rather than on acreage spread across Town.</p>	<p>Total expenditures and revenues rise comparable to Scenario 1, but there is far more balance. More of the land protection occurs through Conservation Restrictions than fee simple acquisition by U.S. Fish & Wildlife, allowing for some property tax payment to remain for a given property. Increased state PILOT payments help with this balance. There is far more access to open space so that local businesses tied to the recreational economy flourish. These businesses as well as new residential development provide renewed vibrancy to Chesterfield’s village centers.</p>

B. Next steps

In summarizing the Town's landscape character, the 2003 Open Space and Recreation Plan makes clear the value placed on protected open space.

Dramatic wooded slopes distinguish the Chesterfield landscape from the nearby foothills of the Connecticut River Valley. Occasional hilltop pasturelands open up distant western views towards the rolling forested expanse of the Berkshire Highlands. Historic sites and buildings are concentrated in three main villages although mills, cemeteries, and historic houses pepper the landscape with reminders of the long history of European settlement on the land. Increasingly, wooded lots and farmland are being sold and divided into as small as two-acre parcels for single-family homes, fragmenting forests and interrupting once open vistas. Still, much of the landscape of Chesterfield remains lightly inhabited and left in a natural state, evoking a wilder side of the typically tame New England landscape, and it is in part this quality that attracts settlers and informed tourists.²¹

The Town's 2004 Community Development Plan also acknowledges the importance of protected open space:

Nearly 37% of the land in Chesterfield is under some form of protection from development. While these lands provide limited direct tax revenue to the Town, open spaces generally do not create significant negative financial impacts for the community. In fact, it may be that these open lands present an untapped economic benefit as a source of future recreation-related business revenue.²²

Given the values and the love of place reflected in these plans, it seems there are important questions going forward, including:

- What is the vision residents have today for Chesterfield looking to the future?
- How might economic development occur so as to be supportive of this vision?
- How might land conservation occur in such a way that is supportive of this vision and the Town's social and economic objectives?

The 2004 Community Development Plan provides a good starting place for a renewed conversation about purposefully planning for Chesterfield's future. Following are suggested strategies that can help support and supplement next steps in this conversation.

²¹ Town of Chesterfield Open Space and Recreation Plan, 2003, page 24.

²² Chesterfield Community Development Plan, June 2004, page 11.

V. Five Strategies to Promote Increased Local Revenue with Land Conservation

As mentioned above, these strategies are meant to support and supplement next steps in the conversation about Chesterfield's future. At the same time, these strategies suggest approaches to increasing local revenues as additional lands are conserved in Chesterfield's future.

A. Engage in a robust process to plan for Chesterfield's future that involves all sectors of the community

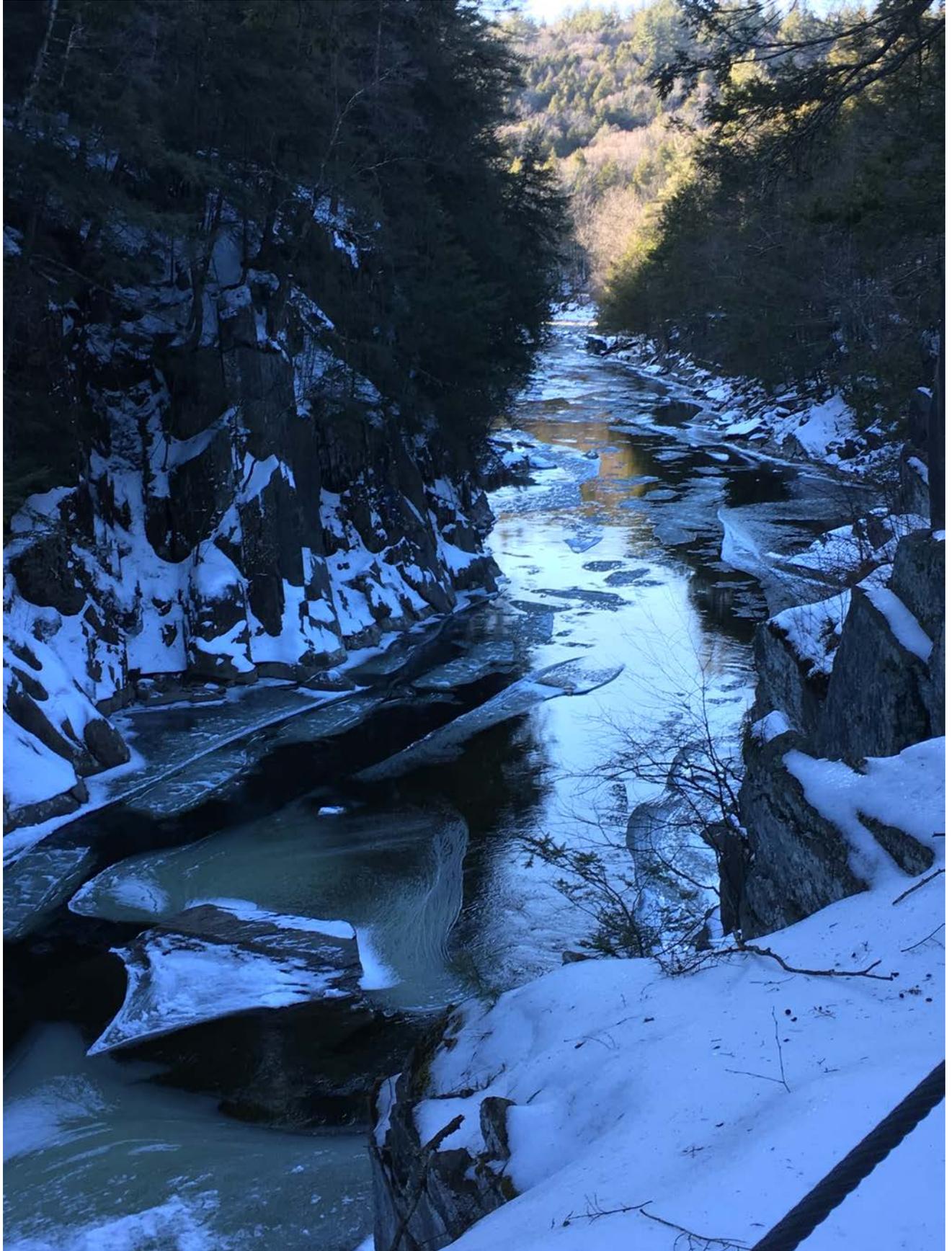
Summary: Chesterfield's Community Development Plan dates to June 2004 and it is not clear what from the plan has been accomplished in the intervening years. The Open Space and Recreation Plan, which is included within the pages of the Community Development Plan, dates to 2003. As part of engaging in a robust process to revisit and update objectives and renew a vision for Chesterfield's future, there could be important energy devoted to problem-solving and identifying actions that powerfully integrate cherished landscape values with local socio-economic health and resilience.

Next steps: Establish a local working group that can outline an approach to a renewed Community Development Plan or Master Plan. If PVPC staff assistance is helpful in this first step, a Local Technical Assistance request to PVPC's Executive Director could be submitted (providing 3 days-worth of assistance). Once this approach is defined, funding to support a new plan might be sought from the Executive Office of Energy and Environmental Affairs Land Use Planning Assistance Grants program. See: <https://www.mass.gov/service-details/planning-assistance-grants>

B. Advocate for recognition of the value of forests as forests in Western Massachusetts

Summary: The payment in lieu of tax (PILOT) formula used by the Commonwealth to compensate communities that contain state-owned forest lands is based on the fair cash value of land. This is an ongoing issue for rural communities as the formula does not address the needs of rural towns with such large tracts of state-owned forests or account for the multiplicity of other values that should be factored into the equation. The recently published *Rural Policy Plan* (October 2019) refers to this as "the full array of nature-based solutions and ecosystem services provided by rural lands." Given what we currently know, the ecosystem services of these forests include: carbon storage in trees and soils, absorption of flood flows that protect downstream communities, protection of water quality, regulation of ambient air temperature and air quality, and support of biodiverse ecosystems, many of which, in turn, support food production.

These large tracts of forests in rural communities are integral to the rights provided in Article XCVII (97) of the Amendments to the Massachusetts Constitution. The article states:



The people shall have the right to clean air and water, freedom from excessive and unnecessary noise, and the natural, scenic, historic, and esthetic qualities of their environment; and the protection of the people in their right to the conservation, development and utilization of the agricultural, mineral, forest, water, air and other natural resources is hereby declared to be a public purpose.

While Article 97 is aimed at empowering the Commonwealth to acquire and safeguard conserved lands for the stated purposes, there should be some greater attention to ensuring that these rights for all people in Massachusetts are met without putting disproportionate financial burden on rural communities.

Another item to explore may be the designations of DCR's forestlands in Chesterfield. There are two designations: Reserves (along the East Branch of the Westfield River) and Woodlands (in the Krug Sugarbush area). While there is little to no vegetation removal permitted in Reserves, DCR operates an active forest management program on lands designated as Woodlands. For more information, see: <https://www.mass.gov/files/documents/2016/08/qq/management-guidelines.pdf>

Next steps: Join with other rural communities and local legislators to follow up on the *Rural Policy Plan* top recommendation to improve rural economy by expanding or developing an alternative to the state of Massachusetts PILOT program. (See pages 33, 40, and 72 in *Rural Policy Plan*.) Senator Adam Hinds has filed a standalone bill, S. 1861, for this session that would create a commission to study the valuation and distribution of the PILOT program. It may also be worth exploring with U.S. Congressional representatives what potential there may be to redress federal payments for mitigation of tax loss on lands owned by the federal government.

Also, talk with DCR about plans for its properties defined as Woodlands within Chesterfield as there may be payments to the Town associated with its forest management practices on those lands.

C. Work with land conservation organizations to integrate considerations of rural economy and affordable housing into acquisition activities

Summary: To date, many of the land conservation activities in Chesterfield have occurred without much consideration for affordable housing or rural economy. Finding ways to integrate some of these activities could prove exciting and creative.

Community Land Trusts (CLTs) offer one model for exploration. CLTs are nonprofit organizations that acquire and hold ownership of land in perpetuity, while residents and commercial tenants own the homes, agricultural operations, and other establishments atop the land via a ground lease with the CLT. "By separating ownership of the land in this manner, a CLT helps manage and regenerate public and private resources that support affordable home and business ownership opportunities

within a community for multiple generations despite economic ups and downs.”²³ The emergence and availability now of net zero pre-fabricated affordable housing from a number of companies—where units can cost as little as \$100,000—suggests that the CLT model could serve a community such as Chesterfield in boosting the availability of affordable housing.

There may be other ways to work toward integration of land conservation, affordable housing, and rural economy through collaboration with local land trusts and the Hilltown Community Development Corporation. It will be important to understand respective needs, aims, and how these might effectively come together on a given project. Community Development Block Grant funding may be an important resource to help make some of this happen, particularly under such eligible grant activities as: housing development, community/public facilities, planning, micro-enterprise or other business assistance, and downtown or area revitalization.

Next steps: Start with an initial exploration. This might entail hosting a series of two roundtable meetings. The first meeting would bring together knowledgeable land protection advocates with housing and economic development representatives to talk about status of current work, and what each sees as potential opportunities for collaboration. If it makes sense, the second roundtable meeting could feature a guest presentation by someone knowledgeable about the functioning of Community Land Trusts in rural communities.

D. Bolster the recreational economy by identifying and pursuing solutions that are scaled to what the Town envisions

Summary: Where large tracts of conserved land and attractive stretches of rivers or lakes permit certain recreational uses and have become destinations for outdoor enjoyment, there often emerges an economy tied to those resources. This economy might include outfitters, eateries, and businesses that provide overnight accommodations.

Chesterfield’s 2003 Open Space and Recreation plan (page 10) notes, “Outdoor enthusiasts from surrounding regions come to Chesterfield to utilize its natural resources, such as the Gorge and the Bend, as it offers a plethora of recreational opportunities including canoeing, kayaking, hiking, bird-watching, swimming, and fishing.” Despite this observation, there does not yet seem to be “recreational economy” dollars tied to the large tracts of open space in Chesterfield. The General Store and Café (just recently opened) give first glimmers of this possibility, providing an opportunity for visitors and residents alike to grab a meal or a few needed supplies. Currently, there are only two other Chesterfield businesses identified in the Hilltown Business Directory that could potentially tie into such an economy: Inn Nature Bed and Breakfast at 261 South Street, and Crabapple Farm, which operates a year-round farmstand at 100 Bryant Street.

²³ Rosalind Greenstein and Yesim Sungu-Eryilmaz, “Community Land Trusts: Leasing Land for Affordable Housing,” *Land Lines*, April 2005. Accessed December 10, 2019 at: <https://www.lincolnst.edu/publications/articles/community-land-trusts>.

While the example of Charlemont may be beyond what residents of Chesterfield desire, there may be ways to "fine tune the dials" to produce a similarly inspired and beneficial outcome. It would be important to account for the quiet and solitude that many value in living in such a rural location. As such, pursuing actions that promote scaling of such an economy to what Chesterfield envisions is key.

Next steps: Research on recreational uses within Chesterfield and defining what may best serve the Town and visitors alike in terms of building on existing destinations and possible itineraries for visits is an important first step. So too is finding good examples that are akin to the scale of what Chesterfield envisions. The Chesterfield Gorge-East Branch Trail area is a popular destination for hiking, fishing, and mountain biking, for example. What additional businesses might serve these visitors and are there specific incentives that Chesterfield could use to attract such businesses to the village center? There are a host of such questions that could be explored in this early phase of work.



In this exploration phase, it may also be worth:

1. identifying potential funding sources, such as the USDA Rural Business Development Grants, which has two categories—opportunity grants and enterprise grants—that support a range of activities; and
2. having an initial conversation with U.S. Fish and Wildlife Service representatives about whether it makes sense to work toward a potential “visitor contact point” for the Dead Branch property (*see section IIIB above for comment from Conte Refuge Manager Andrew French on “visitor contact points”*). A visitor contact point at this location in Chesterfield could create certain synergies with other resources in that village area, particularly the historic Bisbee Mill Museum operated by the Chesterfield Historical Society.

For this phase of work, the Town could enlist PVPC for further assistance through a Local Technical Assistance request (3 days of assistance) or a more involved District Local Technical Assistance grant. Other people and agencies to involve at this stage could be: representatives from The Trustees, who own and operate the Chesterfield Gorge; Mass DCR and Mass Wildlife representatives; and Senator Adam Hines, who has important insights into outdoor recreation.

E. Coordinate with neighboring towns to hire an economic development director

Summary: Gateway Regional High School communities —Blandford, Chester, Huntington, Middlefield, Montgomery, and Russell—joined forces on an economic study that then led to the hiring of a regional economic development director. Known as the Hilltown Collaborative, the six towns pursued this work through a series of two Community Compact Cabinet grant awards. Since the hiring of Jeanne LeClair as regional economic development director in 2017, the group has:

- Created a logo, brand narrative, website, and social media presence for the Towns that were used in a marketing and promotional campaign for the region
- Opened a Gateway Hilltowns Visitor Center in Chester
- Created a high school Enterprise Club with 25 active student members to support potential future local business owners and encourage young entrepreneurs
- Taught free business classes and seminars for small business owners to improve marketing, business plans, and secure funding
- Developed shared services between some towns to save on costs, most notably the Chester-Blandford Police Department, building inspector, and assessors
- Integrated marketing of the towns and school district as a whole

- Worked more collaboratively with the school district early in the budget process so that there is better understanding between towns and school
- Created an alternative assessment method for the school district to avoid punishing towns that welcomed new families

LeClair also notes that there have been some challenges as well. These have included:

- Keeping the smallest towns engaged, as they lack downtowns to develop or much small business to expand
- Moving beyond old patterns to focus on positive developments and ways forward
- Reaching the larger public about how and why new ideas and solutions are important
- Involving all town boards and departments in relevant discussions

Building on this model, Chesterfield could join with Hampshire Regional High School communities in a similar fashion with the aim of boosting actions toward economic sustainability. Some early economic analysis might focus on the abundance of forests in the region and explore such ideas as rekindling a local wood products industry, the establishment of additional Town forests that yield municipal income, and even exploring whether incomes derived from forests on tax-exempt lands could include a payment in lieu of element for Towns.

Next steps: Reach out to the towns of Goshen, Southampton, Westhampton, Williamsburg, and Worthington to explore potential interest. If there is a willingness to explore the idea, host an informational session with Economic Development Director Jeanne LeClair and Hilltown Collaborative Co-chairs Andy Myers (of Chester) and Josh Garcia (Blandford Town Administrator), as well as Kathe Warden, Chester Town Administrator who has been very involved from the beginning of this collaboration. PVPC could help with identifying and applying to grant sources to advance this work.

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Appendixes

Appendix A: Department of the Interior Letter, June 10, 2019, re: Payment in Lieu of Taxes

Appendix B: Silvio O. Conte National Fish and Wildlife Refuge Legislated Purposes

Appendix C: Worksheets for Looking Ahead 30 Years

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THE SECRETARY OF THE INTERIOR
WASHINGTON

June 20, 2019

Local Government Official
422 Main Road
Chesterfield, MA 01012-0000

Dear County Official:

I am pleased to notify you that on June 20, 2019, the Department of the Interior (Department) issued payments under the Payments in Lieu of Taxes (PILT) program. The PILT program compensates eligible local jurisdictions for Federal lands administered by Agencies within the Department and on behalf of the U.S. Forest Service and the U.S. Army Corps of Engineers. Local governments may use the PILT payments for any governmental purpose, including emergency response, public schools, and roads. Since local governments cannot tax Federal lands, annual PILT payments help to defray costs associated with maintaining important community services.

The Payments in Lieu of Taxes Act, 31 U.S.C. 6901-6907, as amended, authorized the program. The PILT Act prescribes the formula used to compute the annual payments based on annually adjusted per-acre and population variables. Prior year Federal payments under certain revenue-sharing programs, as reported annually by States, are deducted in formulating the payment amounts. A provision in the PILT Act provides temporary compensation for recent additions to the National Park System and National Forest Wilderness Areas.

The President signed the Consolidated Appropriations Act, 2019 (P.L.116-6) on February 15, 2019, providing full funding for the 2019 PILT program. More than 1,900 local jurisdictions received a total of \$514.7 million in PILT payments this year.

For 2019, your county is receiving a PILT payment of \$324. If you provided current bank routing and account numbers to our Interior Business Center office or to the System of Awards Management (SAM), an electronic funds transfer was posted to your account on or about June 20, 2019. If you did not receive a payment or if you require further information, please refer to www.doi.gov/pilt. The website includes information on how to register in SAM to expedite receipt of future PILT payments. If you have any questions, please contact the PILT Program Manager, Ms. Dionna Kiernan, at (202) 513-7783.

Sincerely,

Secretary of the Interior



Silvio O. Conte

National Fish and Wildlife Refuge

Legislated Purposes

- 1) to conserve, protect, and enhance the Connecticut River valley populations of Atlantic Salmon, American shad, river herring, shortnosed sturgeon, bald eagles, peregrine falcons, osprey, black ducks, and other native species of plants, fish, and wildlife;
- 2) to conserve, protect, and enhance the natural diversity and abundance of plant, fish, and wildlife species and the ecosystems upon which these species depend within the refuge;
- 3) to protect species listed as endangered or threatened, or identified as candidates for listing, pursuant to the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.);
- 4) to restore and maintain the chemical, physical, and biological integrity of wetlands and other waters within the refuge;
- 5) to fulfill the international treaty obligations of the United States relating to fish and wildlife and wetlands; and
- 6) to provide opportunities for scientific research, environmental education, and fish and wildlife-orientated recreation and access to the extent compatible with other purposes stated in this section.

WORKSHEETS FOR LOOKING AHEAD 30 YEARS

Scenario #1: Average expected change (based on 30-year look back and local knowledge)

Factor	Projected trend
Acreage with permanent protection	Increases ~4,000 additional acres based on what occurred in past 30 years (4,204), but also what proposed in Conte Refuge Plan (3,724 acres).
Payment in lieu of tax revenue	State PILOT increases based on reworking of formula to acknowledge value of forests as forests rather than just market value; federal level remains the same.
Land enrolled in Chapter 61	Decreases as amount of land with permanent protection increases.
Population and labor force	Modest increase of 15.6% to 1,401 people, with population aging and fewer school-age children; labor force continues to grow.
Median household income	Modest increase of 10%.
Unemployment rate	Holds steady at 3% over long term though economic downturn may cause dip in this period.
Single-family homes	To accommodate 189 new people in Town, there are 47 to 63 new single-family homes built.
Expenses and Revenues	<p><i>Projected trends here in first two bullets are based on simple percentage increases applied from the past 30 years and accounted for in 2019 dollars.</i></p> <ul style="list-style-type: none"> • Total revenues and expenses rise 60% to approximately \$6 million, including some monies within the Town's stabilization fund. • Assuming all other revenue sources remain stable, contributing the same proportionally as in 2019, property taxes account for \$4.77 million of revenues. • The \$260,000 in revenue loss based on the Conte CFA land—assuming fee simple acquisition—translates to a direct 9.3% increase in the tax rate. In 2019 dollars, this translates to a tax rate increase from \$19.99 to \$21.86 per \$1,000.

Scenario #2: Population doubles due to broadband installation across Town, climate migration, and relative low cost of land

Factor	Trend
Acreage with permanent protection	Increases, but perhaps at less than half the rate with protection 2,000 acres.
Payment in lieu of tax revenue	State PILOT increases based on reworking of formula to acknowledge value of forests as forests rather than just market value; federal level remains the same.
Land enrolled in Chapter 61	Decreases as value of land for new home development increases. Town does not have resources to respond to right of first refusal with changes in use of these lands.
Population and labor force	Population doubles with 1,200 new people, bringing total to 2,400 residents. Many more in the labor force working from home given availability of broadband. With more people staying in Town during the workday, there is a slight growth in local businesses.
Median household income	Increases.
Unemployment rate	Holds steady at 3% over long term though economic downturn may cause dip in this period.
Single family homes	To accommodate the 1,200 or so new people in Town, there are 300 to 400 new single-family homes built. ¹
Expenses and Revenues	<ul style="list-style-type: none"> • Expenses exceed the Scenario 1 estimate of \$6.28 million given the additional cost of local services associated with residential use. • Revenue, and likely property taxes in particular, are adjusted upward to keep pace with expenses. • The Town accounting of \$260,000 in revenue loss based on the Conte CFA land—assuming fee simple acquisition—is far lower, perhaps less than half that amount, producing a far lower increase in the tax rate as indicated in Scenario 1.

¹ The 2002 build-out analysis conducted as part of an Executive Office of Environmental Affairs study, indicated that given developable land area and other factors in Chesterfield, population could increase to 15,733 residents with an additional 4,994 residential units (2004 *Chesterfield Community Development Plan*, p. 24-25)

Scenario #3: Town undertakes an active program that is protective of Chesterfield’s rural and historic character, integrating ongoing land conservation with local objectives for economic development and affordable housing

Factor	Trend
Acreage with permanent protection	Increases ~4,000 additional acres based on what occurred in past 30 years, but also Conte Refuge Plan.
Payment in lieu of tax revenue	State PILOT increases based on reworking of formula to acknowledge value of forests as forests rather than just market value; federal level remains the same.
Land enrolled in Chapter 61	Decreases as amount of land with permanent protection increases.
Population and labor force	Increases moderately, perhaps by 600 people or by 50% to result in total population of 1,800. Many more in the labor force working from home given availability of broadband. With more people staying in Town during the workday, there is growth in local businesses. More importantly there is more commercial activity associated with the local recreational economy, meant to serve visitors and residents alike, who enjoy the wealth of conserved natural resources in Town.
Median household income	Increases.
Unemployment rate	Holds steady at 3% over long term though economic downturn may cause dip in this period.
Single family homes	Moderate increase along with population trend, with about 150 new single-family homes, but also new accessory dwelling units and apartments to accommodate the 600 or so new people in Town. Fully 10% of units qualify as affordable.
Expenses and Revenues	<ul style="list-style-type: none"> • Expenses are not as high as in Scenario 2, given that the additional cost of local services associated with residential use may be offset somewhat by the lower cost of local services associated with commercial activity. • Revenue, and likely property taxes in particular, are adjusted upward to keep pace with expenses. • The projected \$260,000 loss based on the land to be conserved under the Conte CFA is greatly diminished due to the use of conservation restrictions—rather than fee simple acquisition by U.S. Fish & Wildlife Service—in protecting many of the lands.

