

parts of the country. In Boulder, Colorado, it was found that properties adjacent to greenbelts were worth nearly 1/3 more than those out of walking distance from the greenbelts.

Such studies show that open space has the largest positive effect on housing values when it retains its natural vegetation and is used primarily for “passive” purposes. Nonetheless, well-maintained open space, including playing fields and preserved farmland, does not detract from adjacent residential home values so long as it is properly buffered by landscaping, vegetation, or setbacks.

In addition to benefiting homeowners, open space’s enhancement of property values (and thus tax revenues) also helps offset any loss of revenue from tax-exempt or minimally taxed protected land, such as public parks or farmland.

**Are there any other direct or indirect economic benefits of open space?**

There are. For example, protecting streams by creating natural open space corridors prevents flooding, sparing the Township and individual homeowners the cost of recovering from a flood. Additionally, stream protection protects local drinking water supplies, saving the cost of treating more polluted waters or the need to buy and transport water from more distant sources.

The next time you consider the “cost” of Holmdel’s open space, remember the economic benefits as well as the pleasures it brings to our community.

*What do we mean when we say “Keeping Holmdel Holmdel? We mean that due to the wisdom and foresight of our town fathers and mothers over the past fifty years, Holmdel has remained a very special place—a nicer, more distinctive place to live than most other New Jersey suburbs. One reason is that so many people have worked diligently to maximize the preservation of open space in Holmdel. Citizens for Informed Land Use (CILU) and Friends of Holmdel Open Space (FOHOS) have in recent years been at the forefront of these efforts. The large size, central location, and substantial beauty of the Lucent tract, whose sale is now pending, suggest that its future will have a significant impact on the future of Holmdel as we know it. We hope that Holmdel citizens will become better informed, more concerned and involved as a result of this publication.*

“Land Use and the Lucent Tract: Keeping Holmdel *Holmdel*” is the first in a series of Land Use and Open Space publications aimed at citizen education and sponsored by the Friends of Holmdel Open Space (FOHOS) and Citizens for Informed Land Use (CILU).

Friends of Holmdel Open Space is a non-profit, non-political organization formed to raise funds to preserve land in Holmdel. It is chartered as a 501 (c) (3) organization and contributions are tax deductible. Contributions may be sent to FOHOS, c/o Elise Donovan, President, 12 Indian Creek Road, Holmdel, NJ 07733.

Citizens for Informed Land Use is chartered as a non-profit, non-partisan 501 (c) (4) membership organization whose mission is to promote informed and thoughtful land use decisions and protect Holmdel's natural resources. Contributions are not tax deductible. Membership information is available from Jim McCorkel, Co-President, CILU, Box 632, Holmdel, NJ 07733 and on CILU’s website, <www.holmdel-cilu.org>.



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## Economics of Open Space

**Who pays for the cost of preserving open space in the first place?**

That is determined by how the land is preserved. If land is purchased outright, then there is an up front cost, which is generally paid for over a period of 20 years. However the cost is not necessarily borne by Holmdel taxpayers alone. Holmdel has benefited greatly from State and County programs that help finance the acquisition of its open space.

For example, when the Chase Tract was acquired, only a small fraction (less than 20%) of the \$19M purchase price came from Holmdel Township. The remainder was funded by New Jersey’s Farmland Preservation and Green Acres programs, Monmouth County and the Monmouth Conservation Foundation, plus money donated privately by Friends of Holmdel Open Space.

Land can also be preserved at essentially no cost to the taxpayer by use of the Township’s planning and zoning powers. For example, Holmdel recently passed an ordinance that preserved open space buffers along stream corridors and roads in new housing developments planned for southern Holmdel. This was accomplished largely by thoughtful placement of the building lots on the tracts to be developed.

**How does preserving open space affect tax rates?**

This can be difficult to evaluate, because each case is different. However, Holmdel was included in a 1997 study of the costs of community services in several towns in Monmouth County. Results were illuminating. The study determined that residential development required \$1.38 in services for every dollar of tax revenue it generated, while commercial and industrial development required \$0.21 in services for every dollar of tax revenue. Open space required only \$0.66 of services for every dollar of tax revenue. While the exact figures will vary from year to year, the 1997 study demonstrated that open space does not necessarily raise municipal costs, but rather helps to keep taxes down when compared with new residential housing developments.

**Is Holmdel’s situation different from that of other towns?**

Holmdel differs from some towns in the 1997 study because much of our open space is publicly owned, and those parcels that are Township owned also require some maintenance, which, of course, costs money. (Some of the public land, such as Holmdel Park and the former Chase Tract, is maintained by Monmouth County.)

The playing fields at Cross Farm require a substantial Township expenditure. Most of us would consider this money well spent, since it provides an amenity that many enjoy.

Farmland is also open space, whether preserved on public land or privately held. In both cases the farmland pays taxes and requires much less in Township expenditures than residential property does.

**How does preserving open space affect property values?**

We don’t know of any research on the effect of open space on home values in Holmdel itself, but we can look at studies that have been done in other



The Past: from farm community to high tech center

In the late 1920s farmland in the center of Holmdel was purchased by Western Electric and AT&T. In January 1930 the scattered wooden buildings which had been poultry barns were used as scientific laboratories by Karl Jansky for his experiments in radio astronomy. These experiments were part of the ever-accelerating changes in communications over the sixty years that Bell Laboratories was in the forefront of technology.

In the 1950s AT&T purchased additional acreage and hired world-famous architect Eero Saarinen to design a building for their Bell Laboratories division. The use of reflecting glass to block unwanted heating from sunlight and to reflect the beautiful land, and the construction of a six-story inner atrium, made this Holmdel building internationally notable. A prominent landscape architect, Daniel Urban Kiley, was hired to create a serene setting for Bell Laboratories. Kiley’s placement of roads, parking lots, cooling ponds, and native tree plantings survived the 1982 building addition that was required to accommodate between 5,000 and 6,000 employees at peak employment.

Bell Labs was good for Holmdel. It gave the town a unique character and attracted talented people. At its peak it provided nearly 20% of the property tax revenue for the town. *The Bell Labs property also provided an attractive open space in the middle of town.* This large undeveloped piece of land remained a valuable part of the ecosystem.

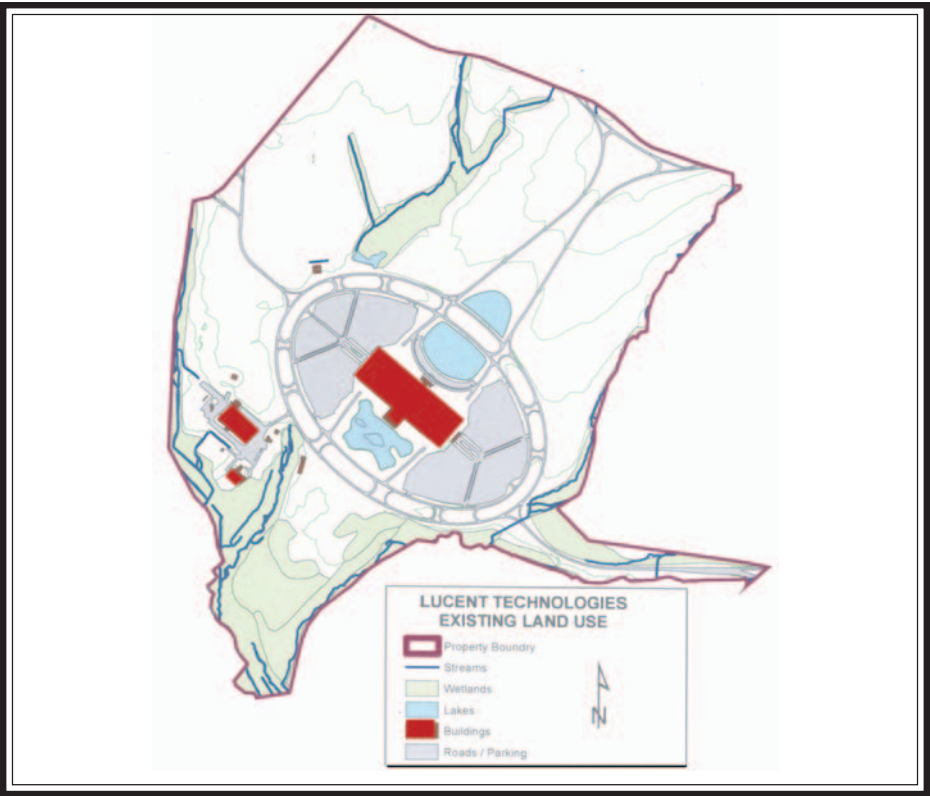
The Present

Bell Labs, which became Lucent and now Alcatel-Lucent, is downsizing because of changes in the telecommunications industry, and has decided to sell the Bell Laboratory building and the 472 acre property. Only about 500 people are currently working there, and *the property currently pays only about 1.5% of our tax.* Preferred Real Estate Investments of Conshohocken, Pennsylvania, has an option to buy the property and expects to close around August 2007.

Holmdel is in the process of deciding what the future will be. Preferred Real Estate has presented a plan that includes large numbers of residential units as well as office/lab uses. This would require a change of zoning and would dramatically alter Holmdel’s character.



Main Reception Atrium at Bell Labs - Circa 1964



Lucent Site Under Current Zoning - For decades we have had land use that maintains open space, protects our water supply, and keeps a balanced tax base.

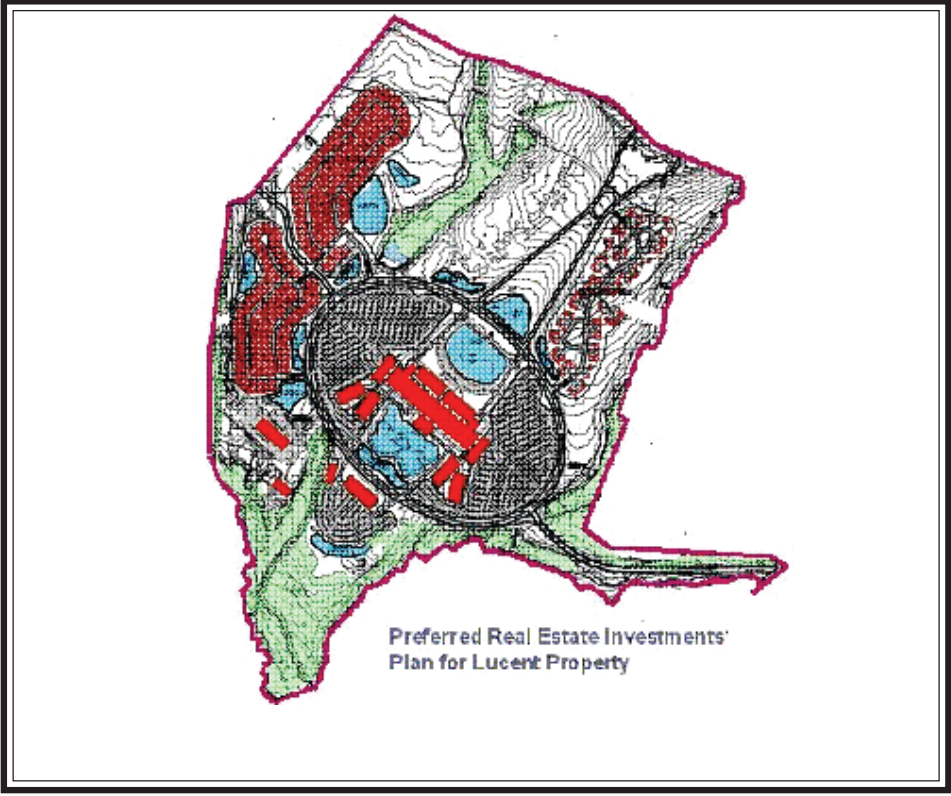
What will the future bring?

Holmdel’s future will depend on land use decisions made today. First, today’s office-laboratory zoning keeps land use in the town balanced between residential and commercial, which keeps the tax base from relying too heavily on residential properties. A change in zoning to add housing would push more of the tax burden onto homeowners. Second, the existing zoning’s limited building footprint and land coverage will maintain the ecological benefits we’ve enjoyed for decades.

*Changing the zoning to allow more development will degrade our environment.* Excessive coverage of the land will adversely affect our water supply. The Lucent Property drains into the Ramanessin Brook, which, in turn, flows into the Swimming River reservoir. Finally, maintaining the current zoning will keep a large and attractive piece of open space in the heart of our town. One significant reason people have moved to Holmdel is because of its rural character and open space. If the zoning is changed in a way that destroys that character, Holmdel will lose some of its appeal.



“The Labs” - Breathtaking Exterior View



Lucent Site Under One of Preferred Real Estate's Proposals - Much of the open space would be lost, and the vastly increased coverage would degrade our water supply.

Let’s make the right choice: no zoning change

The zoning that has been in place for decades has served the town well, and there is no need to change it. Look at the consequences of rezoning to include residential development. *Once the property is developed, it will stay developed. Once the environment is degraded, it will stay degraded. And once we lose the open space we won’t get it back. Any change in the zoning will cause irreparable harm.* To protect our tax base and our town’s character, we should stay with what has worked. It is crucial that any decision the Township Committee makes should be made carefully and with thorough consideration of all the consequences.

*At their June 21, 2007 meeting, the Township Committee took a step in the right direction by passing a resolution in a 3-2 vote to maintain the office-laboratory zoning, with no housing on the property.*

*We encourage the Township Committee to make this a unanimous decision to keep current zoning, so that the property can remain an asset to our community.*

**This educational brochure on the Lucent issue was jointly prepared and funded by Friends of Holmdel Open Space (FOHOS) and Citizens for Informed Land Use (CILU).**