



Rivers Quarterly

Newsletter of Rivers Unlimited, Ohio's Statewide River Protection Organization

Sustaining a River: The Great Miami

Rivers Unlimited Releases its Newest River Resource Economics Study

Early 2004 saw the release of the latest installment in a series of Rivers Unlimited's River Resource Economic Studies. The study, called "Sustaining a River," demonstrates that investments in the Great Miami River can not only improve water quality but can be a boon to the local economy. The study of 28 miles of river explored the benefits and costs of establishing a bike trail along the river, creating a buffer zone, the impacts of river gravel mining on residential property values, and analyzed the economic impacts of expanding boating, fishing and other in-stream recreation opportunities by adding more boat ramps.

Great Miami Bike Trail

The study considered a 28-mile bike trail, generally along the river, starting at the Warren-Montgomery County line and extending south to the confluence of the Great Miami and the Ohio River.

The total cost of the construction and maintenance of the bike trail is estimated at \$3 million, not including the cost of purchasing rights-of-way and major bridge structures. It is anticipated that about 75 percent of the cost would be paid by federal and state sources, with the rest being shared among local public entities and private donors.

On average, the recreational economic annual benefits provided by the bike trail, including the results of economic stimulus on local economies are estimated at a minimum of \$2.8 million per year. Annual costs at an interest rate of 6% and a life expectancy of 25 years are estimated at \$475,000 with a net benefit of \$2.3 million per year. (Benefit/cost ratio 5.9)

Buffer Strips Along 28 Miles of the River

The diversity of ownership of riparian lands – public, commercial, residential and industrial – makes the importance of a forested, natural buffer zone in protecting water quality and making a river corridor scenic a significant matter. It is the least costly and most

effective way to prevent pollution from nonpoint sources and prevent riverbank erosion. It is a requirement if a river is to be an Ohio Scenic River, as the Great Miami River is proposed to be.

To protect aquatic and riparian resources, buffer strips are established in the areas directly beside the stream. They may extend to adjacent upstream zones. Appropriately designed and managed buffer strips can contribute significantly to the maintenance of aquatic and riparian habitat, the control of riverbank erosion, maintaining biological diversity, and generating revenue from producing filter strip products of hay and timber.

Gravel Mining

Gravel mines have very low assessed land value at \$12,800 per acre, compared to \$30,800 for residential properties, significantly eroding the tax base of counties.

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Study (cont. from front page)

In the *Sustaining a River* economic study, gravel mine operations were not found to be substantial income or employment generators in Butler/Montgomery counties. Because these operations are intensive road users for transportation of gravel, they also put additional cost burdens on communities to maintain county and township roads in the presence of pounding by heavy trucks.

As distance to a gravel mine increases by one mile, the value of an average residence or land parcel increases by \$16,000. Total loss of residential property value attributed to gravel mining is \$2.8 million. Annual reduced revenue to local governments is \$119,000.

New Access Points

An access point is an area consisting of a small-boat launch, parking lot and restroom facilities. Expanding boating opportunities by constructing new boat ramps where needed is expected to not only enhance the recreational options of a given region but also to boost the local economy.

Benefits outweigh the costs, suggesting that increasing access for in-river recreation in the Great Miami is a potentially high economic payoff investment. Three new access point locations were identified based on distance to major roads, distance to food and water facilities, proposed bike path locations, distance to current access points and distance to cluster of gravel mines. Cost is estimated at \$637,000 to construct each of three new access points, make them operational, and maintain them.

It was determined that boaters would launch an average of 4 additional times a year due to the construction of 3 new boat ramps, resulting in a total annual consumer's surplus of \$602,940, implying an annual per-trip consumer's surplus of \$26. Three additional access points would bring annual benefits of \$740,000. (Benefit/cost ratios from 3.3 at 10% to 4.6 at 6%) An easy way to consider this is that the net annual benefit to the community, or the benefits minus the costs, would be from \$520,000 to \$580,000 depending on interest rate chosen.

Recommendations

The conclusions of "Sustaining a River" are clear. Communities along the Great Miami can significantly improve their local economies and quality of life by investing in improvements and limiting gravel mining on the waterway. Rivers Unlimited recommends that communities work to extend a bikeway along the Great Miami (mindful of the highly successful 20 year-old trail along the Little Miami River), build three additional access points, set aside a forested buffer zone on both sides of the river to filter runoff of soil and pollutants and make the river more attractive to tourists and river enthusiasts, and minimize the adverse affects of gravel mining that degrade the value of surrounding lands.

The study is the latest in a series of River Resource Economic Studies that Rivers Unlimited sponsored at Ohio State University beginning seven years ago. Using the series of studies, we can predict that similar benefits would accrue from such improvements on rivers throughout the state and country. Except for federally supported wastewater treatment plants, we haven't

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Rivers Unlimited

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Study (cont. from page 2)

improved rivers substantially since 1968. All our waters were supposed to be fishable and swimmable by 1983 and pollution free by 1985. We still have a long way to go to meet these goals. Only a fraction of our rivers are in the state and national scenic rivers system. Under our current laws and policies, we're not improving our rivers rapidly, if at all.

River Resource Economics give us a new incentive to restore and protect rivers and the ability to generate support for river protection from sectors who might not have previously taken interest. By showing that it is cost-effective and in the public interest to improve a river, we can capture public, agency and political support like never before. *