

Western/Southern Cumberland Region Strategic Plan

Western/Southern Cumberland Region Potentials for Economic Development

Phase II Report: Market Feasibility Study



January 2003

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Strategic Plan

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prepared by

S. Huffman
Associates

Planning and Development Consultants

in association with

OR&A
Orth - Rodgers & Associates, Inc.
TRANSPORTATION ENGINEERS and PLANNERS

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Executive Summary

Following is a summary of Phases I and II of a Market Feasibility Study for the Western/Southern Cumberland Region Strategic Plan. This report is part of a larger study that has been completed by Orth-Rodgers & Associates, Inc., under a Smart Growth grant for the Western/Southern Cumberland Region (WSCR). This region consists of the city of Bridgeton and the townships of Commercial, Deerfield, Downe, Fairfield, Greenwich, Hopewell, Lawrence, Maurice River, Shiloh, Stow Creek and Upper Deerfield.

Background

The Western/Southern Cumberland Region has been economically stagnant since the decline of its historic major industries: glass and fishing. It has experienced a slower rate of growth than the State as a whole, and has had a consistently higher unemployment rate. Educational levels are generally lower, and the County as a whole had the lowest median household income, the lowest median family income, and the lowest per capita income in the State in both 1989 and 1999. There are, however, a total of 5.6 million people within a two-hour drive of Cumberland County in the Vineland/Millville, Philadelphia, and Atlantic County metropolitan areas. The Philadelphia and Southern New Jersey regions are the market that Cumberland County should target for its goods and services.

The County has been addressing economic development issues for over 15 years, and has had considerable success in targeting economic development to areas that have the proper infrastructure to accept it. These areas include especially Vineland and Millville, with access to Route 55, and Bridgeton. Using such economic incentives as Empowerment Zone designation and New Jersey State Urban Enterprise Zone designation, Cumberland County has attracted

warehousing and other industries to the Vineland Industrial Park, and to the Millville Airport. In addition, the County is working toward the development of a fiber optic loop that would connect parts of Bridgeton, Millville, and Vineland. If successful, this loop should have a similar economic effect to a cash or tax incentive, since it will allow businesses to complete their work more efficiently.

There are a number of potential industries that could grow in those areas with the infrastructure to support them. Among them are certain sectors of the glass industry, specifically scientific glass and containers for food, and food processing. Additional processing facilities in the County would provide a market for fruits and vegetables grown there.

There are, however, large areas of the County that do not have the highway, sewer, or water infrastructure to accommodate large-scale economic development. In these areas, the primary activity may be agriculture, including the nursery business and produce farming, and aquaculture. In other areas, especially those with scenic views, historic architecture, fishing, or bird watching, ecotourism is an appropriate economic generator.

Recent experience in the City of Millville, one of the few towns within the County that has begun to tap the tourist economy, indicates that the market area for Cumberland County is the Philadelphia Region, the southern New Jersey Counties of Camden, Burlington, Gloucester, Salem, Atlantic and Cape May, and Cumberland County itself. The State of Delaware, despite its proximity, has not sent many visitors to the County to date, and is probably a secondary market area. Maryland and the Washington DC area are also part of a potential secondary market. The Western/Southern Cumberland County is in fact less than one hour from downtown Philadelphia, and less than two hours from

Philadelphia's western and northern suburbs. This road access puts it within easy reach of five and a half million people.

Agriculture

Because of its fertile soil, Western/Southern Cumberland County has historically been one of the major food producing regions in the Northeast. The two major agricultural efforts in the region are the nursery business and the traditional business of fruit and vegetable farming. Over the past four years, there has been an increase in the amount of land devoted to the Nursery business of 1,512 acres, or 40% over the total acres devoted to this activity in 1997. The market for these products is expected to continue to grow. The Nursery business has already spawned a large number of new businesses within the County, including trucking, miscellaneous tools, boxes, fertilizer, burlap, and twine. Cumberland County has positioned itself well to encourage new small businesses that serve the nursery industry by making available industrially zoned land and providing economic incentives such as Empowerment and Urban Enterprise Zones.

Traditional farming of produce, however, has not fared quite as well, and a few produce farmers are even entering the nursery business. Between 1995 and 2000, Cumberland County added only 250 acres to produce farming. Most of this increase was in sweet corn and tomatoes, which barely offset losses in acreage devoted to peppers, cabbage, and asparagus. Peach production also declined during the period.

There are three separate destinations for agricultural products: food processing companies, distributors who buy for resale, and the ultimate customer. Cumberland County recently completed a feasibility study for a food technology incubator, which would ultimately increase the food processing capacity within the County. This could be very effective in keeping land in agricultural production and the County's produce farms in business. Another way in which farmers' profitability can be increased is an improvement in the farm product distribution system, so that more produce can be delivered directly to farmers' markets and/or supermarkets in urban areas. Finally, increasing the number of farmers' markets for direct sale to the consumer at locations in the County that

are already attracting visitors could also help keep many of these farms viable.

Eco-Tourism

The County produced an Eco-Tourism Plan in 1996, and much has been done in the six years since that time. However, the CDC and its participating communities need to implement a comprehensive tourism package that will dramatically increase the number of hotel rooms and the number of restaurants, especially along the Bayshore Route and in its historic communities. Because overnight visitors spend almost twice as much as day-trippers, daily per person tourist expenditures can be almost doubled. In addition, marketing and communications of tourism in the County should increasingly be carried out on the Internet.

Finally, the County is putting in place a bicycle trail that could act as an economic generator for those rural areas that are in the coastal area. The Bayshore Bicycle Trail runs for 49 miles, plus another 10 of spurs into some of the County's scenic hamlets, through the scenic southern edge of the County. Many of the towns through which it runs already have a number of small businesses such as fishing or antiques. The opportunity exists for the County to bring those towns on the Trail that might wish to participate into a visioning process during which they can assess their strengths and weaknesses, and address the opportunities for economic development that will arise if visitation increases. While not all or even a majority of the potential visitors to the region are likely to come by bicycle, the trail itself offers an excellent opportunity for the towns along its path to rethink the possibilities for their future, and to begin to develop a strategic plan for economic development.

Economic Development Incentives

There are already a number of incentives for economic development in the County. The majority of these incentives are in Vineland, Millville, and Bridgegeton, but there are also other resources that the more rural areas can draw on in their economic development efforts. Following is a brief summary of existing and potential resources:

- An inter-municipal Federal Empowerment Zone covers five sites in Bridgeton, Vineland, Millville, and Port Norris. Eligible projects include infrastructure, transportation, training and creation, and community services. A variety of tax incentives are also available to businesses. Empowerment Zone incentives could be helpful in efforts to strengthen the fishing industry in Port Norris.
- There are Urban Enterprise Zones in Bridgeton, Vineland, and Millville. Incentives include tax reductions or exemptions, some tax credits, and priority for financial assistance from some State programs.
- A variety of other programs are also available from the State and Federal governments for such purposes as capital investment, job training, business relocation, and land assembly.
- The Cumberland County Improvement Authority has the power to participate in a wide variety of activities, and has been a partner in the County's economic development in both rural and urban areas. This resource could be especially helpful for small hospitality oriented businesses in the rural areas, since there is currently little financial assistance for them beyond traditional bank loans. The CCIA can also partner with the CDC and the County through its bonding and financing capacity.

Real Estate Development Potential

The areas in and around Vineland are quite different in character from the areas along the southern shore. The rural areas lack the infrastructure of the urbanized areas, as well as the incentives for economic development. Following is a brief description of real estate development potentials for both the urbanized and rural areas.

- The study area is less accessible than other locations with direct access to Route 295, and its industrial land is accordingly lower priced. This pricing structure is in itself an incentive for economic development, especially for companies that do not require high visibility locations.
- The County is currently well supplied with existing and proposed industrial parks. It has approximately 1,000 acres of good

quality, well-located industrial parkland, and between 1,000 and 1,500 additional acres in the planning stages.

- Historically, Cumberland County's industrial real estate market has absorbed about 50 acres per year. However, interest in commercial/industrial space has increased over the past several years, indicating that absorption could increase during periods of economic expansion.
- In order to increase the marketability of the proposed industrial park in Upper Deerfield, the CDC and the County could work with State legislators to extend the current Urban Enterprise Zones in the County to cover the proposed intermunicipal industrial park. A previous study recommended improving access to the Western/Southerland Cumberland Region by improving Route 56. Both of these options could help to increase the rate of absorption.
- Food processing, especially smallscale, value added processing of fresh foods, and aquaculture, including recent efforts in shell fishing and tank farming, hold potential to generate limited real estate development in the rural areas
- Real estate development in the rural areas that are not appropriate for development or agricultural use should be limited to micro-businesses and those that will support the growing recreation and eco-tourism industry. Small hotels, restaurants, antique stores, and specialty sporting goods stores are examples of these types of stores.
- There are fewer financial assistance programs available to smaller businesses in rural areas than to the County's industrial parks. The Cumberland County Improvement Authority could play a significant role in rural economic development by establishing a loan guarantee program for micro-businesses that would serve as an incentive for bank lending.

Potential Industries

Given the findings of this report, there are a number of industries that have potential for the Western Southern Cumberland Region. Some of these are appropriate for the northeastern part of the study area, which has excellent potential as a distribution center because of its access to

Route 55, and in fact has already attracted a number of warehouse operations. In addition, many of the industries that are represented in the study area have the potential to act as “seed industries” that will attract other businesses that service them. The existing seed industries include aviation (at the Millville Airport), agriculture, and the nursery business. A potential seed industry for the more rural areas is hospitality. Following is a description of some of the County’s industrial potential:

- The businesses that seed industries could spin off could be manufacturing industries, such as additional glass manufacturing, packaging and shipping container manufacturing, or business services, such as commercial printing. Potential spin-offs from hospitality could include restaurants, cleaning services, and specialty stores catering to outdoor enthusiasts, bicyclists, fishermen, and boaters.
- Although glass has declined in importance over the past years, it is still one of the major manufacturing industries in the County. Food processing can serve as a seed industry for glass manufacturing by providing a market for glass containers. The County’s scientific glass industry has remained strong despite the overall decline in glass manufacturing. While the lack of major educational and research centers in the County will make it difficult to attract research and development labs, the Delaware Valley’s pharmaceutical industry is an excellent market for these products.
- Additional farmers markets could be established in the County in locations that already cater to visitors, like Millville, or in locations that are developing their tourist potential.
- Over the past 20 years, Americans have spent far less time in meal preparation. This has raised the demand for components of home cooked meals, as well as ready to eat meals. This type

of fresh food, value-added food processing holds potential for the rural areas of the County. Food could be prepared on site and delivered directly to regional supermarkets and other retailers.

- There are parts of the study area that are not appropriate for warehousing, manufacturing, or large scale business services. While these areas lack appropriate infrastructure, their scenic beauty and historic character make them appropriate for eco-tourism.
- The study area needs to present a full tourism experience that will extend the length of the visitor stay and double or triple the per tourist expenditure. This package will require new hotel rooms and new restaurants, as well as the continued support and expansion of the eco-tourism efforts already underway.
- Because of the increasing importance of the Internet in trip planning, the CDC and the County should focus resources on this form of advertising/communications.
- Another industry with promise for the rural areas of the County is aquaculture. Already underway in Port Norris (shell fishing) and Bridgeton (tank farms), aquaculture can support the farming industry by supplying a market for some of its bi-products, which can be used as fish food.
- Because of the lengthy lead time in establishing a cash flow in the aquaculture industry, the CDC may wish to consider an informal educational program for local bankers about this industry and its capital needs.

Introduction

This report is part of a larger study that has been completed by Orth-Rodgers & Associates, Inc., under a Smart Growth Management Plan for the Western/Southern Cumberland Region, consisting of the city of Bridgeton and the townships of Commercial, Deerfield, Downe, Fairfield, Greenwich, Hopewell, Lawrence, Maurice River, Shiloh, Stow Creek and Upper Deerfield. Adjacent to the study area are the much larger cities of Vineland and Millville, which have been contacted throughout the study but have not been partners in it. The purpose of the Strategic Growth Management Plan is to help the residents of the 12-municipality region manage their land and infrastructure resources more efficiently, and to share both the costs and the benefits of development that occurs within the region. By cooperating and working together, these municipalities can encourage development where it can best be accommodated, and limit it in those areas that are least suited to it. The study has attempted to go beyond the State Plan, which designated centers of development throughout the State, based upon criteria that included the availability of infrastructure, public facilities and services, and transportation access. This study, based upon input from representatives of various organizations within the County as well as interviews with representatives of each of the 12 municipalities, has sought to reach agreement among the municipalities on where development can occur, and how it can best be brought about.

The overall scope of the study has included a comprehensive look at work that has taken place to date, a review of existing conditions, visioning workshops, and the preparation of the Region's Strategic Growth Management Plan. Specific tasks include:

1. Review of County plans
2. Establishment of Baseline Conditions
3. Analysis of Development Conditions and Centers Review
4. Market Feasibility Study
5. Visioning Workshops
6. Preparation of Regional Growth Management Plan

As of this point in time, the project team has submitted three documents to the client. The first, the Western/Southern Cumberland Region Regional Profile, summarizes the existing and probable future conditions in the study area as a whole, and identifies those issues that must be addressed in the final strategic plan. The second, Western/Southern Cumberland Region Municipal Profiles, describes each of the municipalities in the study area in detail, in terms of demographics, economic base, and economic development efforts to date. Regional and local issues that must be addressed in order for the municipality to move forward and strengthen its economic base have been identified. The third document was the first phase of the market feasibility study.

This report summarizes the findings of the Market Feasibility Study, which was carried out in two phases. Phase I of the study, completed in November of 2002, involved a review of recent studies and reports that address Cumberland County's economic base, as well as research into the demographics and economic base of the region as a whole and into the demographics of the 12 municipalities in particular. This research was undertaken to develop an in-depth knowledge of local economic conditions and trends within the study area. Also included in the Phase I work program was the collection of data on the commercial real estate market in and around Cumberland County. Secondary data published by real estate brokerages was accessed, and supplemented through interviews with realtors and industrial park developers and managers. Information included land costs, rental rates, occupancy rates, types of occupants, and absorption of new product. Major proposed additions to the inventory of industrial and commercial space were also identified.

The scope of services for Phase Two of the Market Feasibility Study involved interviews with key stakeholders and current and potential participants in economic development efforts. These stakeholders included the County Planning Department, as well as representatives of various economic development and agricultural organizations.

Interviewees were asked for their suggestions for encouraging agribusiness and eco-tourism in the area, as well as for their responses to particular issues that had been identified throughout the course of the study. Particular issues included the identification of “seed” industries that have potential to spin-off other industries, and the potential for the use of Cumberland County’s unique historic and natural assets to foster “eco-tourism”. This task served in part as a “reality check” on the review and analysis of secondary data that had been collected in the first phase. This market feasibility study summarizes our findings, based upon research done in both phases of the work program.

Demographics of the Study Area

Following is a very brief synopsis of the demographics of the market area. They are included here because the demographics of any area are crucial to the future of that area, and are a vital part of any planning that is done for the area. In addition, the conclusions and recommendations of Phase Two are based upon both these demographics and the interview process carried out as part of Phase Two.

Demographics

- While the number of households in New Jersey increased by 9.7% between 1990 and 2000, the number of households in the study area only grew by 2.3%.
- The Rutgers Center for Urban Policy Research projects a 12.1% increase in population for the study area between 2000 and 2020. A 7.7% growth rate is projected for the State as a whole.
- While the County had a slight decrease in employment from 1990 to 2000, its employment is projected to grow at about the same rate as the State by 2020.
- The County unemployment rate has consistently been higher than the State's, and the 2001 County unemployment rate is fully 3.3 percentage points higher than the State's.
- Educational levels in the study area are substantially lower than those of the State as a whole.
- Cumberland County residents tend to be in service, construction, maintenance, production, and transportation related occupations, rather than managerial, sales, and office occupations.
- Of the 21 counties in New Jersey, Cumberland had the lowest median household income, the lowest median family income, and the lowest per capita income in the State in both 1989 and 1999. The percent of individuals and families who have been identified as being below poverty in the County was about twice that of the State.

Industrial Park Development

Areas of the County with good access to transportation, including Route 55 and the Millville Airport, as well as sewer and water infrastructure, are excellent locations for warehousing. These include Vineland and Millville, and a proposed 530-acre site in Upper Deerfield Township that has been proposed as an inter-municipal industrial park. The Upper Deerfield park would be a joint effort among the 11 municipalities in the Cumberland Development Corporation. Although located in only one of the 11 municipalities, the cooperative arrangement would mean that each municipality would share in the planning, costs, and benefits of the park. A feasibility study was done for this park in the fall of 2001; recommendations were that a park was feasible at this location, and that it would be a valuable tool in growth management and in the preservation of open land throughout the 11-municipality CDC area, by attracting industrial development to a central location.

As noted earlier, there are a total of 1,000 acres of high quality industrial park in the study area, and another 1,000 to 1,500 acres in planning stages. Although Vineland, Millville, and Upper Deerfield lack direct access to Route 295, they still have good accessibility through Route 55, and land costs are substantially below those of the major industrial parks further north on 295 or the New Jersey Turnpike. Industries that have been attracted to Cumberland County industrial parks are varied, and range from wood imports to Easter Seals.

The Vineland Industrial Park has been successful in attracting industry and selling land since 1987. While traditional Cumberland County industries, such as food processing and glass, have located there, Vineland has also attracted everything from graphics firms to general contractors. It has had a consistent record of land sales, and in fact is probably a few years from being completely built out. Because of its popularity and consistency, it should receive continuing support. Vineland and the County should consider

purchasing any industrially zoned land that is adjacent to the already existing Vineland parks if those parcels come on the market. Doing so would insure that potential industries that are interested in that location, and that could provide jobs for County residents, would not be turned away.

As the larger industrial parks to the north along the New Jersey Turnpike have become built out over the past five to seven years, and as prices for land at those locations have increased, inquiries about Cumberland County industrial parks have increased. In addition, the companies that are now making the inquiries are larger than they were in the mid 1990's. A spokesman for the Vineland Industrial Park feels that the County is able to attract businesses because it has a relatively high unemployment rate, meaning that there is an available labor force and that wages will be somewhat lower. In addition, land is less expensive than at other locations closer to the Turnpike, and Route 55 provides excellent access. He also noted that the Urban Enterprise and Empowerment Zone designations for the Vineland Park have been very helpful.

Improvements to area roadways have been proposed to facilitate access to the Western/Southern Cumberland Region; a number of these would have the effect of improving regional access to an industrial park in Upper Deerfield. A report on the Route 56 corridor, prepared in 1998 for the South Jersey Transportation Planning Organization, suggests a range of improvements, from adjusting the signalization and adding left-turn lanes at key intersections, to widening Route 56 to four lanes between Route 77 and Route 55. Although not the subject of study in recent years, local and regional officials have also expressed interest in improvements to Route 40, such as through a bypass of Woodstown Borough in Salem County, and improvements to Route 70, particularly in the vicinity of Mullica Hill in Gloucester County.

Three years ago, Conectiv asked The WEFA Group of Eddystone, PA to conduct a target industry study for the eight counties in Southern New Jersey, Delaware, and Maryland that comprise "Delmarva". Based upon the results of this study and on an analysis of the types of businesses already well represented in the County,

WEFA concludes that the best prospects for businesses for the Vineland Industrial Park are:

- Business services, especially personnel supply services, mail and copying services, and consumer credit reporting;
- Financial services, including fire, marine, and casualty insurance;
- Manufacturing, including medical instruments, drug manufacturing, and electronic component manufacturing;
- Home health care services;
- Communications equipment;
- Distribution, including equipment rental and leasing.

The Millville Airport Industrial Park is municipally owned, fully occupied facility that has been in operation since the 1980's. The original section of the Airport Industrial Park has attracted such occupants as Easter Seals, an industrial glass company, and a mahogany exporter. The next phase of the Airport Industrial Park will begin with 150 acres, but is expected to total between 500 and 1,000 acres at build-out. A recent master plan identified the repair and service of aircraft, warehousing, and airfreight shipping as target markets for this Airport. The plan also addresses the issue of improving ground transportation, which is needed for the expansion of any airport industrial park in order to make intermodal transfer of goods possible. The Airport already has an Army Air Field Museum, commemorating the Field's role in World War II, as well as Air Castle Charter Aircraft and Dallas Airmotive (a jet engine company) as tenants.

Industries that are attracted to airport locations include those that manufacture or distribute products that are perishable, or are time sensitive and need to get to their destination faster than would be feasible by ground transport. Examples of industries that are good prospects for business airports in general and the Millville Airport in particular include:

- Pilot training companies;
- Glider service;
- Fuel suppliers;
- Hangar rentals;

- Air taxi service;
- Sales of new and used aircraft;
- Manufacturers of aircraft component parts;
- Courier services;
- Perishable agricultural products;
- Seafood processing;
- Mail order houses

Empowerment Zones

In 1999, parts of four separate municipalities were designated as the Cumberland County Empowerment Zone. These municipalities were Bridgeton, (tracts 201, 203, and 205, which cover approximately 50% of the land area of the community), Millville (the Millville Airport), Port Norris in Commercial Township, and Vineland (Census Tracts 401 and 402 and the developable site at the Vineland Industrial Park). \$230,000,000 is available to the County for economic development purposes over a 10-year period. Incentives for business and industrial development under Empowerment Zone designation include wage tax credits for each resident employee, accelerated depreciation, tax-exempt bond financing, loans and grants, and some State tax credits. Empowerment Zone designation, and the incentives connected to it, has been cited as an important factor in attracting new businesses to the Vineland Industrial Parks, to the Millville Airport, and to Bridgeton.

Empowerment Zone status has also been helpful to Port Norris, which has received funds for a wastewater study, an interpretive center plan, and for the Delaware Schooner project. Port Norris, which at one time was a major fishing center, is in a good position to use Empowerment Zone funding. As the Haskins Shellfish Research Center, described more fully in the later section on aquaculture, continues to expand the current oyster farming efforts in Port Norris, Empowerment Zones could be a source of funding.

The Section 108 Loan Guarantee Program of the Department of Housing and Urban Development (HUD) is also a potential funding source for economic development. Under Section 108, communities

may use a portion of their Community Development Block Grant funds to guarantee loans for economic development projects. These funds are used to encourage private investment, and are often used in conjunction with other programs.

Urban Enterprise Zones

The Urban Enterprise Zone (UEZ) Program has been in place in Bridgeton, Vineland, and Millville (a joint UEZ) since 1985, and was recently extended for another 16 years. The UEZ makes about \$600,000 available to the County annually, to be used for economic development purposes, and is funded through a 3% State sales tax. Companies that operate in a designated UEZ are eligible to receive tax advantages if they create new full time jobs and/or make capital investments. Specific benefits available to participating UEZ businesses include an exemption on the sales tax for any materials, supplies, or equipment that are utilized within the UEZ. There is also a five-year real estate tax abatement for new construction (taxes are phased in over a five year period), and credits against the corporate business tax for new employees. Retail businesses may charge their customers a 3% sales tax, as opposed to the regular 6% tax.

The UEZ Program has had a significant impact within the communities in which it has been active. The City of Bridgeton, as an example, has used the UEZ to partially fund the development of its new prison (a major job generator), purchase a new fire truck, fund streetscape improvements, support grants and facade improvements for its Main Street Program, and provide loans to companies investing in facilities in its industrial park.

Although it is not unusual for Urban Enterprise Zones to increase their boundaries, or for new UEZ's to be created, it has not been an easy process in the past. It is possible, however, that with recent anti-sprawl initiatives at the State level, reconsideration of new Urban Enterprise Zones may be easier. These adjustments are usually made in conjunction with the local legislators, who work with the legislature to do so. If the CDC were to work with its State representatives toward this end, UEZ designation could substantially

increase the marketability of the proposed Upper Deerfield Township industrial park, which may operate at a disadvantage to other industrial parks that have Empowerment Zone and UEZ status.

High Speed Communications

Fiber Optic Cable. There is currently very little fiber optic cable available in Cumberland County. The Empowerment Zone, however, is actively pursuing a fiber optic cable loop that would connect Bridgeton, Millville, and Vineland. The importance of fiber optic cable as an economic development tool for the next few years cannot be overstated. It is unlikely that any business related to the knowledge industry or to any form of data processing would seriously consider a location where it did not have access to high speed Internet access. Therefore, this initiative will be equally important to Empowerment Zone or Urban Enterprise Zone status as an economic development tool for the County. However, because the County does not have the research oriented colleges and universities that are essential in attracting knowledge workers, it is probably not a prime candidate for companies whose primary mission is research and development.

Wireless Communications. At the same time, communications are changing so rapidly that a wireless communication system may be an alternative if efforts toward the establishment of a fiber optic loop are not successful. Operating in somewhat similar fashion to cellular telephone systems, wireless communications requires a network of transmission towers. If the County is not successful in developing a fiber optic loop, planning for the orderly installation of transmission towers could be an alternative.

Satellite Communications. Finally, there is an option of satellite communications for rural companies that do not have access to fiber optic cable or wireless systems. These two-way communications systems depend upon a dish that links individual users to a satellite 22,000 miles away. Satellite upload speeds are slightly lower than download speeds, and the service requires an unimpeded view of the southern sky. Service is generally reliable, but can be affected by a dish coming out of alignment or by severe weather conditions. Because satellite communications do not depend upon fixed wiring,

they are a good option for rural areas. Satellite communications would not generate economic development at specific wired locations in the way that fiber optic cable often does.

Industrial Potential

As noted in a number of earlier studies, the potential for increasing the business services sector, especially “back office” uses, is an excellent one for Cumberland County. The 1999 Conectiv Target Industry Study undertaken by WEFA, Inc, noted the potential for this type of use, which is already in evidence in the County. The Cumberland County Intermunicipal Park Study conducted in 2001 also cited back office as an excellent potential. Back office uses generally depend upon a large labor pool of relatively low skilled and low paid workers. Types of back office uses that could locate in Cumberland County include data processing centers for banks or other financial institutions or call centers. Back office uses, however, depend increasingly on high-speed communications technology, as well as good road access for workers.

As noted in a number of previous studies, some of the industries that have provided employment in the County, and that have stagnated or declined in recent years, have the potential to come back. One of these is the food processing industry. Because of a change in Americans’ eating habits that has caused an increase in fresh food processing, the potential exists to use Cumberland County produce in preparing meals or components of meals that go directly to the consumer. In addition, the scientific glass sector has the potential to increase because of the growing biotechnology industry in the Delaware Valley.

Bridgeton, Millville, and Vineland all have good infrastructure and are pursuing strengthening it. A key part of this infrastructure is the accessibility provided by Route 55; another is the Winchester and Western Railroad. In addition, they have a strong incentive package that has served them well over the past 16 years. These are clearly the areas in which the Western/Southern Cumberland Region can

continue to pursue those industries that it has been successful in attracting to date, including distribution, some manufacturing, food processing, and some business services.

Cumberland County, however, is primarily rural in nature, and is in as much need of economic development in its rural areas as well as in its urbanized and infrastructured areas. The remainder of this market feasibility study addresses the issues of economic development in rural areas, including the assets of Western/Southern Cumberland County, strategies for pulling these assets together into a package, and the market that exists for those assets as they are developed into a coherent whole.

Economic Development in Rural Areas

It is difficult to believe that a region as rural as Western/Southern Cumberland County is less than one hour from downtown Philadelphia, and less than two hours from Philadelphia's western and northern suburbs. This road access puts it within easy reach of five and a half million people. While the population of the Philadelphia and Southern New Jersey region is not expanding rapidly, like some western and/or southern American cities, it is nonetheless experiencing a slow but steady increase.

Based upon conversations with representatives of the City of Millville, which has been one of the more successful communities in the region in encouraging visitors and tourists, we believe that the market area for Western/Southern Cumberland County is:

- The Philadelphia/New Jersey Primary Metropolitan Statistical Area (PMSA), including the five Pennsylvania Counties of Philadelphia, Bucks, Montgomery, Chester, and Delaware, and the New Jersey counties of Camden, Burlington, Gloucester, and Salem;
- The Atlantic/Cape May PMSA;
- The Vineland/Millville/Bridgeton PMSA.

Although Wilmington is closer to Western/Southern Cumberland County than many parts of the Philadelphia region, there do not seem to be as many visitors to the region from Delaware as there are from Pennsylvania and New Jersey. For that reason, we believe that Delaware is a secondary market area that can be cultivated over the long term. Maryland and the Washington DC area are also part of a potential secondary market. Because attracting a substantial number of Baltimore-Washington corridor residents is probably a long-term effort, however, only Delaware is included as a near time secondary market area, because of its proximity to Cumberland County. The following table summarizes the population changes in the primary and secondary market areas between 1990 and 2000.

Population and Household Change: 1990 to 2000

	Population			Households		
	<u>1990</u>	<u>2000</u>	<u>% Change</u>	<u>1990</u>	<u>2000</u>	<u>% Change</u>
Vineland/Millville/Bridgeton PMSA	138,053	146,438	6.1%	47,118	49,143	4.3%
Atlantic/Cape May PMSA	319,416	354,878	11.1%	122,979	137,172	11.5%
Philadelphia,PA/NJ PMSA	<u>4,922,175</u>	<u>5,100,931</u>	3.6%	<u>1,801,159</u>	<u>1,914,246</u>	6.3%
Primary Market Total	5,379,644	5,602,247	4.1%	1,971,256	2,100,561	6.6%

State of Delaware (Secondary Market) 666,168 783,600 17.6% 247,497 298,736 20.7%

Source: 1990 and 2000 Census

The year 2000 and year 1990 Census of Population and Housing designated slightly different geographic areas as Primary Metropolitan Statistical Areas. In the year 2000, Atlantic and Cape May counties were combined into a new PMSA, and the Philadelphia, PA/New Jersey PMSA was expanded to include Salem County. For this reason, tracing population growth over the decade has been made somewhat more difficult. In summary, however, there was a total population growth over the decade of 4% in the primary market area, and 18% in the secondary market area. The number of households in the primary market area increased by 7%, and the number of households in the secondary market area grew by 21%.

The following table summarizes the median household income for the primary and secondary market areas between 1990 and 2000. Again,

because the Bureau of the Census changed the definitions of the Atlantic/Cape May and the Philadelphia PA/New Jersey PMSA, it is difficult to make exact comparisons. Bridgeton/Millville/Vineland had the lowest median household income in the primary market area in 1999 (\$39,150), followed by the Atlantic/Cape May PMSA (\$43,109).

The Philadelphia/New Jersey PMSA had the highest median household income (\$47,536). The State of Delaware's median household income was very close to Philadelphia/New Jersey's (\$47,381). In summary, there are over 5,000,000 people and 2,000,000 households within a two-hour drive of the Western/Southern Cumberland region. Median household incomes of the PMSA's are between \$39,000 and \$48,000. This population has the potential to translate into substantial visitation as well as income if the area is appropriately developed and marketed.

Median Household Income

	<u>1989</u>	<u>1999</u>	<u>% Change</u>
Vineland/Millville/Bridgeton PMSA	\$29,985	\$39,150	30.6%
Atlantic/Cape May PMSA		\$43,109	
Atlantic County	\$33,716	\$43,933	30.3%
Cape May County	\$30,435	\$41,591	36.7%
Phildadelphia,PA/NJ PMSA*	\$35,437	\$47,536	
Salem County	\$33,155	\$45,573	37.5%
State of Delaware	\$34,875	\$47,381	35.8%

Source: 1990 and 2000 Census

Agribusiness

Western/Southern Cumberland County has been one of the major food producing regions in the Northeast for the past century, and even before. Its fertile soil and its fishing industry, coupled with ample silica and foundry grade sand that made it a center of glass manufacturing, provided a comfortable and secure living for its residents for many years. Sand is still being mined for export to other regions, and there are a number of glass manufacturing establishments in the County, especially in Vineland and Millville. Although glass manufacturing is still an important component of the County's economic base, it has lost jobs over the past decade, going from 14.8% of the total private sector employment to 11.4% in 2001. In addition, the fishing industry was virtually decimated by disease a number of years ago. The soil, however, remains, and is now a major part of the County's economic

base. The two major agricultural efforts in the region are the nursery business and the more traditional business of fruit and vegetable farming. Following is a discussion of each.

The Nursery Industry

The following table summarizes trends in New Jersey's nursery industry between 1997 and 2000. For each county, it shows the total number of nurseries, the total number of acres in nursery stock, the change in total nursery acreage between 1997 and 2000, and the percent of the State's total nursery acreage that can be found in each County.

**Number of Certified Nurseries and Acres in Nursery Stock by County
1997 and 2000**

<u>County</u>	<u>Number of Nurseries</u>		<u>Acreage in Nursery Stock</u>		<u>Change in</u>	<u>Acres as</u>
	<u>1997</u>	<u>2000</u>	<u>1997</u>	<u>2000</u>	<u>1997 - 2000</u>	<u>Percent of State</u>
South District						
Cumberland	213	239	3630.8	5143.2	1512.4	31.8%
Gloucester	117	121	1055.4	1372.1	316.7	8.5%
Salem	68	80	574.5	955.5	381	5.9%
Atlantic	71	69	328.2	364.7	36.5	2.3%
Cape May	33	30	161.1	328.8	167.7	2.0%
Camden	29	28	79.6	118.5	38.9	0.7%
Central District						
Monmouth	208	218	3811.3	3670.1	-141.2	22.7%
Burlington	122.0	131.0	1,232.0	1,464.0	232.0	9.1%
Middlesex	64	67	616.8	570.9	-45.9	3.5%
Mercer	39	45	400.4	358.7	-41.7	2.2%
Ocean	23	28	90.5	140.1	49.6	0.9%
North District						
Hunterdon	63	63	625.6	802.9	177.3	5.0%
Bergen	48	39	134.1	122.5	-11.6	0.8%
Somerset	37	34	304.2	305.9	1.7	1.9%
Morris	34	36	159.8	156.9	-2.9	1.0%
Warren	20	20	102.1	100.1	-2	0.6%
Sussex	19	21	115.5	121.9	6.4	0.8%
Union	13	13	31.1	29.7	-1.4	0.2%
Passaic	9	11	43	30.1	-12.9	0.2%
Essex	8	6	18.8	17.1	-1.7	0.1%
State Total	1,238.0	1,299.0	13,514.8	16,173.7	2,658.9	

Source: Division of Plant Industry, New Jersey Department of Agriculture

The changes in Cumberland County have been dramatic. In the four years between 1997 and 2000, Cumberland County added a total of 1,512 acres to its nursery business, for a total increase of just over 40% in the number of acres devoted to the nursery business. Typical products are shrubbery, herbaceous perennials, flowering shrubs and trees, and ornamental grasses. Owners of several major nurseries in the Region describe their primary market area as lying within a 300 mile radius, and their secondary market area as reaching as far west as the Mississippi, as far south as the Carolinas, and as far north as Maine.

The industry depends to a great extent upon suburban development of both residential and office products. For this reason, the nurserymen who were interviewed felt that steady but not overwhelming demand for their products would continue for the foreseeable future. Most did not feel that their industry would experience dramatic growth. One nursery owner noted that, because of recent changes in the industry that allowed him to turn over his product more rapidly, he is now able to produce the same annual volume on fewer acres.

Like most agribusinesses, the nursery industry does not have a large number of employees. It is important, however, since it is a primary industry that exports its goods outside of the County, and the money from those products flows back into the local economy.

There are no middlemen or processors in the nursery business, and Cumberland County producers ship their goods directly to retailers. In general, nurserymen generally feel that the Cumberland County population is not sufficiently affluent to provide a local market for Nursery products. This means that the industry is dependent upon shipping; most takes place by highway and rail.

The Nursery industry has spawned a number of businesses within Cumberland County, and as long as production increases, these businesses should continue to grow. In addition, there will be room for new businesses, especially those that change with the changing needs of the industry or those that can supply new products to meet changing needs. Examples of businesses that are directly related to the nursery industry include those that produce pots, miscellaneous tools, fertilizer,

boxes, burlap, twine, plastics, machinery components, and trucking. Among the most recent needs that the industry has begun to experience are racks used to ship plants. In addition, some truckers have begun to outfit part of their stock especially to meet the needs of the nurseries.

The nursery business has grown tremendously in Cumberland County over the past five years, and the outlook for long-term sustained growth is good. Industry needs have changed as the market and the methods of production change. The County should work with the industry and with entrepreneurs who serve it to identify changing needs and support entrepreneurs who can meet those needs.

Fruits and Vegetables

Cumberland County has long been one of the major producers of fruits and vegetables on the East Coast, and the quality of its products is well known throughout the Middle Atlantic States. The following table summarizes trends in this industry between 1996 and 2000 or 2001, depending upon the most recent data available for each type of production.

**Cumberland County
Agricultural Production Statistics 1996 through 2001**

	<u>1996</u>	<u>2000</u>	<u>2001</u>	<u>Change 1996 - 2000/2001</u>
Corn for grain (bushels)	415,800	509,000	354,000	-14.9%
Potatoes (cwt)	265,000	252,000	208,000	-21.5%
Barley for grain (bushels)	47,200	NA	25,000	-47.0%
Wheat for grain (bushels)	299,000	390,000	261,000	-12.7%
All Hay (tons)	13,920	9,000	9,000	-35.3%
Soybeans (bushels)	540,800	477,000	378,000	-30.1%
Bell Peppers (acres)	1,000	750	NA	-25.0%
Head Lettuce (acres)	800	700	NA	-12.5%
Cabbage (acres)	800	600	NA	-25.0%
Sweet Corn (acres)	450	700	NA	55.6%
Tomatoes (acres)	600	750	NA	25.0%
Asparagus (acres)	150	100	NA	-33.3%
Strawberries (acres)	75	75	NA	0.0%
Apple (million lbs.)	3.0	4.0	7.8	160.0%
Peach (million lbs.)	17.5	11.5	NA	-34.3%
Hogs & Pigs (# on farms)	2,900	2,100	NA	-27.6%
Cattle/Calves (# on farms)	2,100	1,700	1,800	-14.3%
	<u>1994</u>	<u>1,998</u>	<u>1,999</u>	
Milk Cows (1,000 lbs.)*	9,400	13,300	12,600	34.0%

*Milk production statistics were only available for 1994 through 1999

Source: Division of Plant Industry, New Jersey Department of Agriculture

Farming is influenced each year by a number of factors, including weather conditions, and production has fluctuated from year to year. However, this summary table indicates that overall production of farm crops in Cumberland County has decreased during the past five to six

years. Exceptions to this decrease have been sweet corn, tomatoes, apples, and milk cows.

While the Nursery business in Cumberland County added 1,513 acres, the produce industry added only 250. Sweet corn and tomatoes fared

well, but there was a loss in total acreage in both bell peppers and cabbage. Little change was seen in fruits, with the exception of peaches, where there was a decline in production of four million pounds, and apples, which more than doubled. The production of corn, potatoes, barley, wheat, hay, and soybeans all declined between 1996 and 2000 or 2001, as did cattle and hogs. The picture that emerges of farming is not necessarily of an industry in decline, but one that may be consolidating. It also shows that some intervention by the CDC could be helpful to local farmers.

Over the past fifteen to twenty years, farmers have had an increasingly difficult time making a living by growing fruits and vegetables. In the late 1980's and early 1990's, a number of them switched to grain, but that also proved difficult. Among the issues that small southern New Jersey farmers have faced is the relatively short growing season in comparison to California's or Florida's and, in the case of grain and soy, the need for government price supports in order to make a living. Both of these factors have caused the number of acres in production of some products to decrease, and the long-term viability of the industry in Cumberland County to be in question. In addition, a number of long term fruit and vegetable farmers have begun to switch to landscaping and horticulture.

A major issue in the fruit and vegetable industry in the Western/Southern Cumberland region is distribution. There are three destinations for fresh produce. They are:

- Food processing companies;
- Distributors/middle men, who resell farm products to supermarkets or other purchasers;
- Consumers, who buy direct to consume these products in their homes or to serve them in restaurants.

Food processing. There are several food processors in the Western/Southern Cumberland Region, but it has not been a growing segment of the region's manufacturing sector. Because the region continues to grow excellent farm products, however, the County needs to continue to pursue this industry. If there were a larger market for farm products, it is likely that there would be more interest in growing those

products. And, like the nursery industry, the farming industry has the capability to spin off new industries.

A recent feasibility study by Rutgers University, Burlington County College, and the Cumberland County Department of Planning and Development concluded that a Food Industry Technology Incubator in Cumberland County is feasible and should be pursued. If the County were to do so, it would provide a nearby end market for local produce and an incentive for farmers to keep their land in agricultural production. Like the nursery industry, crop farming has the potential to spin off industries that supply farmers with everything from tools to fertilizer.

The Food Industry Technology Incubator study noted the growth in the market for prepared foods that, because of the increasingly busy lives of the American public, often replace home cooked meals. The authors believe that this market is a potential growth opportunity for both the proposed Incubator and for the County's economic base as a whole.

The first component of the prepared foods industry consists of products that serve as home meal replacements or components of home meals, like prepared sauces, soup bases, and dry mixes. These products are generally manufactured and canned in some way for regional or even national distribution. They have the potential to spin off other industries such as the manufacture of glass jars or aluminum or tin cans. If this potential is realized, it could help in revitalizing the area's glass industry.

The second component is the production of take-out foods, generally for same day use at home. A potential source of small businesses that could be incubated is the growing number of Latino restaurants that currently serve the agricultural labor force. Some of these restaurants, if provided technical and financial assistance, could grow into larger establishments that provide a market for home grown products, employment for County residents, and fresh food products for other parts of the region.

Because of the relatively low incomes in the County, it is probable that the markets for take out food products would be found in the Philadelphia region, including its New Jersey suburbs, and on the

southern New Jersey shore during the summer months. This potential component of the food processing industry has the potential to spin off other types of industries, such as glass or plastic containers and trucking.

Finally, in the case of both types of value added food processing, other businesses could be generated or could grow in response to the agricultural sector's growth. Those businesses directly dependent upon agriculture include fertilizer manufacturers, seed suppliers, container suppliers, and warehouse operators. Other support industries that serve all sectors of the economy could be spurred by an increase in the agricultural sector. These businesses include business support services, professional services, advertising, and trucking. There is also a potential for food to be distributed through the Winchester & Western Railroad line, and the railroad is increasingly finding that the food processing industry is one of its target markets.

The Food Distribution System. A major issue in the farming industry has been its small profit margins, and the need to pay a middleman to bring products to the consumer. Distribution is a serious issue to this sector, and it needs to be addressed if the sector can begin to regain lost ground. There are two approaches to this issue:

- Bring the product directly to the consumer;
- Bring the consumer directly to the product.

Some combination of the two is in order. First, it may be necessary for the farm community to begin to deliver its products directly to nearby major urban centers. As noted earlier, there are over 5,000,000 residents within a two-hour drive of Cumberland County, and many of these residents have no access to the quality of produce that is produced in Cumberland County. There is already a farmers' cooperative in the County that is responsible for the Vineland Produce Auction. If this and other distribution channels do not produce enough revenue to allow farmers to make a living, it may be time for the CDC to work with the farm community to explore some way in which farmers can pool their resources to deliver their own goods directly to market.

There are a few very large farms, like Seabrook, in Cumberland County. However, small farmers do much of the farming in the County on a

relatively modest scale, as opposed to California, where agribusiness is practiced on very large scale. It is probable that the solutions to the distribution issues that face Cumberland County farmers are also small in scale.

Because of the County's proximity to the Philadelphia region, it would be possible for a farmer to leave the County at dawn one day each week with produce from his and four other farms for one or more destinations in the Philadelphia region, and to return in time to put in a day's work. By sharing the delivery duties with four neighboring farmers, the burden on each individual farmer would be lightened. Profit margins for each could be increased, by cutting out the "middle man".

In order for such an effort to succeed, groups of farmers need to be organized, and markets developed. It would be necessary for one organization, perhaps the CDC, to develop markets within the Philadelphia region for individual delivery of farm products. These markets could be restaurants or restaurant owners' associations, or even groups of restaurants that are part of business improvement districts, like the Center City District, the Old City District, or the University City District. Marketing could be done directly through these organizations.

In fact, a few farmers already deliver their fresh produce directly to Philadelphia supermarkets, a prime example of a major end user. Other smaller end users might include restaurants and urban farm markets like the Reading Terminal or the Ardmore Farmers Market. In some instances, individual farmers from other areas, like Lancaster County, have developed relationships with community organizations that allow them to sell produce out of their trucks at some central community location.

Second, if the County is successful in encouraging eco-tourism, those visitors will create a demand for farm products at local farmers' markets. Areas that already attract tourists and visitors, like Millville and perhaps Wheaton Village, are good potential places for locating farmers markets. A second strategy for supporting and expanding the agricultural sector is to identify those areas where tourism is likely to grow, and to create a network of markets where farm products can be sold.

The Fishing Industry

The fishing industry has historically been a significant part of New Jersey's and certainly Cumberland County's economic base. However, with increasing urbanization in the northern part of the State, as well as development of the barrier islands for residential use, this sector of the economy has diminished in importance. In addition, the appearance of a virus virtually decimated the oyster industry in the 1950's, especially in Port Norris.

There are, however, efforts to revive the fishing industry in the State and in the County. According to the New Jersey Department of Agriculture, commercial fishing of the oceans has reached a limit, while the demand for seafood has continued to grow. Locally, in 1999 the Port Authority of New York and New Jersey alone imported 325 million tons of fish while exporting only 48 tons.

Because there is unlikely to be a significant increase in wild fishing, production can only realistically be increased by aquaculture, defined as farming fish, or intervening in the natural process to increase production. The State of New Jersey has had an aquaculture plan since 1995, but final regulations are being worked out and it has not been fully implemented. When it is, it is likely that aquaculture will begin to grow as an industry in the State, primarily because of the market demand for seafood.

Rutgers University has been working in Cumberland County for the past several years on developing technology and transferring that technology to others who are interested in participating in the fledgling aquaculture industry. Its Haskins Shellfish Research Center in Port Norris has developed a pilot program has already bred a type of oyster that is being marketed locally to local restaurants and seafood markets, and has sold these oysters in other states as well.

If the Haskins Institute finds continued success in its research, and continues to transfer the technology that it is developing to those who

are engaged in harvesting oysters and other shellfish on the southern coast of Cumberland, the economic base of this area will be positively impacted. Industries that could be spun off by a growing fishing industry include additional food processing, containers, warehousing, and trucking.

Fin fishing is a more difficult industry to conduct in the Bay; consequently Rutgers is working to encourage inland tank farm production of tilapia. A major difficulty faced by tank farmers is the high capital investment required to construct tanks and buy and feed stock for the year to 18 months before they can be harvested. Cape May County has developed a loan program for fishermen in the community who wish to do this. Under the program, volunteers in the County who are familiar with the industry meet with potential lenders and loan applicants to explain the fin fish business cycle and the need for a reasonable amount of time to pay back a loan. The program has been successful in helping fishermen go into or stay in business, and there has been some talk of establishing a similar effort at the State level. If one is not established, it may be appropriate for the County or the CDC to implement such an effort.

Fish farming has the potential to support other industries in the County by providing a market for their products and bi-products to feed fish. The residue that is left after soymilk is produced, for instance, and the mash that would be left by an ethanol processing plant in Salem County, for instance, are prime examples.

Finally, the continuing importance of saltwater sport fishing to the New Jersey economy must not be overlooked. According to the 1994 Northeast Socioeconomics Fishing Survey conducted by the Bureau of Marine Fisheries, New Jersey Division of Fish and Wildlife, 49% of fishermen surveyed own a boat; those who did not own a boat spent an average of \$43 on boat fees per trip. Businesses that could be spun off or strengthened by the recreational boating industry include boat rentals, bait and tackle stores, boat building and maintenance, and small informal restaurants such as delicatessens, coffee shops, and diners. To this end, regional news can be encouraged to highlight fishing news and maritime weather forecasts, and sport fishing can be highlighted as part of any regional eco-tourism strategy.

Ecotourism

The Cumberland County Department of Planning and Development produced the Cumberland County Ecotourism Plan in 1996. Ecotourism is based upon the natural resources and environment of an area, and provides a visitor experience that disturbs the resources and environment as little as possible. In the case of Cumberland County, these resources include history, architecture, and industries that were a part of the County's early history.

The 1996 Plan put forth a set of guidelines and short and long term priorities for ecotourism in the County that addressed facility development and management, marketing, the protection of the County's resources, and public involvement. Since that time, the County has hired a tourism coordinator and PSE&G and The Nature Conservancy have developed several trails. In addition, a marketing plan and budget has been developed for the County, and its advertisements have been increasingly noticeable throughout the region.

Although much has been done to boost tourism in the County, there is still much to be done. The following table summarizes Cumberland County's rankings by expenditures and accommodations within the State. The County ties for eighteenth place in the State in terms of tourism expenditures. The table also shows a clear correlation between the number of hotel rooms and the total tourism expenditures: those counties with the fewest hotel rooms have the lowest tourism expenditures.

County Rankings by Expenditures Expenditures and Accommodations

<u>Rank</u>	<u>County</u>	<u>Total Expend. (\$Billions)</u>	<u>Hotels/ Motels</u>
1	Atlantic	8.89	20,370
2	Cape May	3.64	19,334
3	Bergen	2.07	6,999
4	Ocean	2.06	4,511
5	Monmouth	1.83	4,490
6	Middlesex	1.61	5,766
7	Essex	1.60	4,420
8	Morris	1.57	5,764
9	Hudson	1.19	3,220
10	Burlington	1.05	4,339
11	Union	0.96	2,944
12	Mercer	0.94	2,642
13	Camden	0.87	2,560
14	Somerset	0.75	2,788
15	Passaic	0.61	1,125
16	Gloucester	0.36	868
17	Sussex	0.33	983
18	Hunterdon	0.23	901
19	Cumberland	0.18	710
20	Warren	0.18	508
21	Salem	0.12	511

Source: Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002, Longwoods International

The following table summarizes the impacts that tourism has on the local economy of the Southern Shore Region, which is composed of Cape May and Cumberland counties. Cape May, which has the second largest tourist economy in the State, generates over 95% of the tourism related expenditures, jobs, and payroll in the Southern Shore region, and 96% of the local taxes that tourism generates for the region. Because Cape May is so close, there is a potential for Cumberland County to begin to capture some of these tourist days and dollars.

2001 Travel and Tourism Impacts on Southern Shore Region

	Expenditures (\$ Billion)	Jobs (Thousands)	Payroll (\$ Millions)	State Taxes (\$ Millions)	Local Taxes (\$ Millions)
Cumberland	0.18	6.2	95.6	21.8	6.5
Cape May	3.64	121.8	1829	429.2	201.2
Southern Shore	3.82	128	1924.6	451	207.7

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002

The following table compares expenditures on day trips and on overnight trips for the New Jersey travel market in 2001. Day trips account for 73% of the total trips, but only 28% of the total tourist expenditures. The average expenditure of a person on a day trip is \$86, while the average expenditure of a person on an overnight trip is \$154 per day, or \$460 per trip. The average trip is just under three days. The table demonstrates the importance of developing a strategy to increase the length of the average stay from a day trip to a trip that will last for one or more nights.

New Jersey's Travel Market: 2001

	Estimated Trips		Expenditures		Per Person Expend.	
	Number (Millions)	% of Total Trips	Dollars (Billions)	% of Total Exp.	Per Day	Per Trip
Day Trips	121.5	73%	8.8	28%	\$86	\$86
Overnight Trips	44.6	27%	20.3	65%	\$154	\$460
Pass thru	-		1.9	6%	NA	NA
Total	166.1		31			

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002
Longwoods International

The following table summarizes answers to two questions from a survey undertaken by Longwoods International in 2001. The columns show the percentages of the respondents who replied that eco-tourism, cultural experiences, and historic sites were of particular interest when they took overnight trips. It shows an increase in interest in both eco-tourism and historic resources, and less of an overall increase in cultural experiences. Marketing and communications can be used to increase awareness of the County's assets, and to increase interest in these types of travel experiences among the general public.

New Jersey's Historic, Cultural and Eco-tourism Base: Overnight Pleasure Trips

	1999	2000	2001
Eco-Tourism	4	3.5	5.1
Cultural	3.7	6.4	4.1
Historic	6.7	3.7	7.5

*Percent who said it was of particular interest

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002, Longwoods International

The following table summarizes the activities in which New Jersey's day-trippers and overnight trippers participate during their stay. It shows that the leading activities in which day-trippers participate are activities that are available in Cumberland County. It also shows that the three leading activities for both day and overnight visitors are visiting historic sites, bicycling, and hiking. It points up the need to encourage those people who already visit for the day to extend their stay and participate in more than one activity.

Activities Participated in

	Estimated Millions of Trips	
	Overnight	Day
	<u>Trips</u>	<u>Trips</u>
Landmarks/Historic sites	3.1	10.6
Bicycling	1	5.2
Hiking	0.9	9
Bird watching	0.7	2.6
Fishing (saltwater)	0.7	3.5
Day Cruise	0.6	4.1
Powerboat/Sailing	0.4	1.9
Canoeing/Kayaking	0.2	2.6
Fishing (Freshwater)	0.2	NA

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002, Longwoods International

There are already a number of sites in the County that fall into the landmark and historic site category. Specific activities and attractions that are already in place or in the development stages include:

- Wheaton Village, Millville
- Millville Arts District
- Army Air Field Museum, Millville Airport
- East Point Lighthouse, Maurice River
- Cohanzick Zoo, Bridgeton
- Delaware Bay Schooner, Commercial Township
- Greenwich Historic Museums

The following table summarizes 2001 travel and tourism expenditures for New Jersey and for Cumberland County for the year 2001. Predictably, the major expenditure by tourists in the State and in the County is for food. The second most important expenditure is for retail purchases. In the lodging category, Cumberland County falls far below the State in the percentage of expenditures for that purpose. The other area in which Cumberland County falls below the State in percentage of expenditures is recreation, which is in fact one of its real assets. The table illustrates the importance of providing additional hotel rooms and marketing the County as an overnight destination with recreational opportunities.

New Jersey and Cumberland County

2001 Travel and Tourism Expenditures by Sector

	New Jersey		Cumberland County	
	<u>\$ Billions</u>	<u>% subtotal</u>	<u>\$ Millions</u>	<u>% subtotal</u>
Restaurant	9.1	33.8%	71	39.4%
Retail	6.6	24.5%	55	30.6%
Automobile	4.0	14.9%	27	15.0%
Lodging	4.4	16.4%	11	6.1%
Recreation	2.5	9.3%	14	7.8%
Local Transp	0.3	1.1%	2	1.1%
Subtotal	26.9	100.0%	180	100.0%
Gaming	4.2			
Total	31.1			

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002, Longwoods International

Finally, the County needs to address the issue of reaching its potential market. The following table summarizes the information sources most frequently used in planning overnight trips. The two most important sources are personal experience and friends or relatives. Hotel and

resort marketing programs are third in importance, and the Internet is fourth. It illustrates the importance of providing an interesting and positive experience for visitors so that they will return and will suggest to their friends and family that they also make the trip. It also suggests that printed media may be less important now than in the past.

Use of Internet: 1997 to 2001

<u>Year</u>	<u>Percent</u>
1997	6%
1998	NA
1999	11%
2000	12%
2001	14%

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May, 2002

Information Sources Used for Planning Overnight Trips

<u>Source</u>	<u>Percent</u>
Personal Experience	46%
Friends/Relatives	26%
Hotel/Resort	15%
Internet	14%
Toll-free number	8%
Airline/commercial Carrier	4%
Auto Club	4%
Books	4%
Newspapers	4%
Association/Club	3%
Visitors Bureau	3%
Travel Agent	3%
Group Tour	2%
Magazine	1%
TV/Radio	1%

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002

The table below summarizes the use of the Internet in trip planning over the past five years. It shows that the Internet is increasing in importance annually, and points up the importance to the County and the CDC of using this form of media to get their messages out.

Building on the Bicycle Trail

Cumberland County is currently in the process of developing a bicycle trail between Salem County on the west and Cape May County on the east, and there has been discussion about linking this bicycle trail to the proposed High Point to Cape May trail that runs north and south through the State. Because this would be one of the first physical inter-municipal initiatives that will in fact go through a number of municipalities, there is a real opportunity to use it to promote regional awareness of the County as a visitor destination. The CDC needs to develop a strategy for small environmentally sensitive places on the bike trail to draw people in, offer a variety of experiences, and extend their stay. Ideally, this experience would be sufficiently varied that visitors would not only extend their stay, but would return again and would discuss their experience favorably so that others would follow.

The Bayshore Bicycle Trail measures 48.7 miles in length, and spurs into some of the nearby hamlets measure another 9.85 miles, bringing the total to 58.55 miles. The Bayshore route is very scenic, and part of its right of way runs along the New Jersey Coastal Heritage Trail. The communities along the bicycle trail's length have great potential for eco-tourism. As noted earlier in this report there are over five million people within a two hour drive of Cumberland County, many with considerable expendable income. Examples of communities along the bicycle path, and their particular assets, are:

- Maurice River: Located on the River that bears its name, and which has been designated a Wild and Scenic River, Maurice River has

wonderful views, and some commercial activity in the antiques business.

- Port Norris: Once a major commercial area with a large and well-known fishing industry, Port Norris has fallen on hard economic times. However, it still has several small fish packing companies, and a marina for fishing and sport boats. It also has a wealth of Victorian architecture. It is evident that there are some ongoing efforts to preserve its heritage, including the Delaware Bay Museum.
- Dividing Creek: True to its name, a Creek runs through the center of town. It is obviously a hub of crabbing and fishing. It also has beautiful scenic views, a fishing marina, boat rentals, and a wealth of Victorian architecture.
- Cedarville: Another attractive Victorian town, Cedarville has a lake with boats on it in the center of town, and the Lawrence Township Historical Society is located in Cedarville.
- Fairton: Fairton is north of the coastal route, and close to farm country. In addition to the Fairfield Presbyterian Church (1780), a beautifully preserved landmark building, Fairton has a sport fishing marina and scenic views along the Cohansey River. Small businesses that have located in Fairton include a custom woodworking shop and a motorcycle shop.

This brief list of towns is neither an exhaustive listing of the towns along the bicycle path, nor of the historic towns in Cumberland County. It is included in this report as an illustration of the Western/Southern Cumberland region's assets. Major themes that have emerged from field trips, interviews, and research into secondary data that has been compiled about the Region are:

- Water, as recreation and as a key to the Region's history;
- Active recreation, as in bicycling and fishing;
- Passive recreation, and leisurely enjoyment of the Region's many scenic views
- Food, since the County has historically been a major agricultural resource;
- History, as seen in its many villages and hamlets and its wealth of Victorian architecture;
- Antiques, already a business in some towns.

The rural areas of Cumberland County need to present a full experience to tourists in order to attract them back, extend their trips, and to cause them to be the "word of mouth" that will bring others to the County. As seen above in these themes, some of these attractions are partly in place, but more needs to be done. Cumberland County has very few hotel rooms in comparison to all other New Jersey counties. Small hotels need to be developed in the rural areas, particularly in some of the old Victorian homes, to attract overnight visitors. Tourism packages that combine gallery nights in Millville with two days of recreation, including bicycling or bird watching, could begin to draw a weekend crowd from the Philadelphia and Southern New Jersey region. Extending day trips into overnight trips could almost double the per tourist expenditures in the County.

Restaurants are very much part of a potential package, and are a way to publicize the County's farm products. Like small hotels, they are often micro-businesses, and difficult to finance. In addition to traditional bank sources, the CDC should approach the Cumberland County Improvement Authority, which has the power to participate in the development of tourist and recreational facilities, about the possibility of establishing specific financing programs for overnight facilities in the rural areas of the County.

If the CDC were to set as a goal raising the volume of tourism by 20% over a five-year period, the economic impact on the rural areas could be dramatic. The following table illustrates the effect on the County that would occur if those expenditures were made in each sector in the same proportion that they are in the rest of the State, which already has a tourist economy. Dollars are shown in 2002 values.

Potential Effects of Tourism on Cumberland County

	<u>Current</u> <u>Year</u>	Year 5	Year 10	Year 15
	<u>\$millions</u>	<u>\$ Millions</u>	<u>\$ Millions</u>	<u>\$ Millions</u>
Restaurant	71	73	88	105
Retail	55	53	64	76
Automobile	27	32	39	46
Lodging	11	35	43	51
Recreation	14	20	24	29
Local Transp	2	2	3	3
Total	180	216	259	311

Source: "Travel and Tourism in New Jersey: A Report on the 2001 Travel Year, May 2002

This list of themes above is not meant to be exhaustive, and there are undoubtedly other themes that could be added by residents of the communities themselves. The challenge for the County is to pull all of these disparate activities into a coherent whole with a sufficient critical mass of interesting attractions to draw and hold visitors, first for day trips, and later for longer stays. Part of the challenge is to define the character of each community so that visitors could pursue particular interests, like antiques or fishing. A visioning process for all of those communities along the bicycle path that wish to participate and are interested in economic development could be undertaken. In the process, each of the communities could define their natural and man-made assets, identify their problems, and define what they wish to become. With the help of the County, strategies could be developed for the communities as a group and individually to pursue their own future.

It is important to remember that the bicycle trail should be a catalyst for economic activity, and that all of the visitors will not be bicyclists. It is simply a way for the County to begin to target one particular market segment with potential spin-offs to other markets, like bird watchers, fishermen, boaters, and those whose hobbies include antiques. There are other bicycle trails that have been discussed, such as an extension of one through the Pine Barrens. There are also other locations in the region that have already developed a tourist economy, such as Wheaton Village and Millville, all of which could be pulled together

through an extension of the proposed bicycle trail. The bicycle trail is not a cure-all for the Region's economic issues, but it is a way in which a market can be created for the growth of small, home based industries along the ecologically sensitive Bayshore route.