

Best Practice for Diversifying and Stabilizing Regional Economies

RTI International

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Introduction

Economic diversification is important for coastal, tourism-based communities because the seasonal aspect of these kinds of regional economies presents unique challenges for year-round service-sector workers. Often, those who would like to find gainful employment during the offseason are not able to do so. The seasonal aspect of the economy in Dare County is evident in a variety of data sources and anecdotes. Therefore, RTI set out to review the literature and interview several communities to learn about best practices that have been employed for diversifying and stabilizing regional economies.

1. Economic Seasonality in Dare County

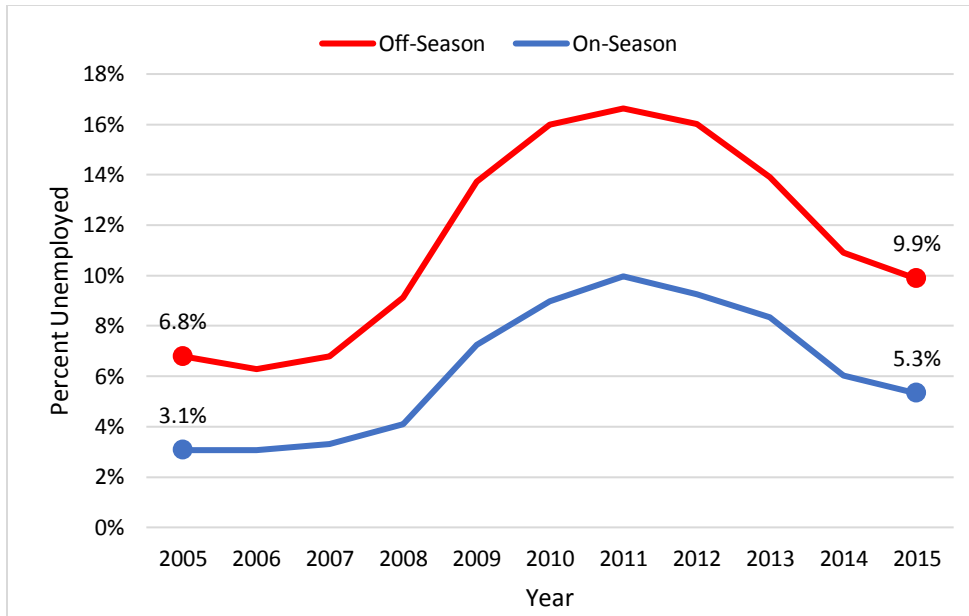
Dare County faces strong seasonal economic fluctuations due to its appeal as a coastal tourist destination. The county experiences a substantial surge in population during the tourism “on-season” defined as May-October as compared to the “off-season,”¹ which is November-April. During the on-season, the population balloons to roughly 250,000 people, a substantial increase from the roughly 35,000 year-round residents. This on-season population boom results in a large increase in demand for public and private services in the county, which in turn creates temporary employment opportunities. While some residents may be drawn to the area because of the seasonal nature of work, the lack of year-round job opportunities has been a concern for some members of the community.

Figure 1 illustrates the seasonal nature of employment.² Unemployment rates are significantly higher in the off-season than the on-season. As of 2015, the seasonal gap is equivalent to about 800 additional people being unemployed during the off-season. Seasonal employment in Dare County disrupts the ability of workers to gain and retain a steady job, and thus income. This makes it harder for residents to be fully productive year round creating underemployment, and less potential for full time residents and business owners to realize their full economic opportunity. Specifically, seasonality in Dare County, like many other tourism-based communities, makes it challenging to recruit full-time staff and to retain them (Baum 2001). A balanced seasonal distribution of demand creates year-round economic benefits, and is generally more desirable for an economy’s health and sustainability.

Figure 1. Dare County Seasonal Unemployment Rates, 2005-2015

¹ For the purposes of our analysis, we are consistent with other reports by referring to the on-season as May-October and the off-season as November-April.

² A lack of year-round job opportunities has also been indicated in stakeholder interviews conducted by NC State.



Source: BLS 2015

In order to understand best practices to combat seasonality and seasonal employment issues, we gathered literature from an RTI library search and examined several sources listed as primary sources in T. Baum’s widely cited “Seasonality in Tourism” book. We also performed several interviews with economic development professionals and nonprofit foundations who have experience with tourism-centric economies and planning to address issues strategic economic diversification.

2. Review of the Research

To understand best practices and economic development strategies that address seasonal employment, it is important to understand why seasonality occurs in a community. According to Butler and Mao (1977), seasonality of a place has two main factors:

- Physical factor, which relates to temporal phenomena, i.e. weather, and the geographic location of a tourist destination, which increases demand for the place during certain times of the year.
- Institutional factor, which refers to social and cultural norms. For example, holidays and school schedules dictate when people travel, increasing demand at certain times of the year.

Generally, communities or areas that are more remote from central economic centers experience more extreme fluctuations in seasonal demand, because they are harder to access and the number of visitors is strongly dictated by the “institutional factor” (Lundtorp 2001). Communities can more immediately influence the institutional factor in the near term, while community influence on the physical factor may take place gradually over many years.

Seasonality, or periodical swings in the flow of tourists, is an issue for communities because it produces situations of under-capacity, non-utilization of infrastructure, problems retaining employees, and absence of investments during low seasons (Pegg 2012), causing reduced profitability and productivity (Karamustafa & Ulama, 2010). Seasonal employment is especially an issue because sporadic demand for labor can result in workers seeking work beyond the local area if businesses cannot retain

and promote employees year-round due to seasonal demand fluctuations. Although some people, such as family business owners, seek communities that are highly seasonal because they provide a recuperation period during the off-season, this population is a relatively small portion of the labor force (Lundtorp 2001). In general, seasonality has negative effects on the labor force and can result in a loss of talented local workers because the sporadic demand for labor can cause those in the labor force to seek work elsewhere, where demand for services is consistent year-round (CRC for Sustainable Tourism, 2008).

Although both the physical and institutional factors of seasonal tourism are difficult to change, there are several economic development strategies that can be used to mitigate the negative impacts from seasonality. Generally, strategies are either small-scale firm-based initiatives³ or broader strategies led by the local government to target seasonal employment issues. In general, the most successful initiatives or policies to combat seasonality have the backing of both community leaders and business owners, regardless of whether they are government or business-led (Baum 2001).

Local government strategies to address seasonal employment issues include trying to lengthen the main tourist season, diversifying markets, using differential pricing and tax incentives on a temporal basis, encouraging local tourism in off-seasons, and creating seasonal work programs (Bar-On 1975). Table 1 provides a brief snapshot of each strategy including the local government role and benefits to the regional economy. The following subsections provide more discussion.

Table 1 – Strategies for Economic Diversification in Tourism-Centric Communities

Strategy	Description	Local Government Role	Benefits to Regional Economy
Lengthening the main tourist season	Develop off-season events, attractions, festivals, and off-season pricing to encourage continued visitation.	Working with the local tourism board to encouraging business to have promotions and specials during shoulder seasons. Go after state and federal grants. Work with townships to change housing ordinances to diversify housing options for tourists.	Visitors stay longer on average with the presence of a festival or event (Cannas 2012).
Encouraging local tourism in off-seasons	Utilize local tourism organizations like the Tourism Bureau to host local tours during the off-season. Promote special deals for locals.	Organizing and supporting off-season events and specials for local citizens.	Local businesses support one another and spend more in the local economy.

³ Although Dare County cannot contribute to firm-based initiatives directly, firms in in the county can employ Human Resources Management techniques to better cope with issues of seasonality. Firms should either make the strategic decision to “embrace” seasonality or “challenge” it, and align policies and recruiting techniques with these larger strategic goals (Jolliffe, 2013).

Strategy	Description	Local Government Role	Benefits to Regional Economy
Diversifying product markets	Developing niche products that are appealing to tourists or serve the full-time local market	Providing infrastructure and other needed assets to niche industries that have greater stability. Promote these as opportunities for year-round jobs.	Creates year-round jobs related to production, element of economic specialization. There is a direct relationship between the product/market mix and the degree of seasonality (Cannas 2012).
Diversifying population markets	Attract retirees or other specific populations to locate in the area	Invest in new-economy infrastructure such as high speed broadband and amenities. Run lifestyle marketing campaigns. Pursue state and federal grants.	Generates year-round wealth in the region and increases demand for business and health services.
Creating seasonal work programs	Seasonal workers can be re-allocated to off-season jobs that fit their skillset	County can recruit firms that complement the existing seasonal tourism sector jobs.	Retains the local workforce and brings their skills (e.g. customer service) to be used in new sectors.

Sources: Various, Bar-on 1975

Lengthening the main tourist season

In order to increase the length of the tourist season, local governments can work to develop or encourage off-season attractions such as festivals and conferences, especially on the margins of the on-season (also referred to as the “shoulder season”). The government can also encourage businesses to expand products into the off-season via packaging (e.g. special occasion packages for accommodation and restaurants), and lower off-season pricing to encourage greater visitation and increase expenditures.

By their very nature, these initiatives require partnerships with the private sector. For example, partnering with local marketing enterprises can help create tactical branding campaigns to promote off-season events and packages/pricing. Partnerships with event organizers ensure the community is to bidding for events and managing an events schedule to provide a year round spread of activities and bring a range of local businesses together that can play a role in these events (CRC for Sustainable Tourism 2008).

Encouraging local tourism in off-seasons

In order to encourage spending during the off-season, local governments can collaborate with organizations such as the tourism bureau to market tourist activities to full-time residents or locals. This can include specials such as a “restaurant week” for residents to encourage local spending and support tourist-based industries. Additionally, local tours can be marketed at a discount to residents in order to increase the demand for off-season tourism.

Diversifying product markets

Coupled with the strategy of attracting new events and festivals is encouraging the development of niche products, such as artisanal food, wine and crafts. In order to encourage this type of activity, governments can offer tax incentives or wage subsidies for firms that continue production and employ workers year round (Jolliffe, 2003). The idea is to diversify the economy into the production of goods,

which requires labor year-round unlike service-based jobs, such as retail, that depend on meeting the on-season needs of tourists. Other approaches include providing infrastructure and shared resources for small, pre-existing industries (for example, see Cape May County, NJ community spotlight).

Diversifying local population markets

Additionally, one best practice to diversify a seasonal economy into new sectors is to generate year-round wealth by attracting retirees. Retirees increase the demand for local services, bringing money from outside the region in the form of retirement accounts. This wealth is then re-circulated in the local economy to support activities like construction and retail. Similarly, Medicare payments (which also originate external to the community) can also generate demand for activities related to health care services (Appalachian Regional Commission, 2013).

Creating seasonal work programs

Local governments can also facilitate off-season training programs for workers in tourist-based service jobs so they can transfer their skills to other work during the off-season. For example, many seasonal service jobs could be replaced by other customer service work during the off-season, such as work at a call center (Scruggs, 2016).

3. Review of the Interviews

After initial conversations with several economic development experts about potential best practice communities and background literature research, we selected three communities for further research because of the potential lessons that could be shared with Dare County. We spoke with multiple individuals in Southwest Virginia, Cape Cod, and Cape May County, NJ. We chose these particular communities because of their innovative programs and efforts to diversify, their relatively small regional economies, and two of the three communities are coastal. A complete listing of our interviews can be found in Appendix A.

Best Practice Community Spotlight #1 – Southwest Virginia, Crooked Road

Community Profile

The region of Southwest Virginia, where the Crooked Road tourism initiative took place, is similar to Dare County in that it is at least 1.5 hours driving distance from a major metropolitan area. Like Dare County, Southwest Virginia has a rich cultural heritage and is comprised of small, rural townships that are connected by a few major roadways. The main road connecting the towns is Highway 58, which comprises a large amount of the Crooked Road music trail.

Initiatives

The Crooked Road initiative was formed in January 2003 out of an ad hoc meeting in southwest Virginia that convened stakeholders in the community to talk about a potential music trail that would pass through small towns in the region. This project was part of larger portfolio of community and economic development work led by Todd Christensen and others from the Virginia Department of Housing and Community Development that had been carried out in the region since the 1980s. Initially, efforts in the region focused on basic infrastructure issues such as water and sewer access. Anecdotally, roughly 80% of people in the region had no running water in the 1980s.

The primary goal of the Crooked Road project was to make Southwest Virginia a national tourist destination and triple the cultural heritage tourism market in the region (Christensen 2016). The vision was to connect small rural towns and existing music venues in the region with a unified brand and with signage designed by locals. Today, “The Crooked Road is a 330 mile driving trail through the mountains of Southwest Virginia that connects nine major venues and over 60 affiliated venues and festivals that visitors can enjoy every day of the year. ‘The Crooked Road: Virginia’s Heritage Music Trail’ is also a 501 (c) 3 non-profit organization whose mission is to support economic development in Southwest Virginia by promoting this region’s rich heritage of traditional music” (The Crooked Road, 2016). This project contributed to the need to systematically restructure the region’s economy from traditional dying industries—textiles, furniture, tobacco, and coal mining—to a new model. Additional partners included local artist groups, Joe Wilson (a music historian who provided the music content), the Nature Conservancy, the Rural Development Council, the Cumberland Plateau Planning District Commission, and various tourism and economic development groups in at the municipal and county-level.

What Works

According to our interviewees, The Crooked Road got Southwest Virginia on the map in terms of tourism. Before the Crooked Road, tourism initiatives were focused on Eastern Virginia, with historical assets related to the founding of the U.S. emphasized as attractions. The impact of Crooked Road began to be seen in key metrics such as visitor expenditure and tax revenue generated from visitors. Increased media coverage was also considered to be important. For example, in 2011 there was a New York Times article in which Sarah Wildman, a travel writer for the NY Times, detailed her summer road trip along the Crooked Road, ending the article by claiming that “You could spend a whole summer here, I realized, going to jams every night, seeking out sit-down venues like the Fold, and the Lincoln, standing-room-only music sessions in stores, and hiking the trails along New River” (Wildman, 2011). The Crooked Road has also been featured in the Smithsonian Magazine and National Geographic’s “Discover Appalachia” interactive map (Ingram, 2011). According to Steve Galyean who was the tourism director in Abingdon, VA (a town along the Crooked Road) and who now works at the Virginia Tourism Corporation, since the Crooked Road initiative there has been a steady but modest increase in tourism and visitor expenditures over the past 10 years.

The Crooked Road has anecdotally helped the region to bring younger individuals and new businesses to the region. Jim Baldwin pointed out that Southwest Virginia did not have robust infrastructure before the Crooked Road, in the early 2000s, but the Crooked Road has helped to catalyze that. Now, there are a few hundred miles of fiber optic broadband across four counties in the region. This has brought new economic growth. For example, the town of Galax recruited a new furniture manufacturing plant, Albany Company, in 2011 that added 300 jobs to the region. Additionally, Northrop Grumman has an office in Southwestern Virginia and CGS, a Canadian company, recently brought 600-700 IT jobs. There were also synergies between downtown revitalization efforts and the Crooked Road project. For example, 8 towns along the Crooked Road began to form Master Downtown Revitalization Plans after the initiative began; towns along a river were especially poised to develop the riverfront as a way to appeal to tourists.

According to the 2008 Crooked Road Economic Impact study, accommodation spending increased by 232% in the town of Galax from 2004-2007 and by 90% from 2003-2007 in a similar town, Floyd. Floyd was able to build on its asset of an old country store, and it now has 25+ businesses downtown and weekly Friday night jamborees in the street (Christensen, 2016). Direct spending in the Southwest

Virginia region from visitation is estimated at \$12.9 million and the total economic impact to the region is estimated at \$23 million per year. While the Crooked Road is still very much an active brand, it has more importantly paved the way for additional tourism and economic development opportunities and initiatives focused on the arts, recreation, and revitalization (Ingram, 2011).

Challenges

One challenge is that many of the recreational and music-oriented activities do have a seasonal component. According to Steve Galyean, this is a current issue that Southwest Virginia is working to address. Product-focused firms, such as Albany Company, are important recruits to the region because they provide year-round jobs to locals, who can manufacture furniture through the winter to sell during the tourist season. Towns such as Damascus, which are anchored around outdoor recreation, are especially faced with seasonal population booms. These communities are beginning to shift resources to focusing on tourists that are less interested in purely outdoor activities. Damascus has developed a brewery, a boutique hotel, and the retail sector, in order to encourage year-round visitation, especially from those who are less active. Additionally, a Christmas Music Festival helps to draw people during the off-season. The seasonality issue is also addressed by having major indoor music venues along the Crooked Road. However, as Steve pointed out, the first step is to increase overall tourism in the region, and they are just beginning to shift towards expanding the length of the tourist season.

Takeaways for Dare County

Grass Roots approaches can work well: In some ways, the Crooked Road was a grass-roots initiative. For the first year and a half, there was no funding. This bottom-up approach was established in the initial kickoff meeting which was targeted to mid-level personnel from a variety of stakeholders rather than senior managers. Furthermore, there was no single party that was viewed as a leader of the effort. As Todd Christensen put it, “there needs to be a roundtable rather than someone at the head of the table.”

Expert facilitator: A full-time staff member who is dedicated to the initiative, well-spoken and can rally people around the initiative is necessary to make progress.

Need an energizer with content expertise: Joe Wilson provided content expertise for music history and ultimately was a big reason why people were energized to buy-in to this concept.

Build on existing assets: The Crooked Road did not create something out of nothing. Many music venues already existed, as well as the rich cultural history and musical traditions. The initiative built on existing assets instead of creating something entirely new. Instead, it built up tourism around 5 or 6 existing music venues in the region. These assets were leveraged and tied together into something more meaningful. It was also tied into existing programs for downtown revitalization in several towns.

“Open-access” brands can unify towns and cities: Todd Christensen referred to the Crooked Road brand as “open-access,” that is, something that is on the shelf that any business or organization can use. The brand itself represents a set of shared values or qualities. It does not represent specific personalities. An important part of the brand was explicitly avoiding contrived experiences. The leaders wanted it to depend on things already happening in the region.

The Crooked Road was not a panacea for the region: Although tourism is a starting point for economic growth, it has not yet fully replaced the high-paying manufacturing and mining jobs that have largely

faded from the region. Tourism can help create awareness of a place, but it does not solve more systemic economic problems.

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Best Practice Community Spotlight #2 – Barnstable County, MA

Community Profile

Barnstable County, Massachusetts, is very similar to Dare County in terms of its geography, demography, and economy. Geographically, Barnstable County is co-located with the region known as Cape Cod, a peninsula that extends from Southeastern Massachusetts into the Atlantic Ocean. Barnstable County and Cape Cod are used interchangeably, just as Dare County and the Outer Banks are rather synonymous terms. Like Dare County, Barnstable County incorporates 15 smaller townships that make up the region. Barnstable County is known for its beautiful beaches and has a wealth of coastal resources that present both opportunities and challenges for the economy.

Like Dare County, the economy in Barnstable is largely based on tourism, with tourism industry sectors, such as food services, accommodation, and retail, contributing almost half the dollars flowing into the economy. Additionally, 25% of the Barnstable County labor force is employed in tourism-sector jobs (Cape Cod Commission 2013). The prominent second home market on Cape Cod has contributed to rising home costs, making it difficult for low-wage seasonal employees in tourism to subsist on the Cape year-round. According to Bert Jackson, Chair of the Cape Cod Technology Council, of 2,200 homes for sale in the county last year [2015], 1% were affordable for dual income households making under \$80,000 annually. Bert estimates that 40-50% of homes on the Cape are second homes, which is a comparable statistic to Dare County. Additionally, retirees are an important demographic to the region's economy. Barnstable County has a population of 24.5% seniors (aged 65+), compared to the state average of 13.6% seniors (Cape Cod Commission, 2013). This makes Barnstable County the oldest county in New England.

Initiatives

In order to address seasonality, Barnstable County formed the Cape Cod Commission as a regional planning organization in 1990. According to Leslie Richardson, the Chief Economic Development Officer, the Commission's formation was the result of a population and building boom in the 1980s that threatened coastal resources due to inappropriate land uses. The commission was originally a regulatory body with the goal to protect the region's coastal assets via land use planning. Additionally, part of the original legislation was to encourage the development of a more balanced economy. The commission's mission statement is "to protect the unique values and quality of life on Cape Cod by coordinating a balanced relationship between environmental protection and economic progress." (Cape Cod

Commission, 2016a) The commission is has initiatives in economic development, wastewater, permitting, bicycle and pedestrian paths, and rotaries (Cape Cod Commission, 2016b)

What Works

Currently, the Cape Cod Commission has several different initiatives to address the seasonality issue. According to Leslie, there has not been one profoundly successful program, but all of them together have slowly contributed towards the goal of a more balanced economy. The Commission also works with local zoning codes to increase the number of accessory dwelling units (ADUs) allowed per tax lot. This creates opportunities for home owners to build and rent out small apartments on their property that could be occupied by seasonal workers. They are also working with townships to increase the building density, allowing for more concentrated housing (i.e. apartments) in townships that have the existing infrastructure to accommodate for it.

The Commission also works closely with the Cape Cod Chamber of Commerce to target sector economic development that could mitigate seasonality. Although each township has its own Chamber, the regional Chamber has an ongoing “Blue Economy” marketing initiative that was launched in 2016 in partnership with the Commission. This initiative was developed during a strategic planning meeting. The idea is to encourage growth and innovation in the marine technology sector because the Cape’s economy is closely tied to the ocean and coastal resources. This has been accelerated by the Chamber’s annual startup weekend, which used the “Blue Economy” theme. This weekend event was co-hosted by Tech Stars, a group that does accelerator events across the nation. Essentially, five teams of entrepreneurs participated in lightning round competitions in one weekend, and 2 teams were able to create business plans and move forward with prototypes and websites related to their marine technology ideas. For example, the participant “Aquaify” developed a home-based water testing product. The Blue Economy initiative has also engaged scientists at the Woods Hole Oceanographic Institute, a local marine research center affiliated with MIT, to partner with local entrepreneurs in order to spark technology transfers and commercialize research. In addition, the Chamber provides a small co-working space for local marine startups.

Additionally, the Commission works closely with the Cape Cod Technology council on several economic development initiatives. The Tech Council is a non-profit membership organization focused exclusively on local technology enhancement. One of the major initiatives that came out of this partnership was the “Open Cape” project, which began in the 1990s to connect anchor institutions (universities, towns, private companies, local businesses) to centralized broadband services. In 2010, Open Cape received a Federal grant and the Commission, Chamber of Commerce, and the Tech Council are strategizing about how to meet 21st century broadband needs going forward. Open Cape has a data center with GIS and central mapping and each of the townships outsource services from the organization. In the past, efficient broadband has been a strategy to recruit businesses and encourage people to stay in the Cape year-round.

Challenges

Seasonality is a persistent issue, and the Commission is still working to make the cape a more balanced economy while keeping environmental concerns in mind. One of the main environmental challenges that the Commission faces is water quality and the associated waste water infrastructure that is needed to help sustain water quality. Some of Cap Cod’s wastewater infrastructure needs upgrades so resources

must be allocated here. Without high quality water and wastewater infrastructure, economic development is a moot point.

Another challenge for Cape Cod has been affordable housing. On the regulatory side, the Commission has initiated programs that provide bonuses to developers that build workforce housing for seasonal and international employees. However, no developers have applied for these bonuses yet.

Takeaways for Dare County

Be patient--progress is slow and hard to measure: As Leslie Richardson pointed out, it is hard to change a culture and get people to work together across townships to address seasonality. Impacts of projects take 10 to 15 years or more to be realized.

Local loans help grow local business: In order to encourage local businesses, especially in underserved populations, organizations that provide small business loans are important for growth. For example, Cape Cod has the Coastal Community Capital organization, and a Community Development Corporation (CDC) in the Outer Cape.

Institutional partnerships can foster more year-round jobs: Research institutions should be integrated into the local economy. Barnstable County has leveraged its relationship with the Woods Hole Oceanographic Institute, which is affiliated with MIT. Although this institution does not provide a large number of jobs, it means that several prominent marine scientists work and live on the Cape, contributing to the economy. Also, pairing local entrepreneurs with scientists encourages information exchanges.

Regional partnerships are critical for economic growth: Without partnerships with the Chamber and Tech Council, the Commission would struggle to implement programs. The Tech council, for example, is an important regional organization because it can be forward-looking in terms of technology where local governments are lagging. It serves to inform the region and bring residents into its events to learn how they can improve their businesses. As Bert Jackson pointed out, many of their events are attended not by tech experts, but by locals who are curious about improving their tech knowledge. Similarly, the Chamber of Commerce is a way to market Cape Cod's economy and educate people about issues, where the Commission serves more as a regulatory body.

Strategic planning can help counties remain cognizant of its issues and proactive in addressing them: For example, the Cape Cod Commission puts together a comprehensive economic development strategy each year for the Economic Development Administration as part of their grant conditions. This document outlines goals and is used to benchmark progress.

Seasonality goes hand-in-hand with small coastal economies: Cape Cod has become less seasonal than the early 1990s, when people would make enough money during the summer to be unemployed during the winter. Now, there are more year-round jobs present in healthcare, retail, marine, and other industries. However, in a beautiful place with a myriad of natural resources, the physical factor of seasonality is inevitable to some degree.

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Best Practice Community Spotlight #3 – Cape May County, NJ

Community Profile

Cape May County is a peninsula in southern New Jersey that experiences tourism surges on a large scale similar to Dare County. Cape May has about 95,000 year round residents with summer tourism surges of about 750,000 people during summer weekends. According to a county individual, tourism brings over \$6 billion a year into the area.

Cape May County has focused on growing their eco-tourism and agricultural tourism sectors such as wineries, fishing, and oyster farming. We spoke with an individual from the county and with a local vintner.

Initiatives

About 5 years ago, the free holder or mayor of the county changed and created an economic development office that has focused on identifying industries that may have year-round potential. They took stock of their local industries and looked at opportunities. The county realized that with changing tourism trends, eco-tourism could be a strong component of the regional economy if promoted. For example, they are a top bird-watching location in New England due to natural resources, wetlands and coastal bays and ocean fronts.

The county has been exploring what it can do to enhance eco-tourism and agricultural tourism and other industries that complement their traditional tourism economy? Given the microclimate on the peninsula, local wineries have begun to emerge as a strength over time. Currently there are six wineries in operation. The county and business owners have realized that wineries fit in with the tourism clientele that come, specifically the baby boomers who want experiences to go along with products they consume. There has also been a realization that fishing and oyster farming are important for the area and the county has worked to support these industries.

What Works

The county has assisted the local wineries with an intense effort to obtain a designation as an American Viticulture Area. The county's economic development and planning staff went through the parts of the process which the wineries did not have the bandwidth or technical resources to do including the mapping aspects. The county has not gotten final determination back as of the date of this writing. This designation could be a really important marketing tool that will help set the Cape May wine apart from other parts of New Jersey and the U.S.

Focusing on eco-tourism and agricultural tourism can help provide jobs that are more year-round. Both the wine and oyster industries are more or less year-round. There is a bit of ebb and flow at wineries, but they are open year round for tasting and retail. The vintner we spoke with took a special point of pride in providing employment opportunities for his workers throughout the year. Oysters require tending to twice a day for most of the year.

Another initiative the county has is an open space program. It brings in \$5 million through property taxes. The program is designed to maintain the agricultural and rural nature of the county. They have also expanded the program to include historic preservation and parks and recreation which is helping them fund a regional bike and pedestrian path.

One large grower connected to commercial fishing industry and took advantage of Rutgers lab where they grow seed stock shellfish lab. They lease land from state of NJ to grow their oysters. There is growth potential in this area, but the startup stage is complex. The county currently has 1 large grower and 6-8 smaller growers. Smaller growers have been encouraged to form a cooperative. Processing needs are the same. To support smaller oyster growers, the county is working on a shared process facility. The county is also purchasing a refrigerated van that can be leased to the cooperative at no cost so that they can get their products to market elsewhere in New Jersey. Currently, these products gross about a \$500,000, but it is estimated that they could increase to as much as \$10 million.

More holistically, the county is in the process of considering bringing the wine and oyster industries together into a multi-function facility designed to formally recognize the strength and importance of these industries. This culture, history, and education center would be a new constructed building designed to highlight agriculture and aqua-culture assets in the country.

Challenges

Working with small companies and industries to determine needs is not an easy task. These individuals are often focused on developing their businesses and day-to-day operations. However, most small business owners are interested in collaborating if it can be mutually beneficial.

Relative to the total year-round residents in the county, agriculture and tourism are only a small portion of the total. However, picking a focus area that is rooting in local strengths and assets is a logical choice and a narrow enough area that the county can make an impact.

Takeaways for Dare County

Build wealth from within by focusing on maximizing value from existing local assets: The county noted that it subscribes to a wealth-works framework that Deb Markley from UNC Chapel Hill and others are involved in which focuses on building creating value that is rooting in local people, places, and firms.

Infrastructure matters: whether it is a joint processing facility for oyster growers or refrigerated trucks to help them get their products to market, infrastructure matters. Strategic investments to support emerging industries can help them grow.

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4. Findings

We find that the role of the local governments is to facilitate discussions and planning efforts, convene stakeholders, invest strategically in targeted infrastructure that will support economic growth, and have a long term commitment to addressing seasonality

Local government can play a unifying role by helping to align stakeholder under a common vision and plan for the region. Successful economic development plans and initiatives tend to build on existing assets in the community rather than try to create something from the ground up.

Virtually every successful initiative that we are aware of involve some sort of partnership between local governments and other institutions such as non-profits, municipalities, state groups, and local companies. One specific partnership that Dare County can further explore is working with the Coastal Studies Institute on mutually beneficial objectives oriented toward economic development.

Ultimately, diversification of seasonal economies is a long-term process that requires sustained effort by partners over time to make an impact. Seasonal employment opportunities will always be a persistent challenge for many tourism-based coastal communities, but is possible to make headway.

Appendix A. Phone Interviews

#	Interview	Community	Organization(s)
1	Todd Christianson	Crooked-Road	State Department of Housing and Community Development
2	Steve Galyean	Crooked-Road	Virginia Tourism Corporation
3	Jim Baldwin	Crooked-Road	Cumberland Plateau Planning District Commission
4	Leslie Richardson	Cape Cod	Cape Cod Commission
5	Chris Adams	Cape Cod	Cape Cod Chamber of Commerce
6	Bert Jackson	Cape Cod	Cape Cod Technology Council
7	Leslie Gimeno	Cape May	Cape May County, NJ
8	Kevin Celli	Cape May	Willow Creek Winery
9	Pat Scruggs	Expert	Scruggs and Associates
10	Deb Markley	Expert	UNC Chapel Hill
11	Erik Pages	Expert	Entreworks Consulting

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