

Chapter 4

THE ECONOMY

Introduction

The purpose of this chapter is to present a strategic plan for Bridgton's economic future in the context of its financial history, geographic location, demographics, and current available work force and technologies. The plan's goal is to put into place policies that provide stable employment opportunities at a living wage, provide a downtown that provides ample goods and services for both the resident and the visitor, and create a sustainable tax base to provide efficient municipal services to support the resident population and the business community at a high level of service.

Bridgton Historic Economy

Financial History, Geographic Location, Demographics

Bridgton has a natural geographic position between the lakes and mountains of western Maine that has historically given it an economic advantage. The attraction for people from all over to the natural beauty of the area created a strong tourist trade. The construction of transportation arteries around the lakes and therefore through Bridgton created a hub of commerce. These two economic forces have made the town what it is.

From the mid-1800's until the mid-1900's Bridgton prospered. Five power sites on Stevens Brook allowed varied manufacturing firms to provide substantial employment at sustainable wages for town residents and individuals from neighboring towns. However, changing technology and competition from other areas of the United States and other countries caused the closing of the aging mills.

However, the continued existence of a skilled labor force combined with recruiting efforts caused enterprises embracing new technologies to begin operations locally in the late 1950's and early 1960's. After that, new manufacturing firms producing knitted products, shoes, wooden dowels, and high-tech electrical components offered fairly compensated jobs, though at a reduced level from a decade earlier. This second period of growth was promoted by proactive solicitation of new businesses that included a business development corporation and a small venture capital corporation. Success caused complacency and active business development waned. Again advancing technology and competition caused the relocation or closing of all but a few of these firms in the late 1990's and beyond. Today little remains of the once flourishing manufacturing sector.

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During these years of manufacturing many support and service businesses were created on the traditional downtown Main Street. Two or more hardware stores, barbershops, eateries, clothing stores, theaters and other specialty and service businesses catered not only to Bridgton residents, but to the individuals in the eight adjoining towns and to others. The regional highway network made Bridgton easily accessible and these businesses flourished until the employment at the mills began to decline. Competition from new large stores and malls in Conway, NH, Windham, ME and the Maine Mall in S. Portland accelerated the loss of traffic in town retail businesses. At the time the final mills began to close many storefronts on Main Street also became dark and the buildings began to fall into disrepair.

Over time, and with the loss of year-round manufacturing jobs, Bridgton's economy became increasingly dependent on tourism. An analysis of sales and meal tax receipts for 2004 through 2010 reflect that retail sales decline by thirty-two percent (32%) during the months of January through April as compared to the four (4) peak summer months of June through September. October and November also show a significant decline in retail sales of approximately twenty percent (20%). This seasonal fluctuation is more pronounced in restaurants and lodging. For the same period comparisons the percentages are sixty (60%) and forty (40%) percent of peak summer volumes. This decline in winter business volume has caused the business model of many retail, restaurant and lodging facilities to be unsustainable.

Bridgton's tourist trade has a long history. Since the 1800's the region's lakes and mountains have drawn people to enjoy boating, swimming, camping hiking, foliage, and winter sports of skiing, hunting, snowmobiling, and snowshoeing. Prior to 1960 most tourist rented small cottages for one or two weeks. This constant turnover of transit tourist created a demand for services and product from local groceries and other specialty stores.

Beginning in the sixties the trend began to change from renters to families who began buying the previously rented cottages or building new structures that served as second or vacation homes. Frequent use of these homes causes them to be furnished with the families' getaway needs. This trend increasingly reduced the demand for services from local groceries, specialty stores, and restaurants. As the owners aged and retired many of the second homes became retirement homes. Retirees often became full time residents but other times became seasonal residents spending part of the year in warmer climates or traveling. This trend is reflected in Table 3.2 (Housing, page 3-3). It reflects that one third of all dwelling units are seasonal units or second homes.

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In the past ten years, even as employment decreased, Bridgton and adjoining towns saw an increase in full and part-time residents in Bridgton and adjoining towns, again utilizing Bridgton as a core of easy accessibility to retail and service businesses. The overwhelming success of a new Hannaford grocery, a Dunkin Donuts, Hancock Lumber and the doubling of the size of Renys, indicates that if a needed retail business is built that customers from neighboring towns will come. Once again, Bridgton's in-between location creates opportunities for retail businesses. This trend is shown in Tables 2.3 (People, page 2-3) and 3.1 (Housing, page 3-2). Reflected are increases of 17.7% in population and 14% in building units collectively in Bridgton and nearby towns during the 90's. The respective increases for the first decade of the current century are 5.7% and 15%.

Because of its location and historic economic prominence Bridgton was and still is a natural place for a hospital and medical services. Bridgton Hospital has long served the community. It has attracted a supporting cast of doctors and related medical services that provide a significant medical economic sector for the town and region.

As reflected in Table 2.8 (People, page 2-6), the consequences of the decline in the town's various economic sectors has caused a median household income that is significantly below that of the County and the State causing 15.7% of the population to be living below the poverty level.

Table 2.5 (People, page 2-4) reflects a significant increase in children younger than nineteen between 2000 and 2010 but a sharp drop in individuals in the age group 20-44 during the same period. The logical assumption is that the youth upon reaching adulthood are leaving to pursue education and employment opportunities at wage scales not available in the town and Lakes Region. Table 2.5 reflects that individuals are returning, moving or retiring to Bridgton after the age of 45. The percentage increase of individuals 45 to 64 years of age and 65 years and older are 21% and 45% respectively. This would lend proof to the previously mentioned idea that families are retiring to Bridgton because of its character and natural setting and to former second or vacation homes.

Technology

Today technology is moving forward at an ever faster pace. The speed of change and innovation has shorted the life cycle of a business. Often it is only approximately five years before it is eclipsed by a new business with new technology. The impact is no different on individuals seeking employment. Today's skills also become obsolete

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because of advancing technologies. Today most individuals must retrain themselves as least once every five years.

Closed manufacturing firms, an aged work force lacking retraining as caused local and regional employment at sustainable wages to be scarce in the town and region. What are left are service and retail positions that often pay near or at minimum wage. The exceptions are better salaried positions in health, insurance, construction and, to a limited degree, technology fields. The contradiction is that rural life often makes it a necessity to develop an ability to identify problems and develop solutions. An employer willing to train workers would often find a creative, mature, and dedicated work force in Bridgton

Existing Economic Sectors and Companies

The following is a list of major Bridgton businesses and employers.

Company	Economic Sector
Bridgton Memorial Hospital	Medical
Chalmers Insurance	Insurance
Howell Labs	Research and Development
Down East Inc.	Research and Development
Everlast Metal Roofing	Construction supplies
Macdonald Motors	Automotive
Shawnee Peak Mountain Resort	Tourism and recreation
Renys	Retail – department store
SAD 61	Education
Hancock Lumber	Construction supplies
Hannaford	Retail – groceries

These are foundation stones in Bridgton’s economy. They must be cherished and championed to continue be stable. It should be noted that with the exception of the hospital, all these firms were once local, incubator businesses that have grown into successful firms.

Summary of Bridgton Historic Economy

In summary Bridgton, like many American towns is a community having a strong economic history that for the short run has been displaced by technology development and competition from abroad. It still retains a geographical location that commands the core of the Lakes Region with its natural beauty. Its town center continues to have the traditional New England character found so attractive to residents and visitors alike. Its residents continue to have a strong independent self-reliant will. While changing with

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the times, tourism continues to be a major economic force. Along with this, Bridgton still retains eleven (11) major economic sectors, listed in the above section, from which a strong economy can be built.

Bridgton Economic Plan for the Future

Introduction

A plan for the future must be built on the reality of Bridgton's current economy, both assets and shortcomings. The dream of a national major corporation opening a significant presence is not a reality for numerous reasons. The future can be built only on today's truth. To do otherwise is to build on quicksand. Assets and shortcomings:

1. Tourism has been the town's most consistent economic sector.
2. In the past, innovative start-up enterprises have thrived until technology and competition closed or caused relocation. This entrepreneurial spirit is still reflected in the remaining major employers but is not being developed or revitalized by town or citizen support of the existing firms or by the active solicitation of new businesses.
3. A historic New England town center exists. It needs substantial infrastructure and physical improvement to attract tourist and varied business types. Presently the Main Street economy occurs during daylight hours. Owners of town center properties lack the real estate management expertise and perhaps financial resources to fund structural improvements and retain tenants to make properties economically viable.
4. At present the town wastewater system has limited additional capacity inhibiting new businesses from locating in the town center, unless a building with sufficient existing sewer allocation is obtained for its operations.
5. Major water resources for recreation and tourist attraction run the length of the town center.
6. Bridgton resides on the intersection of many of the major arteries needed to traverse the Lakes Region of western Maine.
7. The town's school system, while making significant educational improvements recently, has a reputation of inadequacy that causes families with children not to choose to locate to Bridgton.
8. The natural beauty of the region's lakes, mountains, lifestyle and recreational activities make Bridgton and the surrounding area a current choice for retirees.
9. Loss of young adults, the arrival of new retirees and the aging of residents is creating an older population.

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10. Bridgton Hospital is, and will become, an increasingly important economic engine.

The Plan's Components

Tourism

Tourism is multifaceted but is presently driven by the seasons. It exists as an economic sector because of the beauty of the lakes, mountains and streams of Bridgton and the Lakes Region area. Tourism here is based upon activities rather than historical or natural sights. Summer has the most activities and tourists. Many of these activities continue into the fall foliage season, extending the tourist season. Hunting season is another activity that draws people here. Winter brings new sports but a sharp decrease in tourist activities and access. Spring is even less generous but begins to start a new cycle.

Increasingly there are four types of tourist. First are the historical short-term renters of cabins and cottages. Campers at local campgrounds are appropriately placed in this group. While many return annually, increasing numbers find this reasonably priced vacation a way to taste the region's beauty and activities for the first time.

Children attending summer camps are a second type. At one time Bridgton had approximately sixteen such camps for boys and girls. Four remain in town today. Surrounding towns have had similar camp histories. The attending children are exposed to the summer activities of the area and remember them with a fondness that often cause them to return as renters in later years and to place their children in the camps they once attended.

Positive memories of these first two visitors can and do create future tourists. The sharing of their experiences is the word of mouth advertising that expands this economic sector of the town. However, it is the responsibility of the community to protect the experiences. To do so the plan anticipates:

1. Meeting with the camps and campgrounds at least semi-annually to discuss their needs and ways in which the town can contribute to their operations and campers experiences.
2. Meeting with agents and owners who rent cabins at least annually to discuss their needs and what services the town can improve upon to serve the renters.
3. Working with interested for profit and non-profit parties and individuals to develop public recreational activities for the public but with a concern for enticing and providing a positive experience for tourist.

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4. Developing a coordinated and easily understood dissemination of information concerning available activities and their location.

The third type of tourist is the day-tripper. These individuals come to Bridgton and/or the region for an escape or for a specific activity. These individuals may be from a nearby metropolitan area. They may be a bus tour using Bridgton as a point of interest on a longer trip. It may be shopping, hunting, foliage, golf, skiing and any number of activities that causes the one day or weekend excursion. Again the experience is about a favorable impression that causes their return. Many of the strategies to accomplish this are the same as above. Additionally the plan includes:

1. Providing easily observed and understood signage.
2. Adequate parking for downtown shopping and venues and at trailheads and recreational activity locations.
3. Tour bus parking and passenger pickup locations.
4. Descriptive and informative promotional material prepared and disseminated to attract day-tripper and bus tours.
5. Work with lodging operators to define ways that the town can assist in developing community assets to provide quality overnight stays that reach beyond the confines of the lodging properties.
6. Suggest that the Chamber of Commerce develop a volunteer committee of Bridgton residents to work specifically to develop and disseminate promotional material in cooperation with the town and for profit and non-profit entities to attract and direct day-trippers.

The final tourists are the owners of vacation or second homes. The residency of these individuals varies. Their homes may be used on weekends and for several weeks during the year. They may be seasonal residents. Finally, they may be individuals who reside in Bridgton the majority of the time but go south or travel for extended periods. While they may be quite familiar with the town their part-time residency may leave them unaware of certain assets or activities. Recognizing that some quantity of these part-time tourists will become full-time residents the plan includes the following;

1. Development of informational material concerning town and regional facilities, regulations, etc. that can be disseminated in a cost effective manner.
2. With the understanding the time spend in residency will be extensive suggest the Chamber of Commerce develop in-depth informational materials on regional recreation, educational and social activities.

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3. Work with Chamber members to develop a detailed and current source of products and services provided by member and non-member businesses within the town.

Historically, and confirmed by an analysis of sales tax receipts, the tourism season has been June through September. This creates a seasonal economy. However, as previously noted, winter also has many appealing activities. These are enjoyed by seasonal and part-time residents, though in lesser numbers than the summer and fall. What is largely missing is participation by short-term renters and day-trippers. Only skiing draws these tourists. In an effort to promote these tourists the plan envisions a determined effort to:

1. Work with existing for profit and non-profit winter businesses to define winter tourism opportunities. A particular need is the development of winter lodging. An example of such lodging is the cabins and yurts at the top of Pleasant Mountain.
2. Develop, expand and promote winter festivals and events. A November half marathon is an example.
3. Create through the town, Chamber of Commerce, or Economic Development Corporation, a volunteer and possibly paid position to promote winter tourism.

Home Construction

As discerned from Table 3.1 (Housing, page 3-2), the total number of building units (mostly single family homes) has increased by 27% between 1990 and 2010. Table 2.5, Population Growth by Age, (People, page 2-4) shows increases of 21% and 42% for the 45-64 and 65 and over age brackets respectively. When these facts are correlated the logical conclusion can be drawn that either these homes are being built as second homes, as retirement homes, or they are second homes that are now being converted into retirement homes.

The aging and retirement of the “baby boomers” will accelerate this trend. It is not new or unique. The significant development of Cape Cod is an example. It is happening elsewhere. The construction of second and retirement homes between locations will be competitive.

To maximize this economic opportunity a forward-looking business plan must have;

1. A governmental plan of;
 - a. Land and development management.

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- b. Infrastructure and service expansion to include but not be limited to water, sewer, trash, police, fire, library, community center, parks and beaches.
2. A community marketing plan possibly through the Economic Development Corporation (EDC) and the Chamber of Commerce (Chamber), promoting Bridgton as a vacation and retirement home location.
3. An educational program in cooperation with the State of Maine to teach building techniques and retain builders and developers who construct homes utilizing advanced but affordable technologies. An emphasis on energy efficiency in a time of rising energy cost has proven to be a competitive advantage for some builders.
4. A town center concept incorporating mixed use properties that will expand the downtown economy from just daylight hours to evening hours as well.
5. A recognition of the need for senior housing as defined in the Fair Housing Act and with the town providing the exemption therein provided.
6. A recognition of the need for and the encouragement to build housing to meet the need of individuals splitting their residence between Bridgton and elsewhere.

Senior Citizens

As reflected in Table 2.4 in People of Bridgton, the median age in Bridgton has increased from 39.8 to 44.4 in the past decade. This 12% increase in ten years reflects the aging of the population. Table 2.4 reflects that the cause of this change is the significant 42% increase in the number of individuals 65 years and over. These statistics identify a large growth in the Town's demographic that have special needs. This is a social responsibility, but also must be seen as an economic opportunity.

The non-profit social organizations and possibly the Chamber of Commerce and Economic Development Corporation need to identify the needs required by this age group. They need to work with existing for-profit entities. Working collectively, financial opportunities for creating new, and expanding existing businesses need to be identified. Doing so will develop an economic sector to meet an increasing need and provide employment opportunities.

Medical

An increasing, aging, population in Bridgton and surrounding communities, Bridgton Hospital (BH) and the broadly implemented "Patient Protection and Affordable Care Act" (the Affordable Care Plan) makes medical care an existing economic sector that will

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soon explode in size and opportunities. BH and Bridgton's central location in the Lakes Region makes this possibly the easiest expandable economic sector with the largest financial returns and employment increases in the near future at satisfactory salary levels.

The Economic Development Corporation (EDC), working with the Bridgton Hospital, needs to spearhead with the cooperation of government agencies, non-profits and for profit business to develop a plan to:

1. Identify institutional, professional and home-needed medical services.
2. Develop an expertise about the requirements and funding within the Affordable Care Plan.
3. Work with interested parties to develop business models to created businesses to meet the needs and increase local employment.
4. Develop a recruiting committee and promotional material to solicit businesses and entrepreneurs to locate medically related firms around the campus of Bridgton Hospital.

Start-up/Seed Businesses

Bridgton has a history of start-up or seed business. The Bridgton Historic Economy section of this chapter discusses this. For reasons therein discussed an attitude of doom and gloom presently exist that is just starting to lift. There is an old adage that says sell when the market is up and buy when it is down. This often applies to starting a business. In a lagging economy cost of material, labor, capital equipment and real estate are often a bargain. An historic example is the start-up Texas Instrument in a poor economy.

There are indicators that current economic conditions are changing. Some businesses are bringing off-shore operations home and often to rural America. Call centers in northern Maine towns and operations in the northern plains states are examples. Recent economic reports reflect an increase in business volume and employment levels.

What is needed in Bridgton is the rekindling of an optimistic attitude complimented by the availability of resources and identified opportunities. Bridgton's hub of a wheel location makes it ideal for backbone businesses that serve other businesses or provide unique services to the town and region. To accomplish this, Town government, Chamber of Commerce, Economic Development Corporation, and existing business community need to collectively develop plans for the following;

Final Draft

1. Identification of businesses needed in the town and region, particularly of a backbone nature. Senior services and health care are two business sectors previously identified.
2. Retaining businesses that are using or developing new technologies.
3. Nurture the growing arts community in the Downtown. From 302 Gallery with its connected arts education space and Art in the Park, and the Rufus Porter Museum— to all the artisans and craftspeople who sell their work in local stores; this is an attraction for tourists and adds appeal to the small town lifestyle.
4. Taking advantage of the soon to be” Three Ring Binder” high-speed communication cable that will pass through Bridgton.
5. A governmental plan of (stated again because of importance);
 - a. Land and development management.
 - b. Infrastructure and service expansion to include but not be limited to water, sewer, trash, police, fire, library, community center, parks and beaches.
6. A commercial park to house businesses of varied types.
7. Professional and retail facilities to house businesses with such characteristics.
8. A locally developed venture capital entity to privately fund new or expanding businesses
9. A financial committee through the town and/or EDC to identify financing programs available through grants, state and Federal programs and the banking or private sector for funding town and or profit and non-profit entity financial needs.
10. An expertise of Federal and state programs for funding employee training of businesses through cooperation of the EDC and town agencies.
11. A cooperative apprentice program between businesses and the Lake Region High School to train future generation of skilled workers with an entrepreneurial spirit.
12. A working relationship between existing businesses, the Chamber, EDC, and town government to define the present and future needs that must be met to allow business to flourish and employment to grow.
13. EDC and government development of training programs for the presently unemployed and those lacking skills for advancement to higher paying positions.

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Town Center and major corridors

Bridgton has a traditional New England center. It is an asset. It also has major highways extending as spokes on a wheel to neighboring towns. Its geographical position forces those traveling in the Lakes Region to use these corridors and in doing so to pass through the town. Population reviews in Chapter 2 (People of Bridgton) shows that the town and surrounding communities are becoming increasingly dense and as a result the flow of traffic is increasing.

The town center is showing its age. The battle between the cost of renovations and obtaining a paying tenant is the chicken and egg problem. The paradox to this is that when properties are remodeled or new buildings offered they usually rent within a reasonable time. A limiting factor in the downtown is a lack of modernized infrastructure, particularly wastewater disposal. With thoughtful revitalization, the town center will be an asset providing quality space for retail, arts, recreation, professional, housing, and mixed uses.

The corridors are in many ways a clean canvas. Already located there are old and new auto-oriented businesses. Without planning and forethought these corridors may just become Anywhere USA. The town may lose its New England charm among the asphalt parking lots and cars in front of non-descript buildings.

To retain the asset of a New England historic character on the corridors and town center the citizens, government, EDC, Chamber, property owners and businesses must work together to create a plan that;

1. Manages growth and appearance on all arteries and town center.
2. Creates a governmental plan of (stated again because of importance);
 - a. Land and development management.
 - b. Infrastructure and service expansion to include but not be limited to water, sewer, trash, police, fire, library, community center, parks and beaches.
3. Creates a network of walkways that joins the distinct districts that compromise the town center.
4. Enhances town center parking that serves as access into town and is linked to the use of a network of walkways.
5. Allows education of property owners as to how to rehab properties and retain tenants.
6. Educates business and property owners on the importance of appearance and display of their business and property.

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7. Causes the beaches, streams and rivers of the town center to become well-marked assets that welcome their use and enhance the properties and businesses that abut them.

Schools

The Lakes Region High School's past performance has been much condemned. In 2013 exceptional efforts have been undertaken to change and improve. However, the reputation persists. This damages the ability to attract valued employees with young families to Bridgton. The School Board and the town government need to promote the high school to change the perception of it to one that recognizes the strides that are being made.

Excluding public schools, Bridgton has three teaching institutions:

- Birthwise Midwifery Schools
- Bridgton Academy
- New Hampshire Institute for Therapeutic Arts

Bridgton Academy is a nationally known college preparatory institute. The others are facilities teaching medically related skills.

The need for employee training has already been discussed. The expansion of medical services that will result because of the Affordable Health Plan will create a need to train individuals in medical services. From a small footprint an opportunity exists to build a new economic sector in Bridgton.

Summary

The Economic Plan uses Bridgton's geographic location as an asset, to build upon a century-old and changing tourism business sector and enhance future growth. Identified as additional sectors for growth are construction, health care, senior support services and backbone businesses supporting residential growth and other economic sectors within the town and region. The key to sustained growth is governmental development and expansion of supporting infrastructure. In addition, Bridgton's New England character is an attraction and a force that binds the community together. This character must be protected and replicated in future growth through a management plan.