

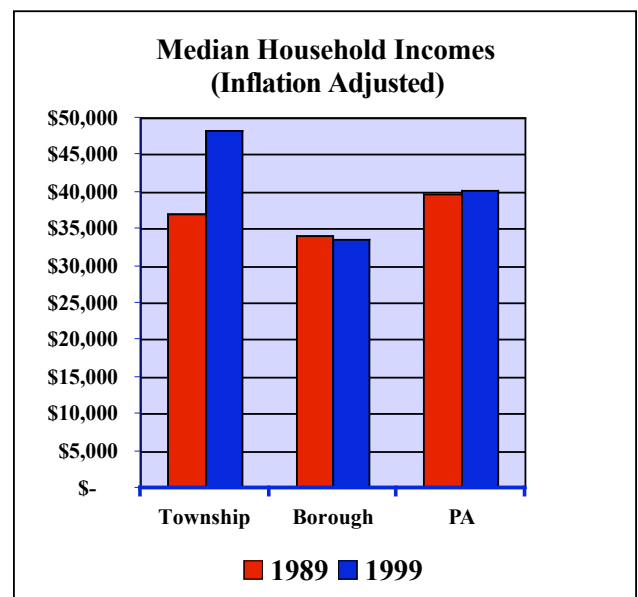
ECONOMIC DEVELOPMENT PLAN

Background

The *Demographics and Economic Base* section of this Comprehensive Plan includes a great deal of background information on the local and regional economy. Some of the most salient factors include the following:

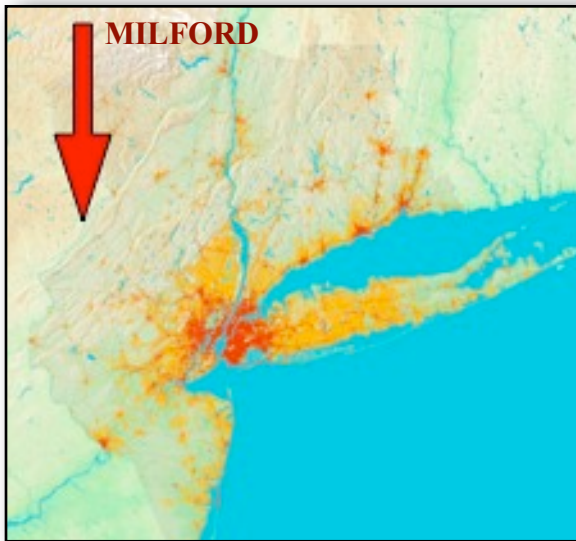
- While Pike County as a whole has grown rapidly, the Milford Area (Borough and Township) gained 319 residents between 1990 and 2000, a 15.4% expansion that only slightly exceeded the national growth rate. This indicates the planning area’s commercial expansion and economic development will continue to come from growth in surrounding jurisdictions.
- The proportion of the population over age 65 years within the Milford Area was 18.8% in 2000, much higher than the County (15.2%), Commonwealth (15.6%) or the nation (12.4%). Many seniors have chosen to move into or stay within the Milford Area, creating certain market opportunities for restaurants and service businesses catering to their specific needs.
- Combined housing units within the Milford Area declined slightly between 1990 and 2000, dropping from 1,127 to 1,121. The Township gained 31 homes, but the Borough lost 37 as units were converted to other uses. This is not unusual but illustrates the role of the Township in absorbing Borough expansion which, altogether, is rather limited. Although recently approved subdivisions within the Township can be expected to change that situation somewhat, the Milford Area, by itself, is not a major market. It is, rather, a service center for surrounding development.
- Median housing values within the area (\$156,400 in the Borough and \$166,300 in the Township) indicate substantial wealth within the community. These were the highest numbers by far in Pike County in 2000, dwarfing the countywide median of \$118,300 and the Pennsylvania value of only \$97,000. While recent real estate activity has taken these numbers far higher today, the relative position of the Milford Area indicates excellent potential for certain types of businesses catering to higher-end needs.
- Only 5.3% of the Milford Area’s housing consisted of second homes in 2000, slightly above the 2.8% State average, but well below the 44.2% Pike County average (which is actually declining). Although second home tourism will continue to be important economically, this is a clear indication the local economy will gradually shift more toward meeting the needs of a burgeoning permanent population.

- As second homes have converted to first homes, the average travel time to work has increased to 34 minutes within the Township, a 56% jump. This reflects the in-migration of households with jobs in the metro area. This pattern has caused Pike County to be officially classified part of the New York - Northern New Jersey Metropolitan Area by the Census Bureau. Indeed, some 19.2% of Milford Area residents over the age of 5 years in 2000 resided in another state five years earlier, illustrating how significant these trend is. Persons moving in from New York and New Jersey accounted for all or virtually all growth. The economic future of the Milford Area is, therefore, inextricably linked to the metro area.
- Area residents are employed at high rates in management and professional occupations, government and self-employed endeavors compared to Pennsylvania as a whole. The first is explained by the movement of wealthier metro area households into the Milford area as one of the areas of Pike County closest to New York City and train service in Port Jervis. The government jobs are undoubtedly attributable to the Borough’s role as County Seat. High self-employment reflects the rural nature of the area and new opportunities for such employment in the arts, niche businesses and tele-commute positions.
- In-migration has brought increased wealth to the area. Incomes, when adjusted for inflation, grew by 30.0% within the Township between 1989 and 1999, as the following chart illustrates:



The Role of the New York City Metro Area

The Milford Area is greatly affected by trends emanating out of New York City. Milford is located only 70 miles or 1:35 hours from Manhattan. The City can also be reached by bus using Shortline’s service through Milford or by train from Port Jervis, using New Jersey Transit. Milford is on the leading edge of the metro area expansion. Trends taking place locally are replicated throughout the Mid-Hudson Valley, Connecticut and North-Central New Jersey where similar circumstances prevail.



Metro Area Overview by Regional Plan Association

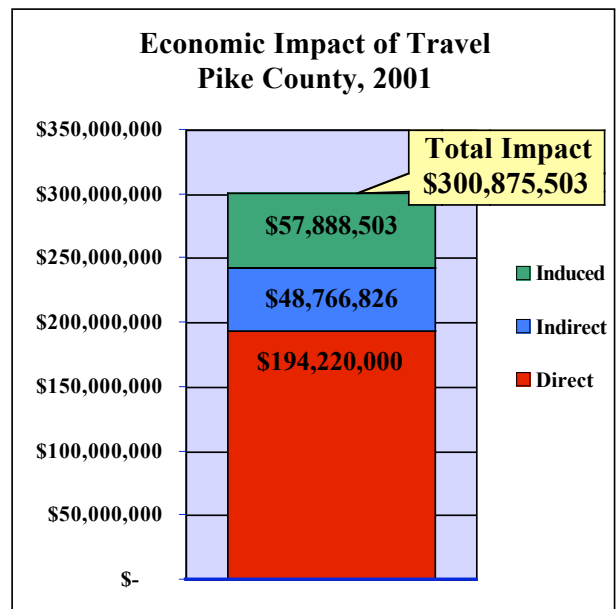
An astounding 9.1% of Pike County workers commuted to New York City to work in 2000. Moreover, the top five counties from whom Pike County’s in-migrating households came between 1995 and 2000 were Orange (NY), Queens (NY), Bergen (NJ), Kings (NY) and Sussex (NJ). The reasons for moving to Pike County are fairly obvious. Housing is a major value compared to metro locations and taxes are far lower. Recent market studies by the consultants indicate it is not unusual for homes in Pike County to sell for \$200,000 less than comparable homes in Bergen County. Meanwhile, Pike County property taxes as a percentage of median household income are, at 4% average, only half what they are in Bergen County. This differential permits the amortization of larger mortgage payments and further enhances relative housing values, creating power incentives for further growth in the areas surrounding Milford.

It is important also to realize many Milford Area residents are able to find work on the periphery of the City in revitalized areas such as Jersey City and Hoboken, as well scores of business parks in locations such as Morris County. The metro area has enveloped these communities, making them attractive locations for businesses engaged, post 9-11, in decentralizing their New York City operations, creating new job opportunities for Milford Area residents.

The Tourism Sector

Milford Borough is the principal center within the Eastern Poconos tourist region. Its tree-lined streets and extensive network of alleys, shops, restaurants, historic sites, inns create a distinctive environment reminiscent of early New England villages. A portion of its business district has received National Historic Landmark status. This combination of culture and design, together with surrounding parks, forests and recreational attractions draw thousands of tourists annually to Milford. Specific attractions include Grey Towers, the “Lincoln Flag” at the Pike County Historical Society & Museum, and the Delaware Water Gap National Recreation Area. This blend of history with local shopping and recreation is captured in the term “Heritage Tourism,” which is being extensively promoted by the Commonwealth as it markets Pennsylvania tourism assets.

Tourism is Pennsylvania's second largest industry. In 2000, this sector supported over 560,000 jobs and contributed over \$26 billion to the state's economy. Pike County enjoyed an economic impact of over \$300 million from travel in 2001, according to the Pennsylvania Department of Community and Economic Development. This included direct, indirect (multiplier effects) and induced new spending. It also generated 6,243 jobs countywide and \$105 million of compensation. A significant portion of the impacts in Pike County’s case can be attributed to heritage travel and associated recreational attractions. Indeed, a 1999 report for the Pennsylvania Center for Travel, Tourism and Film indicated 75% of all travel was leisure travel, and 25% of all leisure trip expenditures in Pennsylvania were attributable to heritage tourism. The Milford Area has much potential to build further on this base and establish itself as a tourism gateway to the Poconos.



Tourism Assets

The local economy is already heavily geared toward the service, hospitality/tourism and trade sectors. Therefore, building up heritage tourism and taking advantage of gateway development opportunities is largely a matter of identifying tourism assets and marketing them. Some perspective in this regard can be gained from examining local heritage and the history of tourism in the Milford Area.

Pike County has attracted tourists for over two centuries now, some of them extremely well known. American presidents who have visited include Jackson, Fillmore, Buchanan, Cleveland, Theodore Roosevelt, Taft, Franklin Roosevelt, and Kennedy. Various resort hotels were built in the late nineteenth century and Milford became an destination for many other rich and famous individuals. The Pike County Historic Site Survey and Scenic Area Survey notes the following:

The influx of visitors and the activities they promoted made Summer in Milford a special time of special excitement. Many of the visitors were talented thespians and artists. By association, they added to the culture and prestige of the area.

After World War II, improved transportation brought visitors in increasing numbers during all seasons. Tourism grew to a new peak, and became the county's leading industry. With over a million visitors each year, resorts, from campgrounds to hotels, are busy all year round. The very name Poconos is almost synonymous with resort industry; Wallenpaupack and Delaware mean water sports and fishing, and Pike County woods has come to mean deer hunting to thousands.

Many who came to visit Pike County decided to stay. Many times vacationers decided to purchase a vacation home; frequently this led to a permanent move to the area - often in retirement. By the 1980's, it was discovered that it was possible to live in Pike County and commute to work in New York or New Jersey.

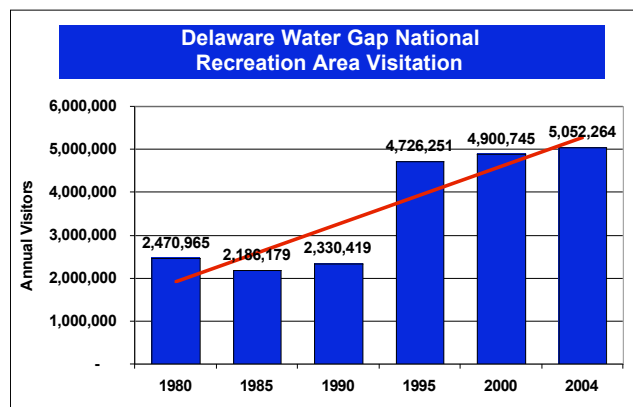
The following are just a few of the specific tourism assets available within the Milford Area:

- **Pike County Park** - Pike County has acquired, through long-term lease, 325 acres, formerly known as the Milford Reservation, located in Milford Township. Designated as the Pike County Park, this facility was established through a partnership with the Pennsylvania Department of Conservation and Natural Resources. It is used for recreation and conservation education. Fishing and hunting are permitted.
- **Pike County Historical Society & Museum** - The Pike County Historical Society was founded in 1930. It operates the excellent Columns Museum in Milford.

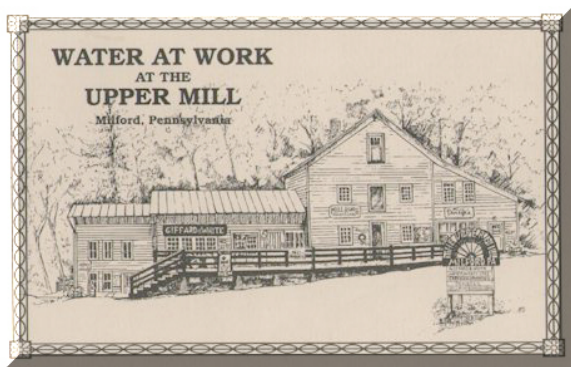
It offers over 500 books and pamphlets dealing with items of local historical interest, over 100 maps of the region and numerous other items including a vintage clothing collection, historical exhibits and artifacts. Among its possessions is the "Lincoln Flag," which was partially placed under President Lincoln's head after he was fatally shot by John Wilkes Booth. The Society maintains a large collection of genealogical resources. It also displays the "Hiawatha" stagecoach, built during the late 1840's or early 1850's. The Hiawatha was a familiar sight in the Milford Area in the 19th Century, running along the banks of the Delaware carrying passengers, mail and Wells Fargo Express shipments.



- **Delaware Water Gap National Recreation Area** - The 40 miles of the Delaware River running south from Milford Beach to the Delaware Water Gap, is under National Park Service management as a designated national recreation area. It encompasses 70,000 acres of ridges, forests, lakes and rivers on both sides of the Delaware River in the states of New Jersey and Pennsylvania. The Delaware River, the only remaining undammed river in the eastern United States, is also part of the National Wild and Scenic River system. It is extremely popular for canoeing, rafting, fishing, picnicking and camping, attracting over 5 million visitors annually as the following chart illustrates:



- Milford Beach** - Robert Blood, whose parents had rented and farmed his land along the Delaware River for years, developed a facility known as Bob's Beach in 1945. This popular site offered swimming, boating, canoeing, and picnicking. A complex of structures dotted the river bank, including a ticket booth, snack bar, patio, and pavilion. The National Park Service built modern beach facilities here in the 1970s. The only original structure remaining is the large house at the parking lot, built in 1910. Milford Beach also offers boat access.
- Film History** - The Milford Area was very important in the history of film in the United States. The famous early moviemaker, D.W. Griffith, produced silent films on locations in and around Milford, including "The Informer" starring Mary Pickford and Lionel Barrymore, among other famous actors. Film continues to be important within the area. The very successful Black Bear Film Festival, for example, is held every October to promote innovative, independent films. The historic Milford Theatre is also home to Sunflower Hill Productions which presents professional productions of musicals, plays, new play readings and children's events in addition to arts courses, chamber music, and films. It has, since its inception in 1993, conducted a performing arts festival every summer. Additional performances throughout the year are also very popular.
- The Upper Mill** - Milford was a milling center. During the 1800s, Milford had nine working water powered mills. Six, including the Jervis Gordon Grist Mill, were located on the Sawkill Creek. They ground flour and feed, sawed and planed wood, turned wagon spokes, tanned skins, finished cloth, produced apple cider and shaved poplar wood into packing material known as excelsior. The Water Wheel Group bought the Gordon Grist Mill in 1984, restored the milling system for educational purposes and turned parts of the building into a restaurant and shops. Other adjacent buildings have been put to similar uses. The neighborhood is known as the Jervis Gordon Grist Mill Historic District or "Upper Mill" and is listed on the National Registry of Historic Places.



- Grey Towers** - Grey Towers was the home of Gifford Pinchot, founder of the USDA Forest Service and twice Governor of Pennsylvania (elected in 1922 and again in 1930). Historically important, Grey Towers also offers numerous programs, ranging from a guided house and garden tour, to classical music concerts, to conservation education programs. Improvements underway will allow Grey Towers to accommodate increased use by visitors and more conference activity. Plans are to improve pedestrian access, include a Visitor Reception pavillion and add interpretative/educational exhibits. Several aesthetic upgrades are also involved. Grey Towers receives between 16,000 and 20,000 visitors annually. Upon completion of the new Visitor Services Project, it is expected that visitation will increase to 20,000 - 30,000 annually.



- Schocopee Schoolhouse** - This "little red schoolhouse" is owned by the Historical Society and located in Apple Valley Village on Route 6. This historic structure was originally constructed in the late 1850's just "out of town" on Schocopee Road. It served as a one-room school until 1907, when it was replaced by the new, "modern" school in Milford. The structure later served as a meeting and voting place for the community. Governor Pinchot cast his vote there in many elections. The schoolhouse was disassembled, then reconstructed on its present site, during the mid-1970's. It still houses the original wood stove, the original teacher's desk, some antique textbooks and a 36 star American flag which was used after 1865 when Nevada became a state. The Schocopee Schoolhouse is open to the public on weekends during the summer season, staffed primarily by community volunteers.

These different tourism assets are complemented by several other historic attractions now used commercially, including but limited to the Dimmick Inn, the Tom Quick Inn, the Hotel Fauchere and the Historic Milford Schoolhouse. These and other sites offer great opportunities for packaging and joint marketing.

Strengths, Weaknesses, Opportunities and Threats

A business and economic development forum was conducted as part of the public participation program related to this Plan. The purpose of this forum was to identify some of the business and economic development opportunities within the Milford Area by analyzing the strengths and weaknesses of the two municipalities. Specific opportunities were identified through these discussions, along with some of threats to their realization. This technique is quite common to economic development studies and was useful in this instance in laying out an appropriate strategy for the Borough and Township.

Strengths

Among the specific strengths local officials and members of the business community identified were the following:

- The Milford Area serves as a gateway community to the County, the Pocono region and the Delaware Water Gap National Recreation Area. Its high visibility puts the community in a very strong position to capture business from visitors to each of these.



- Milford offers an upscale small town perspective capturing the attention of nearby metro area residents. It offers excellent shops, choices in medical services, good schools and access to professionals attracted by the Borough being the County Seat.
- The Milford Area includes a large number of valuable historical sites that are commercially and otherwise integrated into the community in ways that make them very accessible. These include several restaurants and premier public facilities such as Grey Towers.
- The Milford Area offers a high overall quality of life, having low crime, plentiful recreation and a relatively low cost of living. It is also characterized by a clean environment, excellent scenery, easy access to Route I-84 and close proximity to New York City, making commuting a reasonable option.
- The Milford Area includes land available to develop commercially, a relatively high-skilled workforce of commuters looking for jobs closer to home with over 3,000 workers per year being added in the Poconos. Water supply, nearby train service and river accessibility are also marketable advantages.

Weaknesses

There are also inherent weaknesses in the Milford Area economy that must be recognized. These include:

- There is inadequate industry and few local job opportunities for young workers starting careers. Existing jobs tend to be lower-wage, service-oriented positions with little opportunity for advancement.
- Milford Borough is experiencing increased traffic as visitors are funneled through the community via Routes 6, 206 and 209. Moreover, much of this traffic is destination oriented (e.g. Lake Wallenpaupack) and difficult to capture for business purposes.
- Rapid growth in the region is straining the ability to maintain infrastructure and provide services. The Borough lacks public sewage treatment and has little room to build a larger commercial tax base within its borders. Yet, it faces heavy and increasing demands on its law enforcement, recreation and emergency services. Moreover, school taxes are rising rapidly.
- In-migrating households tend to be managers and professionals with jobs elsewhere who are unable to make significant volunteer commitments to support emergency services and community organizations.
- The lack of adequate parking and the seasonality of tourism to the Milford Area (less an issue today than a decade ago) are serious obstacles to building year-round businesses.

Opportunities

The Milford Area's assets, combined with a realistic assessment of its liabilities, suggests the following opportunities for economic development:

- The area offers a workforce and living environment that can attract additional clean industries on the order of Altec Lansing (a high-quality local sound speaker manufacturer) as well as back office operations, professional services and similar enterprises depending upon skilled and semi-skilled labor.

ALTEC LANSING

- The Milford Area will naturally continue to evolve as a service center for Pike County's rapidly expanding suburban population and the tourism industry. Several recently constructed office buildings on Route 6/209 are evidence of this demand.
- The Milford Area, as the gateway to Pennsylvania and the Poconos, can continue to build restaurant trade and offer real estate and other hospitality-related services.

- There is a major continuing opportunity to package and market the Milford Area as an historic dining and shopping village at the doorstep of major recreation areas, with easy access to the Delaware River, McDade Trail and other attractions.
- The Milford Area’s many existing dining and lodging opportunities create additional potential to market the community for conferences and meetings at Grey Towers and some of the commercial lodging facilities serving the area. Indeed, business travel may present tremendous unexploited potential.
- There is also additional potential to serve the passive tourism of Scenic Route 6 travelers, historic walking tour participants and other visitors seeking to take in the area’s National Historic District, National Recreation Area and other cultural and natural features.

Threats

There are several specific threats to the development of these opportunities. These include:

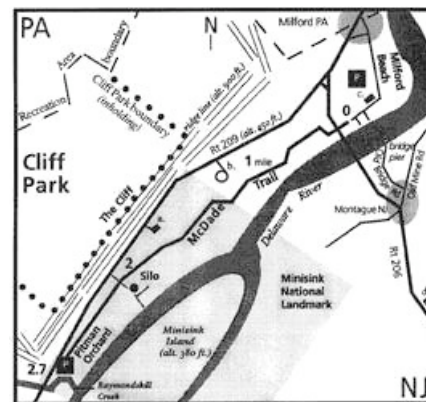
- The rapid growth of the area and the in-migration of households moving away from urban problems often generates strong “Not In My Back Yard” resistance to all development.
- Rapid growth also genuinely impacts the ability of the Milford Area’s limited resources to provide community facilities and services. Additionally, it threatens to change that character of the area which attracted growth in the first place.
- Commercial growth in Westfall Township can make it more difficult for smaller businesses lacking specific niches to compete. Big box stores change the character of the area and often offer less appealing job opportunities, but they create valuable consumer choices and increase overall traffic from which other stores can benefit. Constant adaptation by existing merchants is required.
- In-migration of higher-income households to the area is producing some gentrification, with some existing residents becoming priced out of the housing market. Notwithstanding these affects, the raising of income levels also generates many new business and employment opportunities for existing residents.
- There is a danger of over-promoting tourism and introducing change at so rapid a rate it cannot be effectively managed without also changing the entire character of the area and destroying its appeal for future long-term growth. Moreover, tourism is a fragile base on which to base the entire economy. Balance is needed.

- As County administrative and judicial needs grow, the lack of space to expand in Milford will drive many of those functions and the associated spending and jobs to other parts of the County.

Recommendation Economic Development Actions

Given the above analysis, the following recommendations are offered for economic development of the Milford Area:

- The Milford Area is experiencing substantial economic development absent any governmental action to promote it, demonstrating the best policy is often simply to “do no harm.” Avoiding needless intervention when the market is already delivering a fairly balanced tax base and high quality of life within the Milford Area is critical. The quality of development within the Borough and along Route 6/209 is high and getting even better as the market demands it. Accordingly, the Borough and Township need to exercise extreme caution in changing land use policies or taking any measures that unnecessarily interfere with private property rights. Those property rights likewise depend on a set of common rules ensuring quality forms of development that don’t detract from adjoining land values. Therefore, there must be some regulation, but it should be limited to the minimum necessary. The best methods of regulating land development are form-based and performance related “smart growth“ techniques that build upon the private market to guide land use.

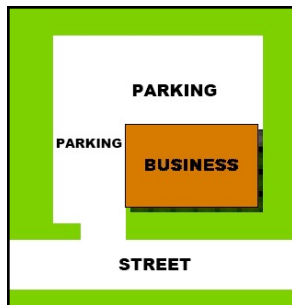


- Walking and driving tours of the Milford Area offer one of the best methods of cross-promoting and packaging tourist attractions. The Borough and Township should work with the Chamber of Commerce and Pocono Mountains Vacation Bureau to further develop such tours around historical and recreational assets with links to the McDade Trail and similar attractions. It is important in this regard to include a mix of commercial and public facilities such that visitors are encouraged to spend money in the Milford Area while visiting.

- The Borough and Township should work with the Pike County Industrial Development Corporation to market the Milford Area for small industries not requiring extensive infrastructure. The Milford Area is very suitable for small specialty manufacturers on the order of Altec Lansing, metal and wood fabrication shops, health services and other small enterprises with few infrastructure demands. Small businesses add jobs at relatively rapid rates. They are also attracted to communities on the urban fringe because owners can find good labor, appealing living conditions and close access to the metropolitan areas. Given the Milford Area's lack of sewage treatment capacity and its proven ability to accommodate small industry not dependent on such infrastructure, a marketing program targeted to these sectors is both feasible and desirable.

- The Borough and the Township should encourage the development of home-based businesses by allowing them broadly throughout the community, relying upon site plan review procedures under the Zoning and Subdivision and Land Development Ordinances to ensure that impacts on neighborhoods and adjoining properties are properly addressed. Home-based businesses are growing in number, encouraged by technology that permits telecommuting as well as the changing nature of the labor market. They demand flexible regulatory approaches that can be adjusted to the circumstances. It is important in this regard that the Borough, in particular, allow for live and work units in the upper stories of commercial buildings and permit apartments within the commercial district. Milford is attractive to the arts community for several reasons having to do with history, location and environment. Accommodating further development of the arts is good business. Live and work units and flexible home occupation regulations can help accomplish this.

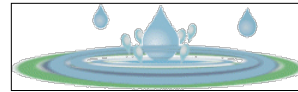
- The Borough and Township should continue applying commercial design guidelines that ensure new development complements existing character. Guidelines should be improved by adding practical illustrations and examples. Lighting, parking, landscaping and sign standards are among the specific guidelines that can be applied similarly in the case of both municipalities. Notwithstanding this potential, it is important to recognize the Borough and Township also have



some distinctly different needs. The architectural review standards applied to building construction

within the Borough would not work particularly well in the Township where larger lots and structures are typically involved. Therefore, separate Borough and Township standards recognizing these differences are appropriate in many instances.

- While sewage treatment infrastructure has not been an obstacle to development in the Milford Area, water supply has been an occasional issue. The Milford Water Authority has capacity and has taken a very pro-active stance in protecting its sources and carefully planning for expansions of the distribution system. Employing this asset to encourage economic development makes much more sense at this point than developing major sewage treatment capacity or extending the Westfall system to Milford, easily stimulate more residential than commercial growth, which would be counter-productive in a region where rapid residential growth is already stressing other services and infrastructure. Water supply does not create any particular incentive for additional housing (because density is seldom reduced for water supply alone) but it can be quite effective in promoting commercial enterprises that need public water for fire protection or commercial/industrial processes. It is recommended the Water Authority and Township cooperate in extending water supply to additional areas on Route 6/209 that could benefit by it.



- The Delaware River has been at the center of Milford's history since its founding, but is, today, not highly visible from most of the Borough and Township. Reconnection of the Borough and Township to the Delaware River for purposes of marketing and promotion should be an economic development priority. This was the recommendation of a recent planning charette sponsored by the Milford Water Authority. Visually connections to the River at selected view points should be established using greenway concepts. Connections from the business district and Grey Towers to Milford Beach, and the McDade Trail connection discussed above are both good examples. Developing additional accesses from the Santos property and the Township Building could also be valuable, particularly if accomplished in the context of a public park and trail system. The mouths of the Vandermark and Sawkill Creek should be more accessible and better linkages made between other River trails and Milford to encourage River users to visit and spend money in the community.

- Embellishing Milford's role as a gateway community should also be an economic development priority. The Milford Area is the effective beginning of the Delaware water Gap National Recreation Area and the

Poconos. Additional wayfinding signage built around the gateway theme could be a tremendous advantage in marketing businesses within the Milford Area. It should be instituted through a wayfinding signage committee of merchants and local officials under the auspices of the Chamber of Commerce. Pennsylvania Department of Transportation wayfinding sign program guidelines should be the foundation for this effort (but not necessarily the only or most important criteria). It is important that such an effort have broad grass-roots support to be successful. An imposed program will not work. It must also be a simple program that does not restrict the ability of businesses to meet their individual sign advertising needs. The following is an example of typical wayfinding signage from another community.



district in additional ways. Pennsylvania enabling legislation for BID's is comprehensive and very flexible, providing an excellent source of dedicated funding for economic development and marketing of the Milford Area. It should be considered as a long-term option.

- Marketing of the Milford Area commercial district is also needed. There is an active revitalization program already in place. It needs to be complemented by a website focused solely on promoting Milford Area businesses. The best websites are those offering media packages for writers and reporters and direct links to local businesses, providing a portal for access to businesses. See www.downtownwestchester.com for a good example. Linking of businesses in this fashion would allow for employment of a common theme, cross-advertising and promotion of the Milford Area as a place to dine and shop. More importantly, it is what makes the website specifically valuable to consumers. A generic website that only promotes the area offers very little of value to tourists, particularly those already generally familiar with it. Tourists want access to names of businesses, locations, menus, prices, hours of operation and other details. They also want to see what a bed and breakfast looks like, for example. A simple listing is inadequate. A successful website could also serve as the base for a business improvement district (BID) that would provide other services to businesses and promote the commercial