

SECTION 2: LOCAL ECONOMY

INTRODUCTION

During the 18th Century the economy of Ogunquit, as part of Wells and the seacoast Maine was tied to fishing, lumbering, shipbuilding and homestead farming. The 19th Century brought the industrial revolution to Ogunquit/Wells. The Webhannet, Josias and Ogunquit Rivers supplied enough water power for flour milling and lumber sawing. Coastal shipping allowed export of lumber and wood products, granite and fish in exchange for import of sugar products, groceries and manufactured products.

During the 1880s, summer home development began to supplant farms along the shore in Ogunquit and the summer art colony began. After the bridge was built over the Ogunquit River at Beach Street in the 1890's, more beach hotels began to cater to summer vacationers mostly from the metropolitan areas to the south. Between 1906 and 1923, the Atlantic Shore Railroad brought summer residents and vacationers directly to their hotels and summer houses in Ogunquit. The art colony flourished from the 1920s to the 1960s leaving a permanent legacy of museums and summer theatres. During this time, the Marginal Way coastline path (1923) along with other generous gifts were given the Town.

The 1920s began the modern era of automobile vacationing in Ogunquit starting the influx of summer home residents, motel, hotel, inn and B&B vacationers and beach-goers. The 1980s and 90s have seen the steady growth of ancillary tourist-related restaurants and retail shops. The demand for employees by the business community for seasonal jobs extends throughout southern York County and even brings temporary workers from other countries.

In the 21st Century, Ogunquit's economy continues to be dominated by the seasonal tourist season. But it is also beginning to provide jobs related to retirees as a more year-round community develops and as more summer residents retire and convert their summer homes into their primary residences.

THE OGUNQUIT LABOR FORCE

Whereas Ogunquit's population increased by 26% between 1990 and 2000, the Town's labor force grew by only 14%. This indicates that many of the 252 new year-round residents, as well as some existing residents, were already retired or became retired during the decade. The number of Ogunquit residents not in the labor force in 2000 increased by 51% over 1990, twice the rate of new year-round residents.

Ogunquit remained about 2.5% of the Kittery Labor Market Area (LMA) during the 1990s, but its percentage of people not in the LMA labor force dropped from 3.6% to 3.0%. So even though Ogunquit residents not in the labor force increased by 51%, the Town only dropped a modest percentage within the LMA. This is due to the large number of people in Kittery not in the labor force in 2000 due, most likely, to large lay-offs at the Portsmouth Navy Yard over the decade of the 90s.

When compared to all the towns in York County, however, Ogunquit shows a 22% increase in its share of county residents not in the labor force in 2000 compared with 1990, while its percent of total employed persons remained the same.

Table 2-1, following, does not reflect the estimated doubling or tripling of seasonal workers over the summer months from May to October. These employees are composed of college and high school students, inland residents from around the region, retirees from Ogunquit and neighboring towns and temporary workers from other countries. Seasonal jobs concentrate in the hospitality industry: hotel/motel desk clerks and maids, restaurant workers, retail shop workers, parks & recreation workers including life guards and summer camp counselors, temporary municipal employees including summertime parking lot attendants and auxiliary police.

**TABLE 2-1
OGUNQUIT YEAR-ROUND CIVILIAN LABOR FORCE 1990-2000**

Labor Force	1990	2000	No. & % Change: 1990-2000	
<u>OGUNQUIT</u>				
Labor Force	530	604	+74	(+14%)
Employed	493	579	+86	(+17%)
% Unemployed	7.0%	4.1%	Minus 2.9 percentage points	
Not in Labor Force	335	506	+171	(+51%)
<u>OGUNQUIT AS A PERCENTAGE OF KITTERY LABOR MARKET AREA (LMA)*</u>				
Labor Force	2.6%	2.5%	- .1 percentage point	(-4%)
Employed	2.6%	2.5%	- .1 percentage point	(-4%)
% Unemployed	3.4%	3.3%	- .1 percentage point	(-3%)
Not in Labor Force	3.6%	3.0%	- .6 percentage points	(-17%)
<u>OGUNQUIT AS A PERCENTAGE OF YORK COUNTY POPULATION</u>				
Labor Force	.6%	.6%	No change	
Employed	.6%	.6%	No change	
% Unemployed	.7%	.7%	No change	
Not in Labor Force	.9%	1.1%	+ .2 percentage points (+22%)	

Source: U.S. Census

*Kittery, Eliot, York, S. Berwick, Ogunquit, Wells

EMPLOYMENT BY INDUSTRY GROUP

Between 1990 and 2000, employment of year-round Ogunquit residents remained overwhelmingly in the services sector: 84% in 1990, 87% in 2000. Nevertheless, the small manufacturing sector, reflecting the one manufacturer in Town, remained at about 7% of total employment over the decade of the 1990's.

Within the services sector, however, significant changes occurred between 1990 and 2000. Wholesale trade doubled over the decade from 2.7% of employment to 4.5%, likely reflecting the increase of jobs in business to business type sales in Ogunquit and the region, such as sign-making and the distribution of hotel/motel and restaurant supplies and the like. A new category was added to the Census in 2000, 'Information' employment, reflecting the rise of new computer and internet-related service jobs. This accounted for 2.9% of the

employment of Ogunquit residents in 2000, likely re-categorizing some workers who had formerly, in 1990, been classified as being either in ‘Retail Trade’ or ‘Other Services’ categories.

The biggest change over the decade (72% increase) was in the seasonal Arts, Entertainment, Recreation, Accommodation & Food Services sector, which provided jobs for 14% of year-round Ogunquit residents in 1990; but 21% in 2000. This undoubtedly reflected the 240+ new hotel/motel rooms added in Town over the decade and the steady growth of the shoulder tourist season, generating more clerical, front desk and administrative (bookkeeping, etc.), chamber maid, grounds and building maintenance and restaurant worker positions. This trend is likely to continue over the first decades of the 21st century.

TABLE 2-2
EMPLOYMENT OF OGUNQUIT RESIDENTS BY INDUSTRY SECTOR – US Census

INDUSTRY	1990		2000	
	Number	% of Total	Number	% of Total
Ag, Fishing, Forestry Hunting, Mining	7	1.4%	5*	.9%
Construction	37	7.5%	30	5.2%
Manufacturing	36	7.3%	40	6.9%
Wholesale trade	13	2.7%	26	4.5%
Retail trade	139	28.2%	80	13.8%
Transps, Utilities, Warehousing	13	2.6%	18	3.1%
Information			17	2.9%
Finance, Insurance, Real estate, Renting & Leasing	31	6.3%	36	6.2%
Prof., Scientific, Admin. Mnmgt., Waste Services	44	8.9%	61	10.5%
Ed., Health, Social Services	56	11.4%	99	17.1%
Arts, Entertainment, Rec. Accommodation, Food Services	71	14.4%	122	21.1%
Other Services (not Pub Admin)	14	2.8%	22	3.8%
Public Administration	32	6.5%	23	4.0%
TOTAL	493	100%	579	100%

*Comprehensive Plan Update Committee claimed anecdotally 20 Ogunquit fishermen in 2002

The percentage of Ogunquit residents employed in different sectors of the economy follows a pattern similar to the residents of the Kittery Labor Market Area (see Table 2-3). This is likely a reflection of the presence Ogunquit has within the labor market area as a seasonal employment center in its own right.

Compared to the Labor Market Area, Ogunquit is less oriented to manufacturing (6.9% v. 15.0 %); and more oriented to the hospitality industry and related services (21.1% versus 8.9%).

**TABLE 2-3
EMPLOYMENT OF OGUNQUIT RESIDENTS
COMPARED TO KITTERY LMA*, 2000**

INDUSTRY SECTOR	Ogunquit Residents		Kittery LMA Residents	
	Number	% of Total	Number	% of Total
	579	100%	23,446	100%
Ag, Fishing, Forestry Hunting, Mining	5*	.9%	271	1.2%
Construction	30	5.2%	1,556	6.6%
Manufacturing	40	6.9%	3,526	15.0%
Wholesale trade	26	4.5%	955	4.1%
Retail trade	80	13.8%	3,050	13.0%
Transps, Utilities, Warehousing	18	3.1%	1,080	4.6%
Information	17	2.9	481	2.1%
Finance, Insurance, Real estate, Renting & Leasing	36	6.2%	1,524	6.5%
Prof., Scientific, Admin. Mnmgt., Waste Services	61	10.5%	2,494	10.6%
Ed., Health, Social Services	99	17.1%	4,735	20.2%
Arts, Entertainment, Rec. Accommodation, Food Services	122	21.1%	2,087	8.9%
Other Services (not Pub Admin)	22	3.8%	965	4.1%
Public Administration	23	4.0%	722	3.1%

Source: 2000 US Census.....* Kittery LMA: Kittery, Eliot, S. Berwick, York, Ogunquit, Well
* Comprehensive Plan Update Committee claimed anecdotally 20 Ogunquit fishermen in 2002

COMMUTING PATTERNS

In 1990, 50% of Ogunquit year-round residents worked in Town; an additional 14% in York and Wells accounting for two-thirds (64%) of all employed Ogunquit residents. About 11% of residents worked elsewhere in York County; 5% worked in Cumberland County, probably mostly in Portland, South Portland and Scarborough. Interestingly, 20% of Ogunquit residents also worked outside York County, certainly some of these people at jobs in the Portsmouth area or commuting to jobs in Massachusetts or the Boston area. As of October, 2002, the US Census had not published similar data for 2000. In the absence of 2000 data, it may still be reasonable to conjecture that the commuting pattern of Ogunquit residents remained largely the same between 1990 and 2000.

Table 2-4 shows where the people working in Ogunquit from York and Cumberland Counties in 1990 came from. Fully 74% were local, from Ogunquit, Wells and York. The remaining 25% were from elsewhere in York County and 1% from Cumberland County. There were probably a few others from the Portsmouth area. It is likely that this distribution of commuters to jobs in Ogunquit remained substantially the same in 2000.

**TABLE 2-4
OGUNQUIT COMMUTING PATTERNS 1990 and 2000**

	1990		2000	
	Number	%	Number	%
Total # of workers <u>living in</u> Ogunquit	482	100%	{2000 data not available as of 1/03}	
• Working in Ogunquit	243	50%		
• Working in Wells	39	8%		
• Working in York	31	6%		
• Working elsewhere in York County	52	11%		
• Working in Cumberland County	23	5%		
• Working elsewhere in Me., NH, Etc.	94	20%		
Total # of people <u>working in</u> Ogunquit from York and Cumberland Counties	871	100%		
• Workers from Ogunquit	243	28%		
• Workers from Wells	246	28%		
• Workers from York	152	18%		
• Workers from elsewhere in York County	222	25%		
• Workers from Cumberland County	8	1%		

Source: US Census, 1990

As a rural town outside the immediate Portsmouth, Saco-Biddeford and Portland metropolitan areas, Ogunquit is not directly served by commuter public transit. Therefore, year-round residents overwhelmingly commute to jobs scattered around York County and elsewhere in SOVs (single occupant vehicles). In 2000, about 70% of Ogunquit residents commuted to jobs in their own vehicles, up from 65% in 1990. Another 10% of residents share private car/van pooling with others to get to work. But also, significantly, about 20% of Ogunquit residents in both 1990 and 2000 either walked to their jobs or worked at home. This reflects the number of local jobs in Ogunquit Village walkable by either retirees or other residents and the use of computers and other electronic business machines at home. The few people recorded as getting to work by 'Other Means' probably means by bicycle to local jobs.

While there were no Ogunquit residents recorded in 1990 using public transportation to get to work, 5 were recorded in 2000. This reflects the development during the 90s of public van service from Portsmouth to Massachusetts and the Boston area; and also commuter bus service to Portland from the Biddeford and Saco Exits of the Turnpike. The average commute time to work for Ogunquit residents increased over the 1990's by 8.7 minutes probably due to some jobs farther away and more rush hour traffic.

**TABLE 2-5
OGUNQUIT RESIDENTS - METHODS OF COMMUTING TO WORK**

	1990		2000	
	Number	%	Number	%
Ogunquit Workers 16+ Years Old	482	100%	561	100%
• Commute by car, truck or van – alone	313	65%	392	70%
• Commute by car, truck or van – pool	48	10%	50	9%
• Commute by public transit (including taxi)		0%	5	1%
• Commute by Walking	111	23%	35	6%
• Worked at home (in 1990, included with Commute by Walking above)			71	13%
• Commuted by other means	10	2%	8	1%
Mean Time to Work	20.6 Minutes		29.3 Minutes	

Source: US Census, 1990 and 2000

OGUNQUIT'S ECONOMIC BASE

Over the last 30 years, Ogunquit's economy has become increasingly tourist oriented, base in 2002, upon over 2200 transient rental rooms in hotels, motels, inns and B&Bs as well as (around 1,400) seasonal dwellings in cabin courts, condominiums and second homes. This seasonal population, upwards of 20,000 people including day-tripper beach-goers (in contrast to 1,400 year-round), supports a large number of ancillary tourist businesses: restaurants, bakeries, retail shops and recreational businesses such as party boat fishing and whale watching. The hospitality industry also supports local year-round businesses including sign-makers, lawn care/grounds keepers, building maintenance and cleaning contractors and professional businesses including architects and engineers. The local arts community is also benefited by the tourist industry in terms of museum, art gallery visitors and summer theatre patrons.

The large seasonal employment generated by the tourist industry provides seasonal jobs to the Town's retirees, high school and college students and other residents of the region as well as temporary workers from Europe and the Caribbean. The number of seasonal workers is estimated to be as many as 240±, and represents, perhaps, a doubling to tripling of the 122± year-round hospitality industry resident workers.

At the beginning of the 21st Century, the trend has been for the tourist shoulder seasons to gradually expand to accommodate the increasing number of retirees, who are not constrained by the school year and who are more frequently arriving by tour bus. As the baby-boomers begin to retire, this trend may be expected to continue. From the traditional summer season in the 1960s of July – August, to the season of June – October in the 1990s, the 21st Century tourist season is likely to be from April to November, with the December Holiday season added.

Even one of the largest year-round local employers and the only manufacturer in Town, the Molly Corporation, serves the tourist economy by assembling passenger trolleys that Ogunquit and other tourist town's use during the summer to transport tourists and other visitors.

**TABLE 2-6
MAJOR EMPLOYERS IN OGUNQUIT, 2002**

Town of Ogunquit	All positions (35 employees in winter; 130± summer)
Hotels/motels/inns/B&Bs	73 lodging properties (2210 rooms/units)
Restaurants/Food services	40 restaurants
Retail stores	36 retail shops
Recreation (sport fishing, whale watching, etc)	5 fishing/cruises
Communications/Marketing	5 businesses
Professional Services	3 banks, 7 real estate, 1 insurance business
Arts & Culture: Museums	2 museums (plus 2 galleries; one art store)
Theatres	3 theatres (2 live summer stock, 1 movie)
General Services: Drug store	3 businesses
Hair care	2 businesses
Grocery	1 store
Laundromat	1 business
General Construction	1 business
Manufacturing	1 company
Other	4 gas stations, 1 taxi

Source: Ogunquit Town Clerk's Office – Business Registrations; Ogunquit Chamber of Commerce

In addition, Ogunquit's tourist economy supports lawn care, building maintenance and cleaning businesses in the region as well as trades and professional service providers including electricians, plumbers, architects/designers and engineers.

THE RETAIL SECTOR

Ogunquit's retail sector is unusual in that it is based upon many small pedestrian-oriented units, including individually-owned hotels and motels, retail stores and businesses, rather than one large automobile-based shopping mall type development containing chain stores. The tourist industry on the coast of Maine is still largely characterized by individually-owned hotels and businesses rather than large franchises.

Table 2-7 shows that Ogunquit was the eighth town in York County in terms of over-all consumer sales in 2000. Total consumer sales in Ogunquit amounted to \$80 million in 2002; it was \$230 million in Kittery, the number one town due to the location of major outlet malls and the site of the Navy Yard, one of the region's largest employers. But because of its small population and geographic size compared with other York County towns, Ogunquit was the highest generator of consumer sales on a per year-round population basis or square mile basis. In 2000, Ogunquit had \$65,282 worth of consumer sales per each year-round resident; Kittery, the next largest town, had \$24,073 per resident. Ogunquit's per-resident earnings from consumer sales was more than 6.8 times the median per-resident earnings for the 10 top towns in York County. This reflects the extraordinary amount of seasonal revenue Ogunquit generated by the hospitality industry: hotels, motels, inns, B&Bs and the large secondary sales resulting from the tourists occupying the rental accommodations. In 2001, the Town issued business licenses to 71 hotel/motels, 104 retail establishments and 55 restaurants. During that year, employment at these hospitality industry businesses was broken down as follows:

Hotel/motel employees:	672	31%
Retail employees:	442	19%
Restaurant employees:	<u>1,079</u>	<u>50%</u>
TOTAL HOSPITALITY	2,173	100%

**TABLE 2-7
CONSUMER SALES—YORK COUNTY TOWNS
2000 (in \$1,000)**

MUNICIPALITY	Total Consumer Sales – 2000	2000 Y-R Pop	Sales per Y-R Pop	Sq. Miles Of Town	Sales per Sq. Mile
(1) Kittery	\$229,730.5	9,543	⁽²⁾ \$24,073/pop	18.5	⁽²⁾ \$12,417,864/sq mi.
(2) Saco	\$187,796.5	16,822	\$11,164/pop	38.5	\$4,877,831/sq mi
(3) Sanford	\$178,441.6	20,806	\$8,577/pop	47.8	\$3,733,088/sq mi
(4) Biddeford	\$156,120.2	20,942	\$7,455/pop	30.0	\$5,204,007/sq mi
(5) York	\$103,995.2	12,854	\$8,091/pop	56.2	\$1,850,448/sq mi
(6) Wells	\$100,695.2	9,400	\$10,712/pop	58.8	\$171,250/sq mi
(7) Kennebunk	\$87,737.0	10,476	\$8,375/pop	36.0	\$243,718/sq mi
(8) Ogunquit	\$10,035.4	1,226	⁽¹⁾ \$65,212/pop	4.1	⁽¹⁾ \$19,520,829/sq mi
(9) Kennebunkport	\$58,179.7	3,720	⁽³⁾ \$15,640/pop	21.4	\$2,718,678/sq mi
(10) Old Orchard Beach	\$56,048.7	8,856	\$6,329/pop	7.4	⁽³⁾ \$7,574,149/sq mi
York County	\$1,413,839.7	186,742	\$7,571/pop	991	\$1,426,680/sq mi

PLANNING IMPLICATIONS FROM LOCAL ECONOMY

Ogunquit must successfully accommodate large seasonal population fluctuations if it is to benefit its year-round residents. This creates a strong imperative for designing and operating community facilities flexibly: public water and sewer systems, roads and transportation facilities including pedestrian facilities, solid waste management/recycling programs and environmental quality maintenance. These municipal/public systems must be flexible enough to expand during the tourist season, but contract during the off-season of November to March, if their expense to the year-round residents are to be kept reasonable.

Many of the owners of Ogunquit tourist-oriented businesses live outside Town or go to Florida or elsewhere over the winter and therefore may not, perhaps, have as strong a connection to the welfare of the Town as those who live there all year. The year-round residents, including more and more retirees value the peace and quiet of Ogunquit during the winter. The challenge is to properly balance the retirement amenities in Town with the seasonal tourist-related businesses. To achieve and maintain the proper balance will involve zoning and other regulatory measures, flexible transportation and other public facility design and operation, efficient delivery of local governmental services and solid capital improvement planning and implementation.

The value of the tourist businesses and the retiree homes in Ogunquit have driven up land prices so high that year-round workers in Town, especially young families starting out, cannot afford housing. Moreover, it is virtually impossible for seasonal workers to afford rental housing in Town without the explicit help from their employers. So while the hospitality industry provides jobs, property tax revenues and sales tax revenues to the Town, municipal government must provide and pay for the services that assure that the hospitality industry prospers, which includes beach cleaning, car parking, estuary water quality maintenance, road and sidewalk maintenance and cleaning, trash removal and recycling.