

TIONESTA AREA



Economic Development Strategy

October, 2005

Prepared for:

Forest County Industrial Development Corporation

with assistance from:

J. Bowman Proper Charitable Trust

www.shepstone.net/Tionesta



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1.0 Background Brief

Members of the Board of Directors of the J. Bowman Proper Charitable Trust met in January, 2005 to discuss the impact of a major downtown fire and other recent events on the Tionesta area economy. The Trust, as a result of these discussions, approached the Forest County Industrial Development Corporation (FCIDC) with a proposal to fund the development of an economic development strategy for the area that would lay out a community plan for addressing these issues. Shepstone Management Company and the Fairweather Consulting Group were employed on a consulting basis to assist FCIDC in the crafting of such a strategy based on public input.

The consultants met with a FCIDC project steering committee in April, 2005 to launch the planning process. Members identified numerous economic development opportunities as well as the various obstacles to realizing those opportunities. It was agreed to schedule three community stakeholder workshops to gather further input, with a view to creating a concise community vision statement regarding business, tourism and other aspects of economic development. Stakeholders identified included local business owners, Borough and County officials, FCIDC members, other community leaders and various individuals who had previously expressed interest in economic development issues.

The first of these stakeholder meetings was a focus group session, held in May, 2005, where attendees were presented with a list of specific questions regarding economic development assets, liabilities, opportunities and needs. Two different workshop groups were organized and each presented its findings to the larger group. Both identified a number of economic development needs, ranging from bringing the proposed Hunting and Fishing Museum to fruition to redevelopment of the burned out downtown block. It was agreed by all that the focus needed to be not only on the Borough but also on surrounding communities in the context of the Tionesta Area. Participating stakeholders also suggested that more information on the needs and wants of second home community was necessary, recommending a second home owner survey as part of the planning process.

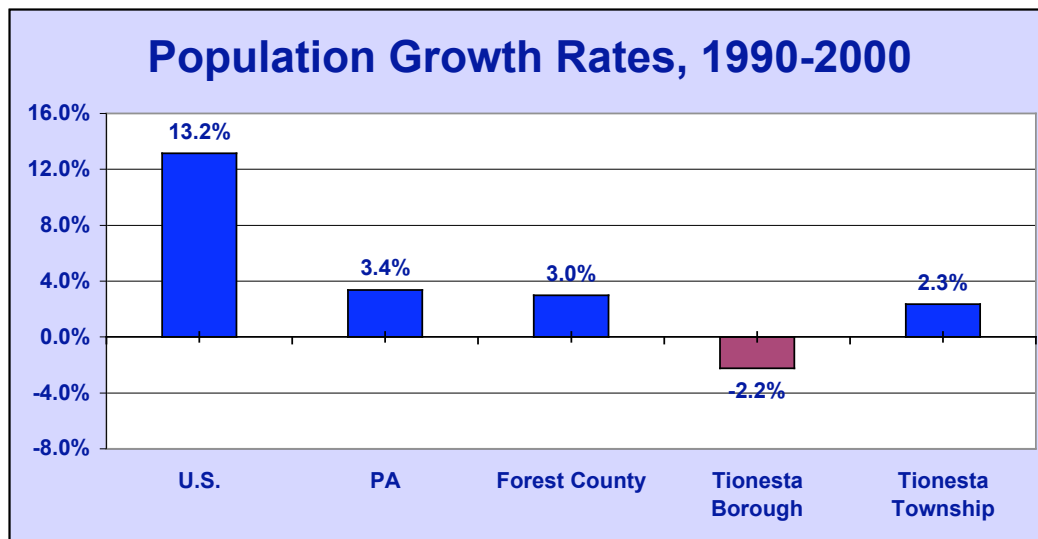
The second stakeholder meeting, held in June, 2005, included consultant presentations of key data on the local economy and surrounding area. Participants broke into two groups to analyze this information as well as the input from the previous meeting. They identified and prioritized alternative development strategies, both groups suggesting that a comprehensive marketing initiative was the Tionesta Area's greatest economic development need. Additional input on the second home and tourism markets was also reviewed and plans laid for the proposed second home survey. This survey was conducted in August, 2005 with a mailing to 1,000 second home owners chosen at random.

Following these first two stakeholder meetings and the second home survey (answered by some 36% of recipients), the information gathered was posted on a special project website at www.shepstone.net/Tionesta and presented at a third stakeholder meeting. This meeting was also promoted through news releases to a general public. Project consultants developed and presented a number of specific marketing initiative recommendations at this meeting, based on input received. Participants provided further reaction and offered additional ideas and suggestions. This report provides a concise description of the chosen economic development strategy, the specific recommendations to decision-makers and a summary of supporting data. An implementation plan laying out key recommendations, timelines and responsibilities is also provided.

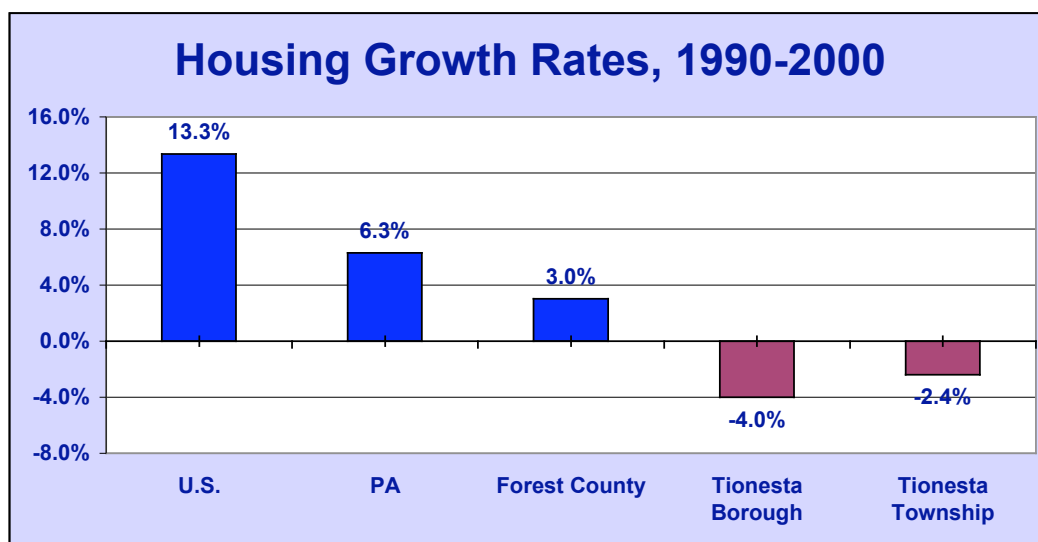
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2.0 Existing Trends

The Tionesta area exhibited very slow population growth compared to the U.S. as a whole during the last decade, as the following chart indicates:



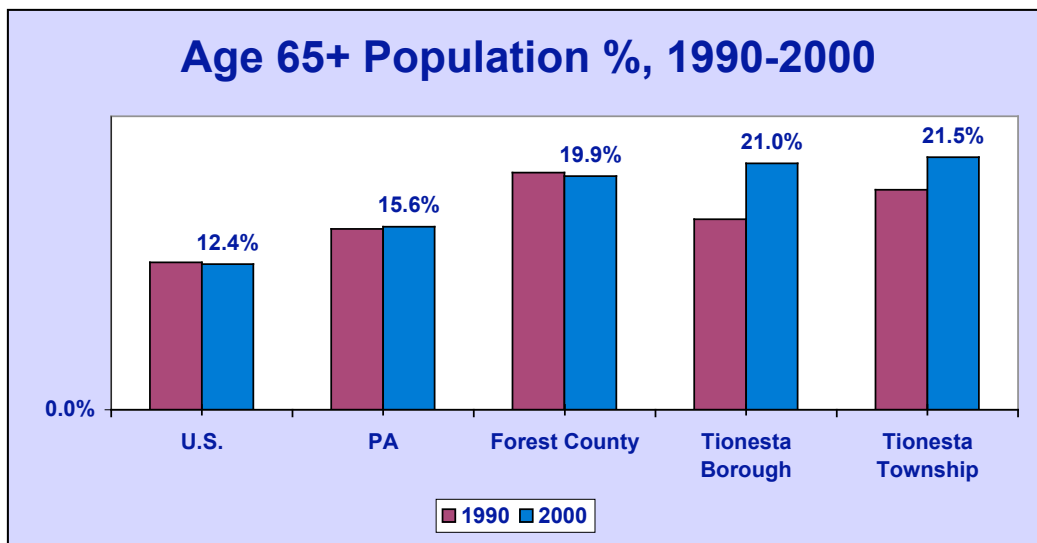
Notwithstanding the lack of population growth in Pennsylvania, the Commonwealth has experienced some housing growth, but this is not taking place within the Tionesta area, indicating a lackluster economy that is not attracting many new households or second home owner buyers today. There is, nonetheless, a strong second home and tourism base from which to work. This is discussed further below.



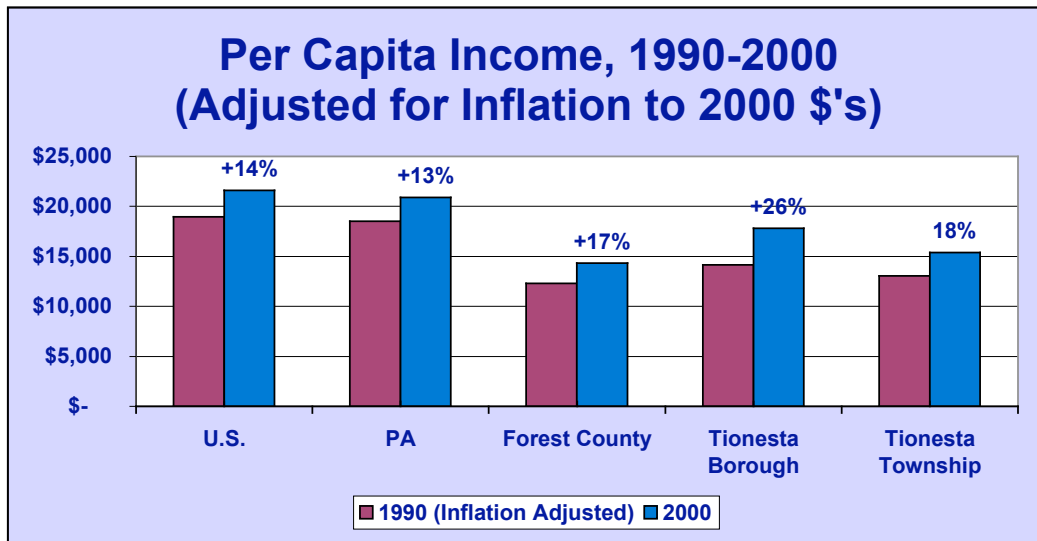
The Tionesta area population is also a relatively old one, which may account for much of the lack of growth (average household sizes shrink with aging). The following chart compares the percentage of population aged 65 years or more with national and state averages. It indicates the Tionesta area has a very heavy proportion of retirees, which contributes to higher per capita incomes in

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many instances and offers a reservoir of talent to be tapped, but also a reduced stake in new job creation. More importantly, the percentage of elderly has dramatically escalated in recent years. This is a special feature of the Tionesta area economy that has to be addressed in any development strategy.



The impact of these retirees on Tionesta area per capita incomes is demonstrated by the following chart:



Per capita incomes have grown by substantially more than the state and national averages over the last decade as the population has aged and retirees have moved into the area to replace working families. The Tionesta area is gaining ground economically, despite its lack of growth. However, these gains are locked up to some extent and not employed in growing the economy itself, creating business opportunity or improving the quality of life for all households.

Therefore, a good part of the challenge in devising an economic development strategy is finding a way to tap the financial resources and expertise of those older households who have located in the

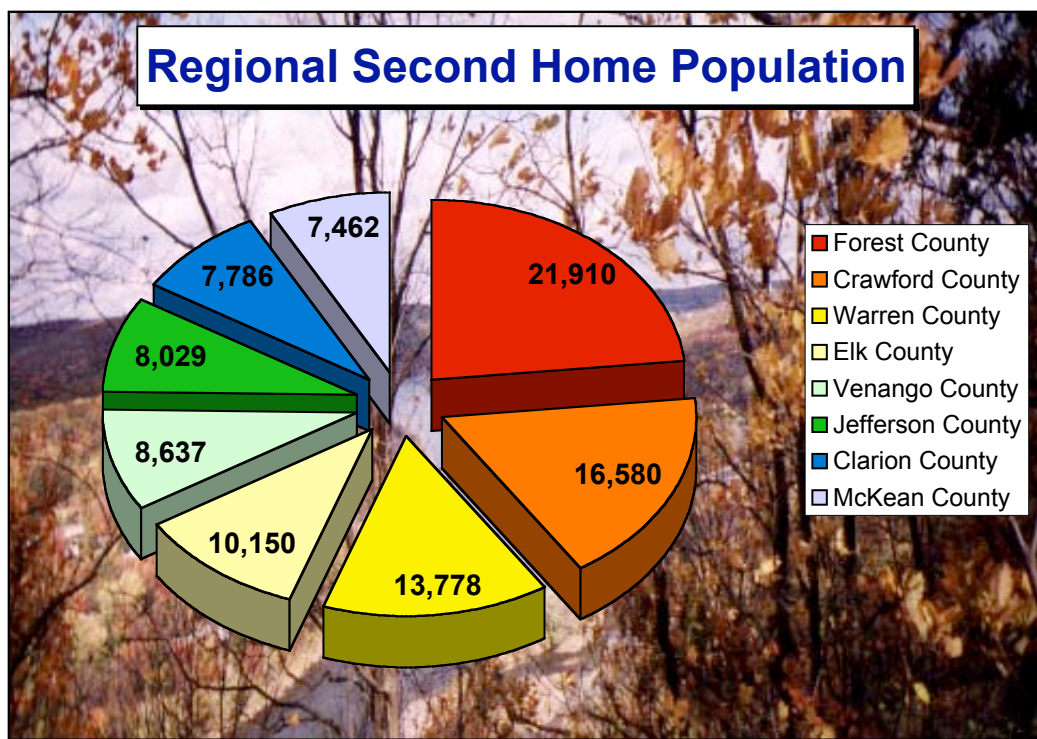
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Tionesta area without negatively impacting the quality of the lifestyle that has attracted them in the first place.

The second home and tourism industries have offered abundant such opportunities and should continue to do so, but many are currently going unexploited. The Tionesta area is surrounded by second homes and immersed in tourism assets. The following table and chart illustrate:

Tionesta Area Regional Second Home Trends					
	1990	2000	Change	% Chg.	Peak Population
Forest County	6,359	6,560	201	3.2%	21,910
Crawford County	6,172	4,964	(1,208)	-19.6%	16,580
Warren County	3,852	4,125	273	7.1%	13,778
Elk County	2,688	3,039	351	13.1%	10,150
Venango County	2,545	2,586	41	1.6%	8,637
Jefferson County	2,217	2,404	187	8.4%	8,029
Clarion County	2,117	2,331	214	10.1%	7,786
McKean County	2,224	2,234	10	0.4%	7,462
Totals	28,174	28,243	69	0.2%	94,332

Source: U.S. Census



The second home population of 94,000 persons is based upon a 3.34 persons per household average derived from other Shepstone Management Company studies of second home

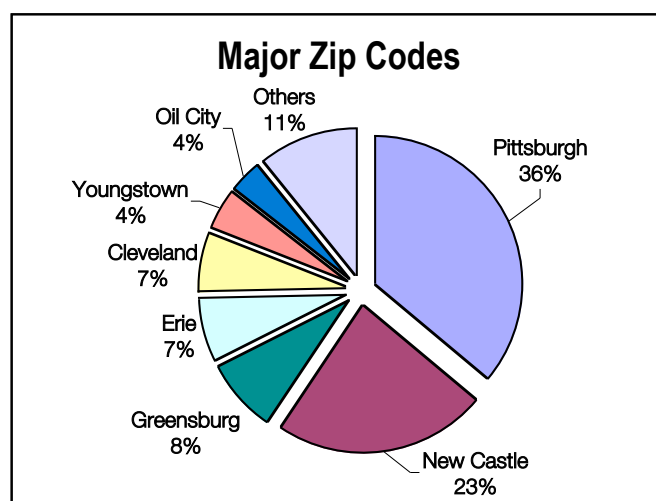
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communities. It represents a peak period population that is not achieved at all times of second visitation but provides a good measure of the total potential market available from a marketing perspective.

Other second home studies from other areas provide further insight into second home characteristics generally allowing for projections of second home household spending in the Tionesta area. The following is a summary of some key points regarding the second home market, based upon a combination of Census data with these characteristics:

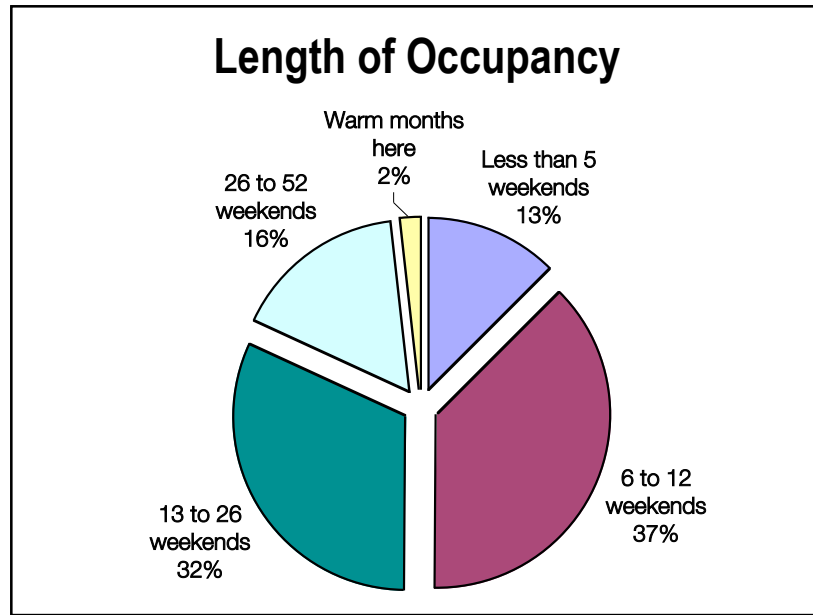
- There are some 21,243 total second homes within one hour of Tionesta.
- There are 15,649 second homes in just Forest, Crawford and Warren Counties.
- The typical second home is occupied by 3.34 persons.
- Second homes provide an added population of 94,000 persons within one hour.
- Forest, Crawford and Warren Counties account for 55% of this population or 52,000 persons.
- Second homes are purchased mostly for weekend recreation and vacations.
- Second home users include more males (53%) than females (47%).
- Most second home users (70%) come from white-collar professions.
- The vast majority (90%) are represent married families.
- Some 25% use their second homes every weekend.
- Summer is the most frequented season, July being the peak.
- Some 48% of second home households regularly accommodate overnight guests.
- The typical second home is used 26-31 summer days.
- Some 53% of second home households travel 100-150 miles to reach their second homes.
- The typical second home household visits the area 84 days/year.
- The typical second home household spends \$166/day when visiting.
- Some 60% of this spending is off-site for groceries, dining, household goods and recreation.
- The regional second home market represents total spending of \$236 million/year.
- Forest, Crawford and Warren Counties account for \$131 million of second home spending.

A second home survey of 1,000 Forest County second home owners chosen at random from assessment records was conducted in August, 2005 as part of this strategic planning process. Surveys were returned by some 361 second home owners for an excellent return rate. This survey was intended to gather further insights into the second home market and test some of the findings and conclusions from earlier studies as they applied to the Tionesta area market in particular.

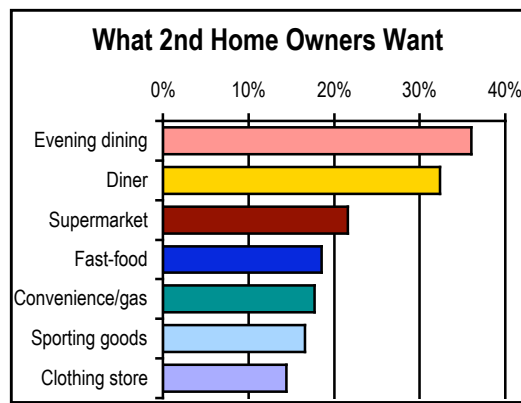
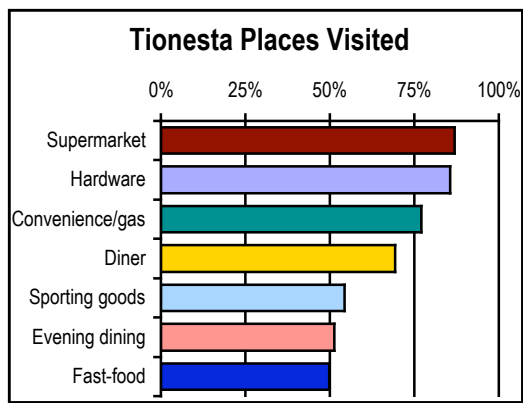


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Responses indicate the largest share of second home owners came from Pittsburgh area locations with Ohio metro areas also contributing large numbers. Business owners who attended the third stakeholder workshop suggested Cleveland may contribute a much larger number of second homes than the survey indicates, however. Regardless, the data confirms that most second home owners are coming from 100-150 miles away.



Survey results also indicate that second home owners spend a great deal of time using their second homes, with the largest group (37%) using their homes 6 to 12 weekends per year and another 32% spending 13 to 26 weekends per year at their second homes. Some 16% use their homes more than half the weekends every year. This data, when analyzed further, suggests that Tionesta area second home owners may use their homes somewhat less than other areas - about 50-55 days per years on average. If so, this reduces the total potential market somewhat (to about \$150 million, which is still very substantial.) However, the data may not account fully for extended vacation periods. Therefore, the total market should be viewed as a range of \$150-235 million.



Second home owners surveyed were also asked to indicate the types of businesses they had visited in the Tionesta area and identify those business examples of which they would like to see

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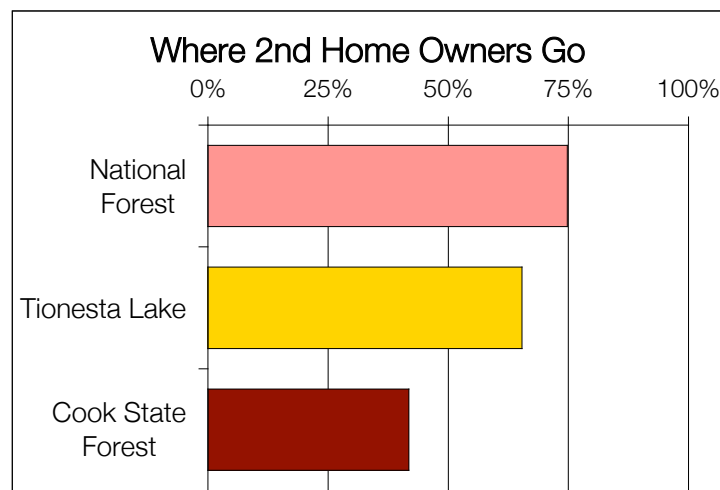
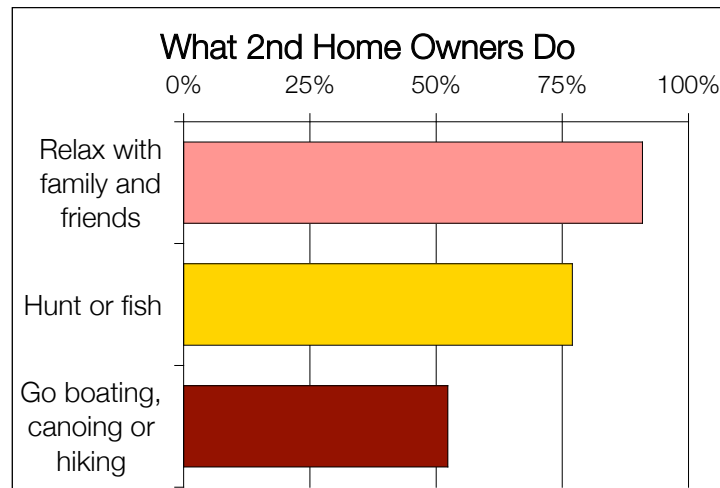
more in the future. The charts above and the tables following summarize the results. They indicate that most second home owners are well aware of Tionesta and provide the essential support required for those businesses it now possesses. The community has a great deal of business for its small size - a reflection of the second home and tourism industry impacts on the current local economy.

Which of the following have you found and visited in Tionesta?			Which of the following would you or see more of within the Tionesta area?		
147	41%	Antique shops	41	11%	Antique shops
76	21%	Art gallery/cultural attractions	15	4%	Art gallery/cultural attractions
45	12%	Auto/RV/boat repair	25	7%	Auto/RV/boat repair
14	4%	Bed and breakfasts	11	3%	Bed and breakfasts
13	4%	Bookstore	37	10%	Bookstore
125	35%	Branch bank/ATM	29	8%	Branch bank/ATM
250	69%	Breakfast and lunch diner	117	32%	Breakfast and lunch diner
103	29%	Carpenter/electrician/plumber	16	4%	Carpenter/electrician/plumber
115	32%	Clothing store	52	14%	Clothing store
278	77%	Convenience store with gasoline	64	18%	Convenience store with gasoline
3	1%	Cottage rentals	5	1%	Cottage rentals
17	5%	Crafts/cooking schools	16	4%	Crafts/cooking schools
175	48%	Farmers market	49	14%	Farmers market
180	50%	Fast-food/sandwich shop	67	19%	Fast-food/sandwich shop
75	21%	Fishing/hunting guide	26	7%	Fishing/hunting guide
17	5%	Gourmet food/meat shop	29	8%	Gourmet food/meat shop
24	7%	Hairdresser/barber	11	3%	Hairdresser/barber
309	86%	Hardware store	49	14%	Hardware store
77	21%	Home and garden supply	51	14%	Home and garden supply
12	3%	Home cleaning/maintenance	8	2%	Home cleaning/maintenance
92	25%	Horseback riding	22	6%	Horseback riding
132	37%	Laundromat/dry cleaning	12	3%	Laundromat/dry cleaning
33	9%	Motel/hotel	10	3%	Motel/hotel
108	30%	Museum/visitor center	31	9%	Museum/visitor center
77	21%	Outfitter shop	21	6%	Outfitter shop
41	11%	Rental equipment	36	10%	Rental equipment
185	51%	Sit-down evening dining	130	36%	Sit-down evening dining
3	1%	Spa/massage therapy/health club	16	4%	Spa/massage therapy/health club
134	37%	Specialty/gift shops	50	14%	Specialty/gift shops
196	54%	Sporting goods store	60	17%	Sporting goods store
314	87%	Supermarket	78	22%	Supermarket
10	3%	Youth entertainment	22	6%	Youth entertainment
3	1%	Other - Indian Festival	10	3%	Other - Specific Restaurants
3	1%	Other - Library	7	2%	Other - Dollar Store
2	1%	Other - ATV Sales/Supply	3	1%	Other - Auto Parts
2	1%	Other - Golf	3	1%	Other - Tavern
22	6%	Miscellaneous	49	14%	Miscellaneous
361	100%	Totals	361	100%	Totals

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These results indicate that second home owners want more choices. There is strong demand for dining opportunities, suggesting the loss of the restaurant in the burned out block of Tionesta did leave somewhat of a hole in the local economy as well as the streetscape, although the impact should not be overestimated given the patronage extended to so many other local businesses. It may be further observed from these results that second home owners want more but not necessarily different offerings from those that are now available. They value Tionesta's existing character, but want more variety.

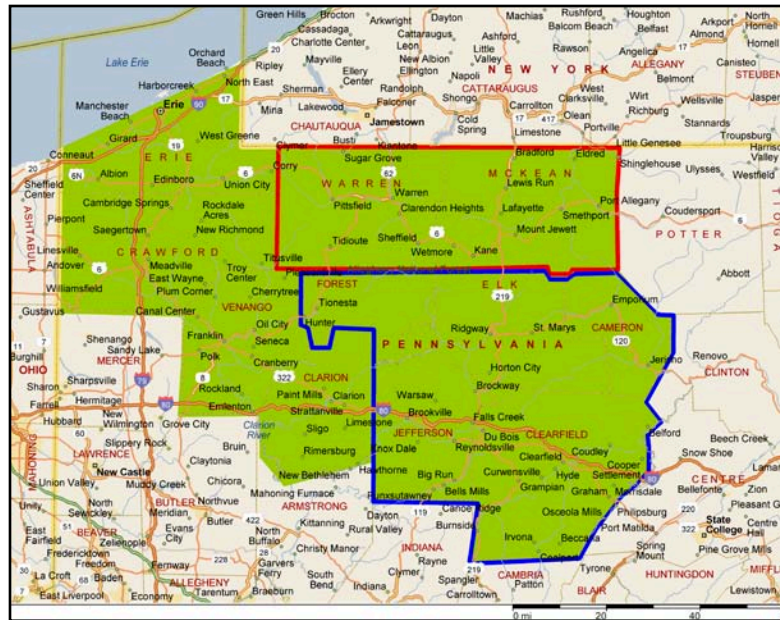
The following charts tell what second home owners do and where they go when visiting Tionesta.



The data indicates that Tionesta second home owners come to the area for more than recreation or hunting and fishing. Primarily they want opportunities to relax and do nothing, meaning that marketing alone can serve to increase Tionesta's income opportunities related to second homes. New and exciting recreation offerings may be important for attracting other forms of tourism but second home households attracted to Tionesta aren't looking for this. Rather, they want Tionesta largely as it is but with more to choose from. Moreover, second residents visit recreation facilities on all sides of Tionesta and, therefore, regularly travel through it. This suggests a number of opportunities for businesses that depend upon high visibility, including restaurants.

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These opportunities also, of course, derive from other forms of tourism, including day trips and overnight stays in local lodging places. A concurrent study of retail spending in nearby Oil City, for example, indicates that residents within one hour driving time spend 135% of the national average on freshwater fishing and 168% on hunting with rifle. The proposed Hunting and Fishing Museum for Tionesta is, therefore, a critically important economic opportunity for the community. The Pennsylvania Tourism Office has established certain tourism regions and sub-regions (see map below) and conducted studies of tourism economic impacts within these areas.



- NORTHWEST REGION**
- GREAT OUTDOORS SUB-REGION**
- ALLEGHENY STATE FOREST SUB-REGION**

The following table is excerpted from a 2003 study of these impacts:

TOURISM RELATED SPENDING, 2003 (\$ MILLIONS)								SHARE OF TOTAL COUNTY ECONOMY	SHARE OF TOTAL REGION
COUNTY	TRANSPORTATION	FOOD & BEVERAGE	LODGING	SHOPPING	ENTERTAINMENT	OTHER	TOTAL		
ERIE	\$ 61.07	\$ 144.60	\$ 34.33	\$ 124.76	\$ 101.02	\$ 32.42	\$ 498.20	2.00%	44.40%
VENANGO	2.04	19.35	3.04	21.55	8.24	3.88	58.10	1.60%	5.20%
MCKEAN	2.26	14.23	5.25	9.44	3.88	2.98	38.04	1.10%	3.40%
WARREN	11.76	9.73	5.79	10.87	3.5	2.37	44.02	1.50%	3.90%
CAMERON	9.27	0.77	0.07	0.4	0.7	0.28	11.50	2.50%	1.00%
CLARION	29.41	18.19	5.54	21.46	1.62	3.87	80.08	3.20%	7.10%
CLEARFIELD	63.34	28.82	10.68	57.73	5.5	6.63	172.70	3.60%	15.40%
CRAWFORD	12.21	33.2	7.61	28.48	12.01	6.84	100.37	1.70%	8.90%
ELK	9.95	7.23	2.43	11.65	5.66	1.79	38.71	1.10%	3.40%
FOREST	1.36	1.14	1.64	0.53	0.22	0.34	5.23	2.50%	0.50%
JEFFERSON	39.58	15.45	5.32	6.09	5.82	3.73	76.00	2.60%	6.80%
TOTAL NORTHWEST REGION	\$ 242.25	\$ 292.71	\$ 81.70	\$ 292.96	\$ 148.17	\$ 65.13	\$ 1,122.95		100.0%

Source: Pennsylvania Tourism Office, Department of Community & Economic Development. The Economic Impact of Travel and Tourism in Pennsylvania, 2003.

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This data indicates that tourism is still a small industry in Forest County, despite its obvious importance to Tionesta businesses. There is considerable undeveloped potential for additional tourism. Surrounding counties have done better in many cases, as the following employment data documents:

TOURISM-RELATED EMPLOYMENT, 2003					
COUNTY	DIRECT	INDIRECT	INDUCED	TOTAL	SHARE OF TOTAL COUNTY ECONOMY
ERIE	7,933	1,774	2,365	12,072	8.90%
VENANGO	925	207	276	1,408	6.90%
MCKEAN	606	135	181	922	5.00%
WARREN	701	157	209	1,067	6.40%
CAMERON	183	41	55	279	12.40%
CLARION	1,275	285	380	1,941	12.80%
CLEARFIELD	2,750	615	820	4,185	14.40%
CRAWFORD	1,598	357	476	2,432	7.10%
ELK	616	138	184	938	5.90%
FOREST	83	19	25	127	8.10%
JEFFERSON	1,210	271	361	1,841	11.70%
TOTAL	17,881	3,999	5,331	27,211	100.00%

Source: Pennsylvania Tourism Office, Department of Community & Economic Development. The Economic Impact of Travel and Tourism in Pennsylvania, 2003.

Current tourists to Forest County are higher income households, as the following table indicates. However, the length of stay for visitors is less than it could be and visitors are older than average.

OVERNIGHT LEISURE TRAVEL, 2003 BY DOMINANT MARKET SEGMENTS			
PA TRAVEL REGION:	Northwest	Allegheny National Forest Sub-region	Great Outdoors Sub-region
COUNTIES INCLUDED:	Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Venango, Warren	Mckean and Warren	Cameron, Clarion, Clearfield, Elk, Forest, and Jefferson
VISITOR VOLUME OF OVERNIGHT LEISURE TRAVEL (MILLIONS OF PERSON-TRIPS):	3.1	0.5	1.1
MARKET SHARE OF PENNSYLVANIA OVERNIGHT LEISURE TRAVEL:	7	1	2
MEDIAN AGE	41	40	43
MEDIAN ANNUAL HOUSEHOLD INCOME	\$60,900	\$30,000	\$62,800
MAIN TYPE OF TRAVELING PARTY	Families	One Adult	Couples
PRIMARY PURPOSE OF STAY	Visit Friends/Relatives	Visit Friends/Relatives	Visit Friends/Relatives
AVERAGE LENGTH OF STAY	3.1 Days	4.6 Days	3.0 Days
ACCOMMODATION PREFERENCE	Private Home	Private Home	Private Home & Hotel/Motel

Source: Compiled by the Shepstone/Fairweather team from Pennsylvania Tourism Office. 2003 Pennsylvania Travel Profile.

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The nature of these tourists is further examined in the following table:

OVERNIGHT LEISURE TRAVEL, 2003 BY DOMINANT MARKET SEGMENTS			
PA TRAVEL REGION:	Northwest	Allegheny National Forest Sub-region	Great Outdoors Sub-region
COUNTIES INCLUDED:	Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Venango, Warren	McKean and Warren	Cameron, Clarion, Clearfield, Elk, Forest, and Jefferson
TOP ACTIVITIES	Sightseeing, Dining, Shopping	National/State Parks, Sightseeing, Shopping	Sightseeing, Dining, Entertainment
SECONDARY ACTIVITIES	Hunt/Fish, Beach/Waterfront, State & National Parks	Dining, Camping, Hunting/Fishing, Hike/Bike	National/State Parks, Shopping, Hiking/Biking
AVERAGE EXPENDITURES: PER PERSON PER DAY	\$64.90	\$47.00	\$65.60
AVERAGE EXPENDITURES: PER TRAVEL PARTY PER TRIP	\$431	\$343	\$464
AVERAGE SATISFACTION RATINGS	7.1	6.8	6.8
AVERAGE VALUE RATINGS	7.5	7	6.7
Source: Compiled by the Shepstone/Fairweather team from Pennsylvania Tourism Office. 2003 Pennsylvania Travel Profile.			

Forest County exhibits relatively high spending (\$464 per trip) per tourism party. The level of satisfaction rating, however, is slightly less than average. This illustrates the challenge facing the Tionesta area as it attempts to capitalize on its tourism potential. The community must determine how it can continually improve the quality of the local tourism experience without substantially changing its nature. Improving the quality of the tourism experience is the key to increasing the length of stay, attracting additional second homes, stimulating tourism spending and recruiting new businesses that will serve tourists and grow the economy.

3.0 Economic Development Needs and Priorities

Although many of Tionesta's needs can be deduced from the foregoing information, three stakeholder meetings were conducted to analyze them further and select priorities. The initial meeting included a map exercise to pinpoint some of the area's strengths and weaknesses. The results are depicted below (green dots indicate strengths and red dots indicate weaknesses):



Mapped Tionesta Area Strengths and Weaknesses

MAP LOCATION	WEAKNESSES TO BE IMPROVED	MAP LOCATION	STRENGTHS TO BE PROTECTED OR BUILT UP
Community Services/Programs		The Allegheny River	
1	Lack of Infrastructure for some development	5	River
3	Community activity	11	Most beautiful river in PA
5	Good food	1	Allegheny River
7	Adult classes	42	River
8	Public transportation	13	River
44	Lack of water in summer		
	Tionesta Branch needs to be improved		Outdoor Recreation
		9	Good fishery, River, boating and canoeing
	Local Capacity	72	Fish hatchery
2	Lack of cooperation among local businesses	2	Tionesta Lake Campground
9	Lack of cooperation among local governments		
73	Lack of leadership by boro council		Tionesta Dam
103	Borough government	39	Tionesta Dam
65	Negative pride of ownership	43	Dam
	Infrastructure		Hunting & Fishing Museum
26	No parking	10	Hunting and Fishing Museum
44	Lack of water in summer	15	Museum
		6	Proposed Hunting and Fishing Museum of PA
	Economic Vitality		
4	Undevelopable land		Outdoor Recreation in General
6	Lack of investment funding	41	Close to National Forest
10	Would make a bike trail	11	Island, fishing and boating
31	Burned out block	37	Hunting
41	Lack of rebuilding		Outdoor activities
71	No backpacking, hiking, biking industry or support		
72	Lack of industry		Quality of Community Life
104	Lack of trails for snowmobiles, hiking, ATVs	40	Good core group of interested individuals
		36	Good 'ole hometown, rural, wholesome values
		4	Fire department and ambulance service
		3	Historic character
			Infrastructure
		7	PennDOT keeps roads in good conditions all year
		31	Internet connectivity
		73	High-speed internet
			Other
		8	Office and warehouse space

Some 17 of the 25 strengths identified by participants were related to outdoor recreation. Five mentioned the Allegheny River. The remaining eight responses touched upon the quality of community life, infrastructure (including Internet connectivity) and available office and warehouse space. Seven of the 22 weaknesses identified related to the general lack of economic vitality. Three focused on the lack of support facilities for the tourism/outdoor recreation industry, particularly the lack of trails for backpacking, hiking, snowmobilers and ATV riders.

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Participants were then divided into two groups to focus more specifically on needs by answering a series of specific questions. Those questions and results of the discussions follow (organized by work group):

1) What are the most important economic assets of Tionesta?

Group 1

- The area is replete with natural resources (Allegheny River, National Forest, etc.).
- Tionesta is an inexpensive place to start business.
- Second home owners and the seasonal population offer an important market.
- The workforce is honest, hardworking and loyal.
- High-speed internet service is generally available.
- Tionesta is a generous community.
- The low cost of living attract retirees and second home conversions.
- Volunteer emergency services are strong in Tionesta.
- The timber industry is strong, sustainable and of historical value.
- The area has a strong Victorian heritage that can be marketed.

Group 2

- The area already attracts a great deal of tourism.
- The second home industry provides a special marketing opportunity.
- The Allegheny River is a recognized outdoor attraction.
- The National Forest provides another major draw.
- Tionesta Lake is still another major attraction for tourists.

2) What are the most important economic liabilities of Tionesta?

Group 1

- Natural topography limits development potential.
- Government land ownership also limits development potential.
- There is no sewer or water infrastructure outside the Borough.
- Access to the interstate highway system is an hour away.
- There are relatively few local employment opportunities.
- There is insufficient government promotion of business.
- Tionesta lacks startup housing and public transportation.
- The economy is fragile - the loss of business to fire hurt a lot.
- The school system is losing its sense of community identification.

Group 2

- The burned out block has left a hole in downtown Tionesta.
- Small and rural Tionesta lacks real political influence at all levels.
- The area lacks good access and infrastructure.
- There is little or no cooperative marketing at any level.
- The area has too little lodging capacity.

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3) What are the best opportunities for economic development in Tionesta?

Group 1

- Further develop the hardwood industry by marketing of area to secondary and tertiary wood processing industries.
- Market the area as a location for remote-office businesses and entrepreneurs already attracted to Tionesta's quality of life.
- Complete the Hunting and Fishing Museum.
- Develop a business to rent out second homes during off-periods.
- Develop new recreational attractions for other family members to complement outdoor recreation offerings.
- Market Tionesta as the regional center where outdoor recreation tourists can stock up on needs.
- Develop additional restaurant and lodging offerings.
- Attract additional convenience and dry goods suppliers.

Group 2

- Create additional seasonal lodging opportunities for tourists.
- Attract additional food and restaurant businesses to create a greater variety of offerings locally.
- Develop additional specialty retail businesses of interest to tourists (e.g. antique stores, outfitters)
- Promote more boating activity.
- Market the area better as a fishing attraction.

4) What are the highest priority actions Tionesta businesses and institutions could take to exploit those opportunities?

Group 1

- Update the local business directory on a regular continuing basis.
- Develop a continuing and regular program of joint business promotions through a local business/merchants group.
- Reenergize the Tionesta Chamber of Commerce.
- Target market the second home and campground communities.
- Pull existing businesses together to cooperatively market Tionesta as a shopping and dining location.
- Develop a sophisticated calendar of events for the use of tourists.
- Upgrade the Visitor Center as the focal point for welcoming tourists to Tionesta.

Group 2

- Develop a joint marketing program focused on potential customers located within 150 miles of Tionesta.
- Create a more effective merchant group.
- Involve non-profit organizations in joint marketing as well as interested individuals and stakeholders.

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- 5) What are the highest priority actions Tionesta Borough / Forest County government could take to exploit those opportunities?

Group 1

- Convince government to accept economic development as an important mission.
- Focus on attracting the State and Federal dollars required to launch the Hunting and Fishing Museum.
- Address infrastructure needs on a capital improvement basis.
- Develop plans and mission statements that offer a salable vision of the Tionesta area.
- Increase parking resources.
- Make a major new commitment to tourism promotion, the current effort being very inadequate.
- Create more effective County/local cooperation using a Council of Governments approach.

Group 2

- Develop a Local Economic Revitalization Tax Assistance (LERTA) program locally to act as an incentive for business attraction and development (requires all governments to participate).
- Develop and expand upon trail systems for tourists.
- Acknowledge that tourism is Tionesta's major industry and make it a priority for economic development efforts.

These ideas were further discussed in the second and third stakeholder meetings held in June and September, 2005. It was the consensus of these meetings that the Tionesta area's top priority was the launching of a major marketing initiative consisting of the following elements:

- Packaging of **The Tionesta Experience** to tourists looking from Pittsburgh and Cleveland areas who are looking for relaxing vacation opportunities.
- Employment of an overarching marketing theme such "The Little Main Street on the Allegheny."
- Recruitment of additional businesses that will offer tourists more choices but the same **Tionesta Experience**.
- Professional marketing to include:
 - Packaging of different tourism experiences for one price.
 - Continuous promotion and public relations on a weekly basis.
 - Servicing of tourism customers with unusually good hospitality.
 - Selling of **The Tionesta Experience** by asking potential tourists for the sale.
- Focus of selling efforts on a **Tionesta Experience** that includes:
 - Quality time together for families to relax and do nothing.
 - Outstanding natural resources and beautiful scenery.
 - Abundant outdoor recreational opportunities
 - A real community with an authentic small village character.
- A sales effort for **The Tionesta Experience** that includes:
 - Customer service training for local business employees with reminders of the importance of unusually good hospitality as a competitive marketing advantage.
 - Direct mail campaigns to second home owners and other special interest groups.

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- Visitor center program and physical improvements as well as other wayfinding assistance (e.g. directional signage). See example below where trails systems are linked to information kiosks, signs and other tourism services.

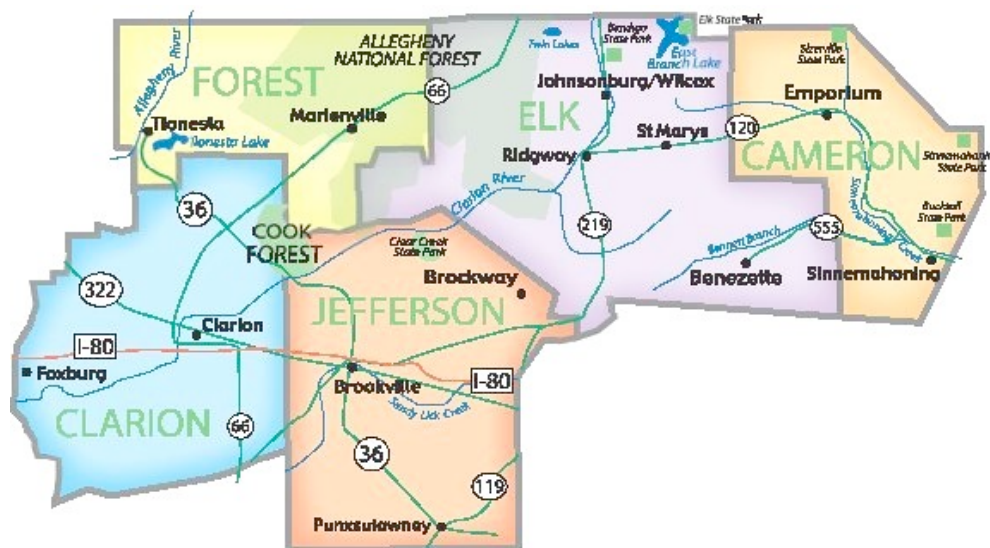


- Fund-raising efforts for the Hunting and Fishing Museum.
- Additional events and places to bring visitors together with locals.
- Continuous, regular public relations program that makes news out of small happenings.
- Internet marketing of **The Tionesta Experience**.
- Very limited advertising (primarily as the tag line with respect to individual business advertising programs).
- Development of a part-time and/or volunteer staff and organization that uses the resources of Tionesta's large pool of retired professionals.

4.0 Additional Recommendations

Based upon the foregoing information, a number of additional specific recommendations were developed to complement the marketing initiative discussed above. These were reviewed with community stakeholders in September, 2005 and included the following:

- **Coordination of tourism promotion and economic development efforts within multiple tourism regions.** These regions should not be limited by arbitrary state region boundaries, and should include the following specific areas:
 - The Northern Alleghenies Region (Warren County)
 - Titusville and Oil City (Crawford and Venango Counties)
 - The Great Outdoors Region (Clarion, Cameron, Elk, Forest and Jefferson Counties)



It is important that Tionesta leverage its promotional opportunities by working within these various regions, using each as a way of also selling Tionesta. Active participation in multiple regional promotion programs is essential for small rural areas that cannot afford to promote solely on their own and do not want to be submerged within a single regional program where they get relatively little attention.

- **Create a local business promotion entity to implement the marketing initiative.** Maintaining effective organizations within small communities, where funding and volunteers are both limited, is difficult. The Chamber of Commerce is an obvious choice for implementing a marketing initiative but lacks resources, suggesting that using the Great Outdoors Tourist Promotion Agency, FCIDC or other entities should be considered as alternatives or sources of support. Securing assistance from these organizations, as well as Borough and County governments, is critical. A cooperation agreement among these entities is warranted to direct the required resources to the effort. It might include a small amount of ongoing financial support and some technical assistance from County and regional entities, built upon a demonstration grant (say from the J. Bowman Proper Charitable Trust) to get the program rolling. The demonstration program should also include efforts to recruit volunteer staff from among Tionesta's retired professionals.

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- **Upgrade the Visitors Center (now underway) and institute a wayfinding program of signs and training.** The Visitors Center is an underutilized resource that should be supported by the County and regional tourism promotion programs to help carry the load with respect to overhead costs. It should also include some museum or interpretive elements (e.g. historic photographs and story boards) that provide more of a reason for tourists to stop, businesses and others to financially support the operation and still others to donate time and money to its continued operation. Wayfinding sign programs are encouraged by PennDOT and provide a good tool for tourism branding of an area. A program of signs incorporating a common color, theme and logo will help sell *The Tionesta Experience*. Employee training with respect to giving directions and hospitality in general is also essential and must be ongoing in nature. National retailers have learned the importance of this and so must Tionesta's businesses.



- **Develop a *Tionesta Experience* website linked directly to multiple businesses and tourism opportunities.** A good example of a very simple website used by a similar rural community is the one developed by Thurman, New York.



[Residents Guide](#) | [Calendar of Events](#) | [Home](#) | [Our Community](#) | [Fiddlers Jamboree](#)

The best websites, however, are those with direct links to local businesses, providing a portal for access to such businesses. See www.downtownwestchester.com for a good example. A private non-profit organization such as the Great Outdoors Region TPA, can do this, whereas a government sponsored website might be restricted from such

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promotion by political considerations. A non-profit can accept support from government in these efforts, however, and largely avoid the problem. Linking of businesses in this fashion allows for employment of a common theme, cross-advertising and promotion of Tionesta 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. The existing Forest County website is a good start but incomplete and not focused adequately on selling Tionesta.

- **Develop a distinctive logo and theme to sell *The Tionesta Experience* (e.g. “The Little Main Street on the Allegheny” or simply “*The Tionesta Experience*”).** The



best approach to crafting such a logo and theme is to use professional help. A local contest is a poor substitute because it is not local perceptions that matter but, rather, tourist perceptions. It is recommended professional help be solicited from the retiree or second home community through a news release and/or mailing asking for “assistance in developing a marketing and promotion theme for the Tionesta area” from individuals with marketing experience. This report and the accompanying website should be employed as a reference. Most second home owners already have a good opinion of the Tionesta area as the second home survey revealed. Indeed, 49% either planned to move to Tionesta at some point or had considered it. These individuals are likely for this reason to do an excellent job of selling Tionesta to others.

- **Develop a media kit and website resource for travel writers.** Obtaining free advertising is the key to economically promoting *The Tionesta Experience* and branding it. This can best be accomplished with the help of a public relations professional who is capable of getting articles placed in Cleveland, Pittsburgh and other nearby metro area media as well as recreation, travel and similar journals. The community must provide convenient access to facts, images and leads that making writing about *The Tionesta Experience* as easy as possible. A media package encompassing these materials needs to be assembled in both hard copy and on a website for use by writers. Members of the media also need to be notified of the availability of these materials through direct mail, e-mail and personal contact. The professional help required should, once again, be solicited from the retiree and second home community on a volunteer



basis, but purchased if necessary. Alternatively, of course, Tionesta can simply supply materials for regional media packages but this is unlikely to be nearly as effective. The message about *The Tionesta Experience* is prone to being lost in the big picture when this approach is used. A good example of a web-based media kit may be found at the following address:

www.marysvilletourism.com/media/index.htm.

- **Better coordinate Tionesta’s Indian Festival with merchants.** Such coordination should address issues such as store hours, promote cross-advertising and create links to

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businesses at every opportunity, using the festival as an opportunity to sell **The Tionesta Experience**. The Indian Festival is a major event for Tionesta and all events are opportunities for selling. Indeed, regular events are needed throughout the year - no less than one per month at some level of activity. Each provides a basis for news releases, advertising and other forms of promotion. Such events need not be complicated but must involve something to talk about, such as a town-wide sale combined with an art exhibit at the Visitors center, for example. Opportunities are plentiful, particularly over the next year, which marks the Borough's SesquiCentennial. The County website already builds on this event. There are numerous possibilities for further development, using the 2006 schedule as a model for future years.



Making such events happen demands paid (even if part-time) staff in most instances. Larger communities can utilize Pennsylvania's Main Street Program but Tionesta is below the 3,000 resident threshold for such aid. Moreover, the grant requirements are somewhat excessive for a small community. The USDA Rural Development agency may be a source of some funding (RBEG or RBOG grants). Pennsylvania's First Industries Tourism Grant Program is another potential source. However, seeking these grants will cost time and money and could be a diversion from the real challenges. The best approach, currently, is to work through the Great Outdoors Tourism Promotion Agency and FCIDC to initiate a program while raising funds locally, through foundation/legislative grants or other financial sources.

- **Employ incentives and market data already gathered to recruit new businesses, particularly those offering additional dining opportunities.** The second home survey identified the types of businesses desired by an important segment of the tourism industry. Among these are additional dining opportunities and several respondents indicated they specifically would like to see a replacement for the restaurant lost to fire. The Borough and County should consider using the LERTA program or a similar vehicle as a tool for this purpose, but more direct assistance may also be warranted.

The FCIDC or a similar entity, for example, might enter into renewable option agreements for the three parcels composing the burned out block, secure Borough pre-approval of a basic building plan and then put out a Request for Proposals to builders and developers



interested in purchasing the options and investing in improvement of the property. Proposals might be invited for a combination of retail, dining and residential uses. Such an approach might, as an alternative, also involve the existing property owners as partners in the project with their return on investment being a share of the upside potential from a successful project. FCIDC should, at a minimum, secure permission of landowners to develop an attractive brochure

marketing the combined parcels as a location for new businesses on this order.

Some consideration should be given, also, to including the other burned-out or vacant parcels in the vicinity, possibly enlarging the area available for redevelopment by closing

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off a portion the dividing side street. Adding this additional area to the site would address parking demands associated with redevelopment. Rezoning of these parcels to encourage redevelopment (e.g. reducing yard and off-street parking requirements) may also be necessary.

Similar business recruitment efforts can be used with respect to non-tourism industries but the key is employing the marketing initiative to sell Tionesta to these sectors while simultaneously attracting new customers for existing businesses. FCIDC, whose mission statement includes rebuilding downtown Tionesta should lead this effort.

5.0 Implementation Plan

An action plan setting forth required implementation items, schedules and responsibilities for this Economic Development Strategy follows:

Tionesta Area Economic Development Strategy

Action Plan and Schedule

Initiative	Recommended Actions	Involved Parties	Lead Responsibility	Schedule
Marketing Initiative: Establishment of a coordinated, full-fledged marketing program to sell The Tionesta Experience , including development of the organizational infrastructure required, creation of a marketing theme and promotion of additional events.	1 - Craft agreement to support C-O-C 2 - Solicit volunteer professional support 3 - Secure demonstration grant funding 4 - Launch public relations campaign 5 - Develop marketing theme and logo 6 - Develop year-round event program 7 - Launch targeted marketing program	1 - FCIDC 2 - Great Outdoors Region 3 - Chamber of Commerce 4 - Forest County 5 - Borough of Tionesta 6 - J. Bowman Proper Charitable Trust	FCIDC Will require an initial demonstration grant of roughly \$10,000 to launch program plus a similar amount on an annual basis that should come from a combination of member support and local government.	Oct-Dec, 2005 - Develop a multi-party cooperation agreement to market Tionesta (FCIDC should take lead at the outset and then turn over to entity such as Chamber of Commerce, local Great Outdoors TPA committee). Also, solicit volunteer professional help. Jan-Mar, 2006 - Secure needed funding commitments and lay out public relations and marketing program. Apr-Dec, 2006 - Launch marketing effort.
Visitors Center and Wayfinding Program: Upgrade the existing Visitors Center and establish a wayfinding program for tourists, combined with hospitality training for business employees.	1 - Finish V. Center improvements 2 - Solicit financial partners for operations 3 - Solicit interpretive exhibits 4 - Develop wayfinding program 5 - Arrange hospitality training	1 - Great Outdoors Region 2 - Forest County 3 - Penn State Extension Service 4 - Chamber of Commerce	Great Outdoors Region Will demand recognition of Visitors Center as County resource and require some modest financial support and technical assistance to bring operation to higher level of activity. Wayfinding sign program will also require some limited funding and organization.	Oct-Dec, 2005 - Finish improvements and solicit additional partners. Jan-Jun, 2006 - Solicit interpretive exhibits and create wayfinding sign committee with County help. Jul-Dec, 2006 - Launch a hospitality training program with help from PSU.
The Tionesta Experience Website: Development of a professional website promoting The Tionesta Experience and establishing direct links to local businesses and other attractions, with a separate media page (kit) for travel writers.	1 - Secure professional help 2 - Solicit business participation 3 - Secure domain name 4 - Develop and publish website 5 - Develop/distribute media kit 6 - Promote site with public relations	1 - Great Outdoors Region 2 - FCIDC 3 - Chamber of Commerce	Great Outdoors Region Will require individual dedicated to maintaining site and modest amount of annual funding (\$200/month) to maintain, plus perhaps \$2,000 at the outset to develop the site.	Oct-Dec, 2005 - Solicit volunteer help with website design and management. Jan-Jun, 2006 - Solicit business owner participation and design site. Jul-Dec, 2006 - Develop/distribute the media kit with FCIDC help.
Business Recruitment: Development of incentives and marketing of specific sites for new businesses needed to serve tourists and others.	1 - Solicit real estate options 2 - Develop preliminary site plan 3 - Secure Borough pre-approval 4 - Craft incentive package 5 - Distribute RFP to developers 6 - Select developer 7 - Contract with developer	1 - FCIDC 2 - Chamber of Commerce 3 - Borough of Tionesta	FCIDC Will require commitment of FCIDC to manage project and Borough and property owner cooperation. Lack of such cooperation will demand a different approach geared to simple real estate marketing of the site.	Oct-Dec, 2005 - Determine availability of options. Jan-Jun, 2006 - Development of plans and incentives. Jul-Dec, 2006 - Solicitation and contracting of developer(s).