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## Tourism in Maine Summary Report 1974

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Maine Vacation Travel Analysis Committee

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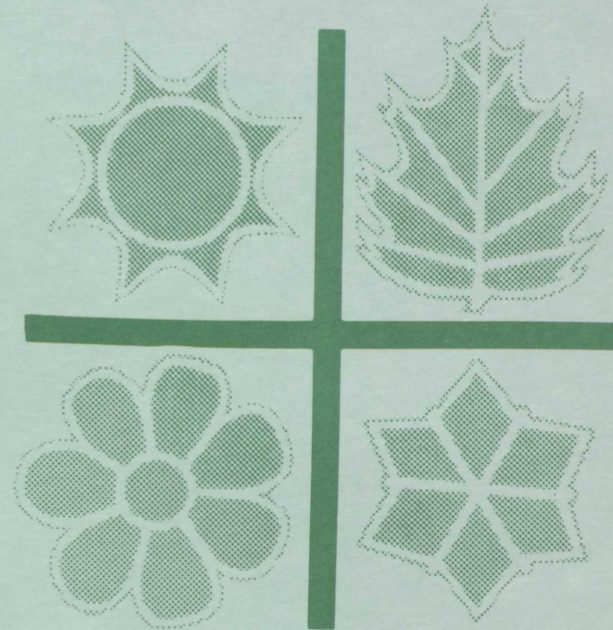
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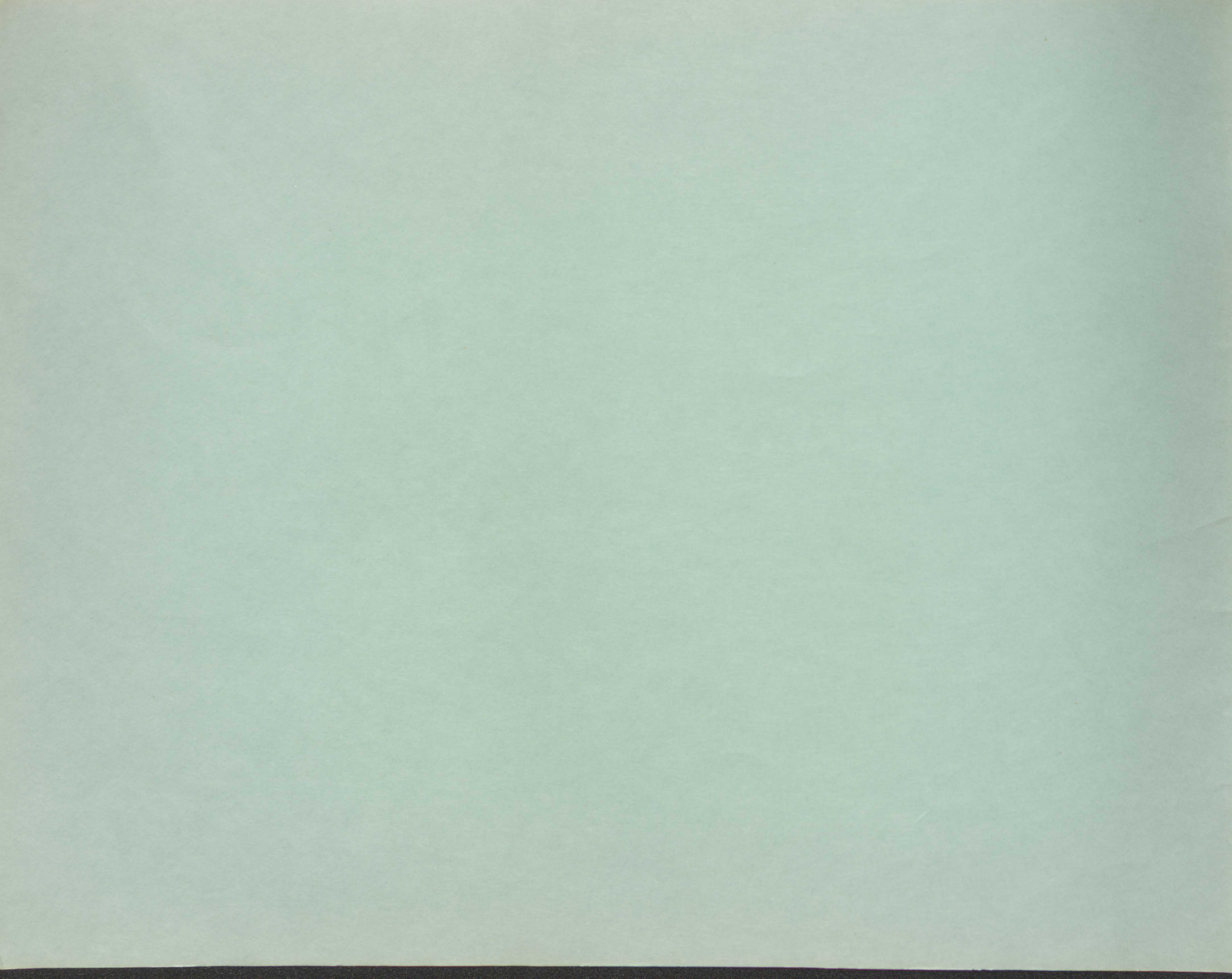
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**TOURISM IN MAINE**  
**SUMMARY REPORT**



**MAINE VACATION TRAVEL  
ANALYSIS COMMITTEE**

**JUNE 1974**



## FOREWORD

Maine proclaims itself as "Vacationland," and well it should. Since the last century when traveling longer distances became relatively easier, Maine has found itself increasingly popular as a destination for vacationers. Between 1967 and 1973 alone, the number of tourists spending at least one day in the State enjoying themselves on vacation, holiday or on a business trip has tripled. Today, Maine is within a day's journey of over sixty million people, an increasing percentage of whom visit Maine each year. Furthermore, Maine residents are, themselves, becoming greater travelers within the State. Official State employment statistics show that between 1960 and 1970, employment in eating and drinking places, lodging facilities and amusement and recreation establishments increased by over 50%--considerably more than the manufacturing sector in the State.

In spite of these glowing indications of growth, prior to the present study, the State knew very little about the magnitude of tourism or the extent of its impact on the State's economy. In fact, the lack of knowledge concerning tourism in the State has led to considerable

controversy over whether or not tourism is desirable. Recognizing the need to obtain information about the current role of tourism in the State and to plan effectively for future tourism development, the Maine Legislature created the Vacation Travel Analysis Committee and charged it with the responsibility for conducting an in-depth investigation of this problem. Named to the Committee were representatives of the Maine Department of Commerce and Industry, the Joint Standing Committee on Appropriations and Financial Affairs, the Maine Innkeepers Association, the Maine Chamber of Commerce and the Maine Publicity Bureau.

This report is a summary of the study results contained in "Tourism in Maine: Analysis and Recommendations" prepared by Northeast Markets, Inc., of Yarmouth, Maine; Arthur D. Little, Inc., of Cambridge, Massachusetts and William R. Fothergill, II of Washington, D.C. for the Maine Vacation Travel Analysis Committee, Larry E. Simpson, Chairman.

## **PLOWING NEW GROUND IN MAINE**

Because so little real data has been available about the tourism industry in Maine, the 105th Maine Legislature created and funded the Vacation Travel Analysis Committee and gave it the task of measuring the volume of vacation travel in Maine and its economic and social impact on the state's economy and of making recommendations on whether the state should encourage or discourage tourism in its various forms.

### **What is a "Tourist"**

The first task facing this team was agreeing upon a definition of "tourist." Is a tourist just an individual who is, in the definition of Webster: "One who makes a tour for pleasure or culture," or is he also a salesman staying at an urban motel who goes to a restaurant for his meals and buys Maine products to take home to his wife and children?

The definition which was derived was the more liberal. In the context of this study tourists are defined as: residents and non-residents who journey into, within or through the state on purposes of recreation, pleasure, culture or business.

### **How do you answer the "where", "what" and "how much" questions?**

The study analyzed tourists by where they stay and what they do while in Maine. In all ten lodging categories and twelve activity categories were used. To answer the "what", "where" and answer the "how much" questions, the team went directly to the best source of this information - the tourist himself. From September 1972 to September 1973, interviewers were stationed at all major border crossings of the state, the major airports and ferry terminals. Non-residents were asked to complete travel survey cards which furnished information about travel party size, activities, lodging and length of stay. Over 6,250 cards were returned. From this specific group approximately 20% were selected for more lengthy interviews on expenditure patterns. These were interviewed at their home by telephone. In all, more than 8,300 different people described their tourist related activities and expenditures in Maine.

### **The Big Picture**

Tourism is a smaller business in Maine than some of its proponents have stated. At the same time, it is more profitable to the state than its detractors have believed. This is revealed by Exhibit 1.

**EXHIBIT 1**  
**TOURISM IN MAINE - A SUMMARY**  
 (9/72 - 8/73)

**DIMENSIONS**

Total Number of Tourist Parties	3,524,000
Total Number of Tourists	10,218,000
Total Number of Tourist Days	22,481,000
Average Expenditure per Tourist per Day	\$11.51
Total Tourist Expenditures	\$258,754,000

**VALUE**

Total Tourism Business Activity Generated	\$457,546,000
Total Wages and Income Generated	\$103,407,000
Percent of Maine Total	4.1%
Total Man-Years of Employment Created	20,925
Percent of Maine Total	6.5%
Total State Tax Revenue Generated	\$29,941,000
Percent of Maine Total <sup>1</sup> .	13.8%

Note: <sup>1</sup>Percent of Personal Income, Business Income, Sales and Use and Gasoline Taxes.

During the 1972-73 season, 10.2 million resident and non-resident tourists in 3.5 million groups or travel parties spent 22.5 million days in Maine engaged in tourist activity. They spent a total of \$258.8 million or an average of \$11.51 per day. Non-residents spent an average of \$18.40 daily, accounting for \$205 million of this total, while residents who more often were on day trips, spent only \$4.70 daily for a total of \$53 million.

**The Expanding Dollar**

Beyond the immediate benefits of this quarter billion dollars were the additional impact benefits caused by the multiplier effect. A dollar spent on film at a variety store expands in value as the store owner spends it himself on needed goods and services. When this factor is considered, the tourist industry expands in value to where it has a \$457.6 million impact on Maine's economy.

Wages and income generated were \$103.4 million, representing 4.1% of the total wages and income generated during the period measured. On the other hand, 20,925 man-years of employment was generated in the tourist industry, representing 6.5% of the total employed time spent by the Maine work force. These differences in percentages lead to the conclusion that the tourist industry pays an average wage that is lower than the average for all employment in the State of Maine. It is also true that the tourist industry more than pays its share in its support of the state government. Total tax revenue generated was \$29.9 million or 13.8% of the Maine total. This was nearly twice the money expended by the state to support the tourist industry. (See Exhibit 8)

**EXHIBIT 2**  
**RANKING OF TWENTY MAJOR ORIGINS**  
**OF NON-RESIDENT MAINE TOURISTS**

Origin	Percent of Non-Resident Tourists	
	Individual	Cumulative
<b>Twenty Major</b>		
1. Massachusetts	29.4	29.4
2. New Hampshire	12.9	42.3
3. New York	9.6	51.9
4. Connecticut	7.7	59.6
5. New Jersey	6.2	65.8
6. Pennsylvania	4.1	69.9
7. Vermont	3.0	72.9
8. New Brunswick	2.6	75.5
9. Rhode Island	2.5	78.0
10. Ohio	2.0	80.0
11. Maryland	1.9	81.9
12. California	1.8	83.7
13. Virginia	1.7	85.4
14. Florida	1.5	86.9
15. Illinois	1.3	88.2
16. Michigan	1.2	89.4
17. Ontario	1.0	90.4
18. Quebec	1.0	91.4
19. Texas	0.7	92.1
20. Louisiana	0.7	92.8
	<u>92.8</u>	<u>92.8</u>
Thirty Three Other USA	5.9	98.7
Seven Other Canadian	0.9	99.6
Twenty Five Other Foreign	0.4	100.0
	<u>100.0</u>	<u>100.0</u>

**Where Do They All Come From?**

Even without concerns of gasoline availability during the relatively energy secure year of 1972-73, non-resident tourists still came from non-distant origins. Massachusetts residents were Maine's number one patrons, representing nearly 30% of the overall non-resident total, and nearly equalling the next three origins in line.

Tourists from New York, New Jersey, Pennsylvania and New Brunswick added to those from the other five New England states, represent 78% of Maine's non-resident tourists.

Exhibit 2 lists the top twenty tourist origins. Note that 59.1% (New Brunswick, Quebec, New Hampshire, Massachusetts, Rhode Island, and Connecticut) are within a tankful of gas from stations within the State of Maine.

**Where Do They Stay? What Do They Do?**

Exhibit 3 shows that many do not stay overnight in Maine, and of those that do, most stay in their own seasonal homes. Thirty-four percent of all tourists (mostly Maine residents) are day trippers who go skiing, snowmobiling, beaching or boating, and then return to their home for the night. Many others, both residents and non-residents, stay at their own seasonal homes or with friends and relatives. In fact, two-thirds of all tourist days conclude without a single night spent at a commercial lodging facility.

**EXHIBIT 3  
BASIC CHARACTERISTICS OF VARIOUS TYPES OF MAINE TOURISTS**

Type of Lodging Used in Maine	Portion of Total Tourist Days (percent)	Average Size of Party (people)	Average Length of Stay (days)	Expenditures Per Person Per Day (dollars)
Day Trippers	34.0	2.1	1.0	\$5.20
Overnight Tourists				
Own Seasonal Home	18.8	3.4	8.8	7.32
Friends/Relatives	14.9	2.5	4.2	9.21
Motel	12.5	2.1	2.5	33.59
Campground	11.9	3.4	5.0	9.09
Rental Cottage	3.5	3.5	7.3	15.49
Intown Hotel	1.3	1.7	2.5	36.40
Inn/Tourist Home	1.1	2.5	3.6	23.48
Resort	0.8	2.8	6.0	32.26
Other	<u>1.2</u>	<u>2.3</u>	<u>7.1</u>	<u>10.95</u>
Total Overnight	66.0	3.6	5.4	\$14.80
All Tourists	100.0	2.9	3.2	\$11.51
Type of Activity While in Maine				
Sightseeing	19.9	3.0	2.1	\$15.85
Fishing/Hunting	11.2	3.5	2.0	6.88
Business	10.9	1.6	1.8	20.86
Fresh Water Beaching	10.5	3.7	3.3	4.76
Salt Water Beaching	6.5	3.4	2.4	9.34
Fresh Water Boating	6.0	3.5	4.5	6.44
Camping	5.0	3.7	5.3	9.20
Snowmobiling	4.4	3.3	1.2	3.95
Salt Water Boating	3.8	3.2	5.4	7.67
Skiing	2.1	3.1	1.5	13.61
Convention	0.6	1.9	1.8	16.94
Other	19.1	2.6	3.2	13.06
All Tourists	100.0	2.9	2.2	\$11.51

### The Non-Typical Tourist

Exhibit 3 also shows that party size, average length of stay and average expenditures per day vary widely according to the lodging facilities used.

For example, tourists at their own seasonal homes go to their lodging in groups that average 3.4 persons. Each time they go, they average a stay of 8.8 days and spend an average of \$7.32 per person per day, not including annual expenditures for mortgage, taxes, etc.

The tourist who stays at an in-town hotel is often by himself, but brings someone else often enough to raise the average party size to 1.7. He stays an average of only 2.5 days, but spends an average of \$36.40 per day per person, five times as much as the seasonal home owner. So, although the seasonal home users spend fourteen times as many days at their lodging, they generate only three times as much revenue as tourists staying at in-town hotels.

Sightseeing is the number one activity for all tourists as a whole. A sightseer may engage in some of the other participant activities but is primarily a browser and a buyer, spending \$15.85 per day, third only to the business man or woman who spends \$20.86 daily, and the convention goer who spends \$16.94. Skiing is another high expenditure activity at \$13.61 per person per day.

The "other" category of tourists consisted of people engaged in multiple activities who couldn't decide about a primary activity and those who considered themselves golfers, shoppers, hikers, visitors of friends and relaxers.

Sightseeing accounts for 20% of the overall tourist days. Fishing and hunting, business, and fresh water beaching add another one-third of the total of all activity days.



**EXHIBIT 4  
DISTRIBUTION OF TOURIST  
EXPENDITURES IN MAINE**

Spending Category	Average Expenditure Per Tourist Per Day					
	Residents		Non-Residents		All Tourists	
	\$	%	\$	%	\$	%
Food	1.69	35.7	6.67	36.3	4.16	36.1
Lodging	0.35	7.4	3.95	21.5	2.14	18.6
Transportation	1.04	22.0	2.78	15.2	1.91	16.6
Entertainment	0.33	7.0	0.64	3.5	0.49	4.3
Miscellaneous	<u>1.32</u>	<u>27.9</u>	<u>4.31</u>	<u>23.5</u>	<u>2.81</u>	<u>24.4</u>
Total	\$4.73	100.0	\$18.35	100.0	\$11.51	100.0

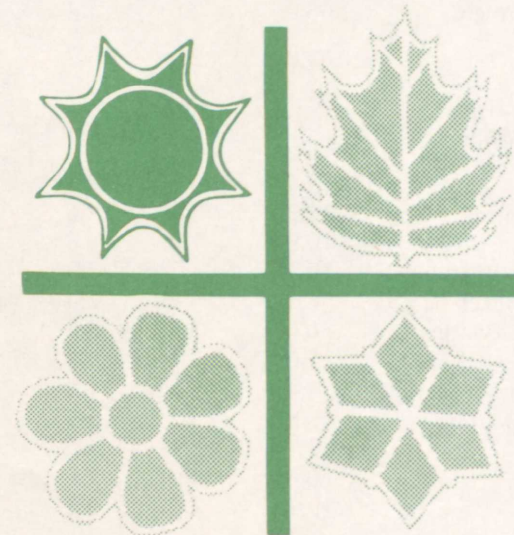
**Slicing the Pie**

While the resident and non-resident tourists spend vastly different sums per day on their tourist related activities, there are similarities in how they spend each dollar. For example, both residents and non-residents spend about \$0.36 of each \$1.00 on food and about \$0.25 on miscellaneous items, such as gifts, antiques, clothing, etc.

Exhibit 4 shows how expenditures vary for lodging, transportation, and entertainment. The resident spends proportionally more for entertainment, while the non-resident spends a larger percentage for accommodations.

The apparent conclusion is that for many out-of-staters, being in Maine is in itself a form of entertainment. The sea, the lakes, the mountains, the more relaxed pace encourage them to sightsee, to dine out and to retire to their lodging without need to cram other entertainment into their day.

A debate could be mounted that the absence of a high degree of entertainment expenditure by non-residents does not prove that they all want to relax, but rather that Maine hasn't provided sufficient opportunities for entertainment.



### Maine's Four Seasons?

More than half (53% of \$137.1 million) of all tourist expenditures occur in the summer months of June, July and August. Exhibit 5 shows that the fall months of September, October and November are significantly higher for both residents and non-residents in days of tourist activity and dollars expended than either winter (December, January and February) or spring (March, April and May).

Major variations occur in resident expenditures in summer, winter and spring. The native Mainer spends relatively less in the summer, when everyone else is in Maine, and instead spends his time and dollars in the fall and in the winter, whether it's for an extended stay at his camp, hunting and fishing, snowmobiling or skiing.

Spring and winter are more profitable per tourist day than either summer or fall as shown in Exhibit 5. Both residents and non-residents spend a higher proportion of their money in these two seasons than they do their tourist days. The gap is particularly noticeable among residents in the winter. Although the snow season represents only 12.0% of resident tourist days, it represents 17.3% of resident tourist expenditures.

EXHIBIT 5  
SEASONALITY OF TOURISM IN MAINE

Tourists	Spring	Summer	Fall	Winter	Total
Percent of Annual Tourist Days					
Residents	11.2	51.2	25.6	12.0	100.0
Non-Residents	12.6	55.4	21.8	10.2	100.0
All Tourists	11.8	53.3	23.7	11.2	100.0
Percent of Annual Tourist Expenditures					
Residents	11.9	40.0	30.8	17.3	100.0
Non-Residents	14.7	56.4	16.0	12.9	100.0
All Tourists	14.2	53.0	19.0	13.8	100.0

### The Fine Print

How much does each type of tourist, by lodging or by activity, really contribute to the Maine economy? Exhibit 6 should help answer that question.

Not including their annualized expenditures for taxes, mortgage, etc., the seasonal homeowner spends \$31.1 million in Maine, almost equally divided between residents and non-residents. This is the only lodging category, excluding day trippers, where residents spend nearly as much as non-residents.

As an example of the variation, 96% of the total expenditures by tourists who stay at Maine motels are spent by out-of-state residents. Eighty-eight percent of the expenditures of tourists who stay at campgrounds are made by out-of-staters.

The largest daily expenditure by any one type of tourist is by the resident tourist who stays at a resort. He spends an average of \$47.51 daily. The least spent per day is by the resident who takes a day trip to a salt water beach. His expenditure is only \$2.23 a day.

The relationship between resident and non-resident expenditures based on type of activity is closest among skiers. Non-residents spend \$18.89 daily, while residents spend \$10.28. The greatest divergence is among salt water beachers, where non-residents spend nearly seven times as much daily as residents.

Resident and non-resident tourist days are nearly equal, 11.3 million

versus 11.2 million, a total of 22.5 million. While resident tourist days exceed non-resident only among day trippers and seasonal home owners in the lodging categories, residents exceed non-residents in several activity categories, holding wide leads in fishing and hunting, fresh water beaching, fresh water boating, snowmobiling, salt water boating and skiing, and a narrower lead in salt water beaching. Non-residents account for 81% of the total tourist days spent camping, 71% of the days spent on business and 59% of the days sightseeing.

Because of the variation in daily expenditures, snowmobiling is the only activity in which the Maine resident spends more total dollars than the non-resident.

While the Maine tourist appears to provide a lesser total economic benefit than the out-of-stater, several factors must be considered: 1) If Maine didn't have the kind of tourist attractions to keep people home, they would be spending their tourist money out-of-state for a net loss to the Maine economy. 2) The coast, beaches, lakes and mountains are all part of the Maine life style and should not be thought of exclusively as commodities or attractions to entice the local resident to make the purchase. As such, measuring the value of the resident tourist in strict economic terms fails to consider that there would be fewer people living and working here and paying taxes to the towns and the state if they could not enjoy the scenery according to their own budget limitations.

**EXHIBIT 6**  
**EXPENDITURE CHARACTERISTICS OF VARIOUS TYPES OF MAINE TOURISTS**

Type of Lodging While In Maine	Total Tourist Days (Thousands)			Expenditure/Person/Day (Dollars)			Total Expenditures (Millions of Dollars)		
	Residents	Non-Residents	Total	Residents	Non-Residents	Total	Residents	Non-Residents	Total
Day Trippers	6,266	1,446	7,712	\$ 3.64	\$11.95	\$5.20	\$22.8	\$ 17.3	\$ 40.1
Overnight Tourists									
Own Seasonal Home	2,987	1,268	4,255	501	12.76	7.32	15.0	16.1	31.1
Friends/Relatives	967	2,403	3,370	5.74	10.60	9.21	5.5	24.6	31.0
Motel	185	2,649	2,834	20.28	34.52	33.59	3.7	91.5	95.2
Campground	597	1,728	2,325	4.18	10.79	9.09	2.5	18.6	21.1
Rental Cottage	192	582	774	10.33	17.19	15.49	2.0	10.0	12.0
Intown Hotel	61	243	304	19.45	40.65	36.40	1.2	9.9	11.1
Inn/Tourist Home	3	246	249	13.85	23.60	23.48	0.1	5.8	5.9
Resort	2	173	175	47.51	32.08	32.26	0.1	5.5	5.6
Other	46	435	481	3.97	11.69	10.95	0.2	5.1	5.3
Total Overnight	5,040	9,729	14,769	6.08	19.30	14.80	30.5	18.81	21.86
All Tourists	11,306	11,175	22,481	\$ 4.73	\$18.35	\$11.51	\$53.3	\$205.4	\$258.7
Type of Activity While in Maine									
Sightseeing	1,817	2,650	4,468	\$ 5.28	\$23.10	\$15.85	\$ 9.6	\$61.2	\$70.8
Fishing/Hunting	1,895	616	2,511	4.21	15.12	6.88	8.0	9.3	17.3
Business	698	1,745	2,443	10.29	25.09	20.86	7.2	43.8	51.0
Fresh Water Beaching	1,926	440	2,366	2.84	13.19	4.78	5.5	5.8	11.3
Salt Water Beaching	777	680	1,457	2.23	17.46	9.34	1.8	11.8	13.6
Fresh Water Boating	1,022	340	1,362	3.81	14.32	6.44	3.9	4.9	8.8
Camping	210	921	1,131	4.41	10.29	9.20	0.9	9.5	10.4
Snowmobiling	916	63	979	3.30	13.46	3.95	3.0	0.9	3.9
Salt Water Boating	594	254	848	4.16	15.87	7.67	2.5	4.0	6.5
Skiing	299	188	487	10.28	18.89	13.61	3.1	3.5	6.6
Convention	67	71	138	9.65	23.77	16.94	0.6	1.7	2.3
Other	1,033	3,207	4,291	6.56	15.26	13.06	7.1	48.9	56.0
All Tourists	11,306	11,175	22,481	\$ 4.73	\$18.35	\$11.51	\$53.3	\$205.4	\$258.7

**EXHIBIT 7**  
**ECONOMIC IMPACT OF VARIOUS TYPES OF MAINE TOURISTS**  
 (All Values in Thousands)

Type of Lodging Used in Maine	Total Tourist Expenditures	Total Tourism Business Activity Generated	Total Wages And Income Generated	Total Man-Months Of Employment Generated	Total State Tax Revenue Generated
Day Trippers	\$ 40,104	\$ 71,223	\$ 16,258	37.6	\$ 5,305
Overnight Tourists					
Own Seasonal Home	31,147	53,742	10,901	25.3	4,293
Friends/Relatives	31,037	53,628	11,261	26.6	3,715
Motel	95,209	170,665	40,297	101.0	9,812
Campground	21,136	36,497	7,763	18.5	2,342
Rental Cottage	11,989	21,539	4,988	12.1	1,360
Intown Hotel	11,073	19,795	4,671	11.7	1,222
Inn/Tourist Home	5,850	10,502	2,477	6.2	605
Resort	5,646	10,528	2,630	7.0	563
Other	5,272	9,427	2,159	5.0	719
Total Overnight	<u>218,650</u>	<u>386,323</u>	<u>87,149</u>	<u>213.5</u>	<u>24,636</u>
All Tourists	\$258,754	\$457,546	\$103,407	251.1	\$29,941
<b>Type of Activity While in Maine</b>					
Sightseeing	\$ 70,821	\$125,210	\$ 28,556	70.7	\$ 7,623
Fishing/Hunting	17,274	31,248	7,295	16.8	4,003
Business	50,960	90,748	20,969	50.5	5,271
Fresh Water Beaching	11,262	19,793	4,354	10.5	1,219
Salt Water Beaching	13,612	24,168	5,488	13.7	1,258
Fresh Water Boating	8,773	15,305	3,293	8.0	1,106
Camping	10,401	17,810	3,734	9.0	973
Snowmobiling	3,865	6,558	1,321	3.1	471
Salt Water Boating	6,507	11,598	2,563	6.2	641
Skiing	6,625	12,303	2,969	7.3	820
Convention	2,340	4,163	967	2.4	237
Other	56,036	98,641	21,901	52.9	6,319
All Tourists	\$258,754	\$457,546	\$103,407	251.1	\$29,941

### The Total Dollar Picture

Dollars spent per tourist day as presented in Exhibit 7 help measure those kinds of tourists that might be more desirable, but from a practical point of view it is of at least equal value to know which kind of tourist has the greatest total impact on the state's economy now.

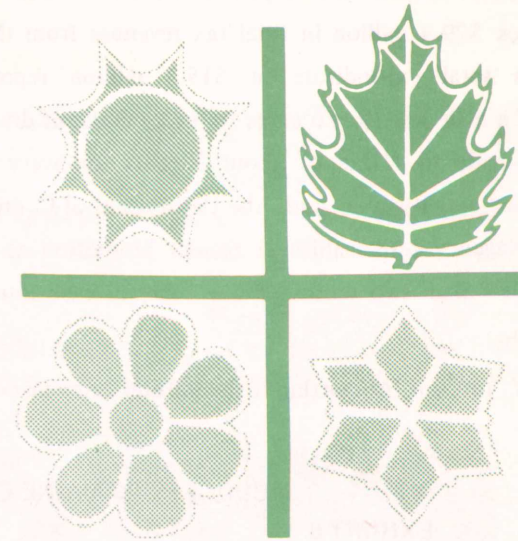
If type of lodging is considered, it is the tourist who stays at a motel and who generates \$170 million in total tourism business activity. The seasonal home owner could be a closer second if annualized expenditures on mortgages, taxes, insurance, etc. were taken into account.

On the other hand, if type of activity is considered, it is the sightseer who has a significant lead over the tourist who visits Maine on business.

The motel stayer accounts for 39% of the total wages and income generated, 47% of the employment, and 33% of the total state tax revenue generated within the tourist industry.

Because Maine has been characterized for many years by an out migration of its population, many people living elsewhere periodically come back to Maine to visit their relatives and friends. As a result, the friends and relatives lodging category is impressively large, running neck and neck with the seasonal homeowner category as the second and third place lodging categories most prolific in generating total tourism business, total wages and employment and state tax revenue.

When type of activity is considered, sightseeing, fishing and hunting, and business account for more than half the tourist expenditures, as well as the wages, man-months of employment and tax dollars generated.



Water related activities (salt water and fresh water beaching and boating) account for 16% of the total tourist expenditures and 14% of the tax revenues generated by tourist activities.

Careful study of Exhibit 7 shows that many of those who use campgrounds for their lodging accommodations do not consider "camping" as their primary activity. It is also interesting to note from Exhibit 3 that those who consider camping as their primary activity spend slightly more per day in tourist related expenditures (\$9.20) than the larger group who think of campgrounds as lodging (\$9.09).

## Who Feeds the Goose?

Exhibit 8 shows that the State of Maine spent \$15.3 million in 1972-73 to attract tourists and to provide service to them. In return, Maine got back \$29.9 million in total tax revenues from those same tourists. This total expenditure of \$15.3 million represents an investment of a little less than 6 cents for every dollar of direct tourist expenditures made in Maine or about 3 cents for every dollar of tourism business activity generated. The Department of Commerce and Industry, the agency responsible for tourist promotion at the State level, spends less than two tenths of one cent for each tourist dollar spent in Maine.

The major tourism supporting expenditures are made by the

Department of Transportation, and the Department of Inland Fisheries and Game. These two departments spend over 78% of the total expended by state departments on tourism. Four agencies indicated that 100% of their budgets went to support tourism as defined in this study. These include Parks and Recreation, Baxter State Park, Inland Fisheries and Game and the Bureau of Museum.

Other agencies with major budget allocations for the support of tourism are the Maine Port Authority and the Department of Commerce and Industry.

The total budget allocations of these 14 agencies to support tourism represent 16% of their total expenditures.

**BUDGETS OF MAINE GOVERNMENT AGENCIES ALLOCATED TO TOURISM**  
**EXHIBIT 8**

Agency	Total Annual Budget <sup>1</sup>	Percent Allocated To Tourism	Allocated Tourism Budget	Percent of Total
Department of Transportation	\$75,966,980	9	\$ 6,837,028	44.6
Department of Inland Fisheries and Game	5,151,506	100	5,151,506	33.6
Bureau of Parks and Recreation	952,947	100	952,947	6.2
Baxter State Park Authority	515,810	100	515,810	3.4
Maine State Police	4,842,142	9	435,793	2.9
Department of Commerce and Industry	831,692	50	415,846	2.7
Bureau of Museum	329,664	100	329,664	2.2
Maine Port Authority	705,243	45	317,359	2.1
Department of Environmental Protection	965,294	16	154,447	1.0
Bureau of Forestry	1,661,126	5	83,056	0.5
State Planning Office	270,781	25	67,695	0.4
Department of Marine Resources	933,974	4	37,359	0.2
Soil and Water Conservation Commission	87,222	20	17,444	0.1
Bureau of Watercraft Registration and Safety	52,856	30	15,857	0.1
Total for 14 Agencies	\$93,267,237	16	\$15,345,414	100.0

Note: <sup>1</sup> Total 1972-1973 estimated expenditures, excluding Federal funds.

### Hotels, Motels and Resorts

The analysis examined ten lodging categories used by residents and non-residents alike. Ranking these twenty combinations by the ratio of state tax revenue received to state tax revenue expended, reveals some major variations. This data is shown in Exhibit 9.

First, not all the resident lodging categories settle to the bottom. In fact, although based upon a relatively small sample, the resident tourist who stays at a resort provides the greatest tax revenue return of \$18.90 for each \$1.00 in taxes expended.

Also in the top ten are the resident tourists who stay at motels, in-town hotels, and at inns/tourist homes.

All types of tourists based on lodging categories except the resident tourists who stay at campgrounds, "other facilities" and who are day trippers return more in tax revenues than they consume. Therefore, seventeen out of the twenty possible type of tourists based on lodging can be considered "tax profitable".

It should be noted that because annualized expenditures are not included, the ratio shown for the resident and non-resident seasonal home owners are somewhat understated.

The top six categories, all with returns of better than three to one are resident and non-resident tourists who stay at resorts, hotels, and motels.

**EXHIBIT 9  
COMPARISON OF STATE TAX REVENUES AND TAX  
EXPENDITURES GENERATED BY TOURISM IN MAINE**

Type of Lodging Used in Maine	Origin	Dollars per Tourist Day		Ratio of Revenue To Expenditures
		Total Tax Revenue	Total Tax Expenditures	
Resort	Resident	\$5.04	\$0.27	18.90
In-Town Hotel	Non-Res.	4.55	0.67	6.82
Motel	Resident	2.81	0.55	5.08
Motel	Non-Res.	3.51	0.69	5.07
Resort	Non-Res.	3.19	0.64	5.03
Intown Hotel	Resident	1.87	0.48	3.89
Inn/Tourist Home	Non-Res.	2.44	0.68	3.57
Rental Cottage	Non-Res.	1.94	0.63	3.08
Own Seasonal Home	Non-Res.	1.73	0.65	2.73
Inn/Tourist Home	Resident	1.44	0.55	2.64
Other	Non-Res.	1.59	0.64	2.48
Rental Cottage	Resident	1.21	0.58	2.10
Friends/Relatives	Non-Res.	1.25	0.60	2.07
Day Trippers	Non-Res.	1.29	0.67	1.93
Campground	Non-Res.	1.15	0.64	1.81
Friends/Relatives	Resident	0.75	0.66	1.13
Own Seasonal Home	Resident	0.70	0.66	1.06
Campground	Resident	0.58	0.64	0.91
Other	Resident	0.61	0.70	0.87
Day Trippers	Resident	0.55	0.77	0.71



**Schussing, Sun Tan Oil and Name Tags**

The subject of "tax profitability" is also shown in Exhibit 10, but this time for various kinds of tourists based on their primary activity in Maine. In this case the resident skier provides the greatest tax ratio, followed closely by the non-resident skier, the non-resident tourist who goes to ocean and lake beaches and the resident and non-resident tourists who attend conventions. These top six all return taxes on a ratio better than four to one on invested tax dollars.

Although the volume of tourist activity is highest for non-resident sightseers and resident tourists who go to fresh water beaches and fishing and hunting, these three top activities rank 9th, 18th and 24th respectively in the rate of return on tax dollars.

All but two of the twenty-four types of tourists based on type of activity, namely resident snowmobiling and resident hunting and fishing, return in taxes more than is expended to support the activity.

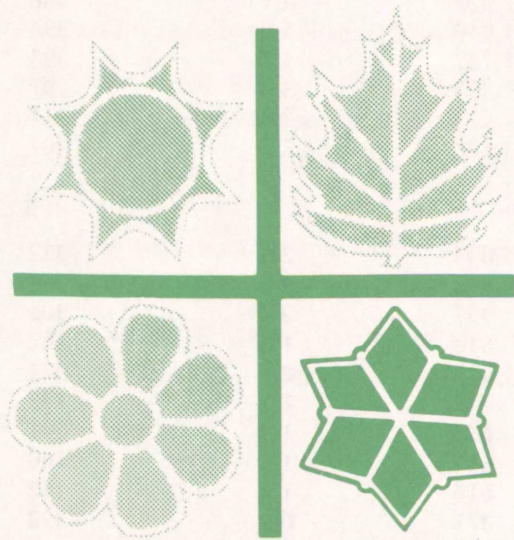
The widest divergence between resident and non-resident rate of return is in salt water beaching. The non-resident returns \$4.64 for every dollar expended while the resident, although "above the line", returns only \$1.02.

**EXHIBIT 10  
COMPARISON OF STATE TAX REVENUES AND TAX  
EXPENDITURES GENERATED BY TOURISM IN MAINE**

Type of Activity While in Maine	Origin	Dollars per Tourist Day		Ratio of Revenue To Expenditures
		Total Tax Revenue	Total Tax Expenditures	
Skiing	Resident	\$1.60	\$0.25	6.47
Skiing	Non-Res.	1.82	0.36	5.08
Salt Water Beaching	Non-Res.	1.59	0.34	4.64
Convention	Non-Res.	2.25	0.50	4.55
Fresh Water Beaching	Non-Res.	1.32	0.30	4.36
Convention	Resident	1.13	0.27	4.25
Salt Water Boating	Non-Res.	1.61	0.46	3.52
Business	Non-Res.	2.55	0.76	3.35
Sightseeing	Non-Res.	2.47	0.76	3.26
Other	Non-Res.	1.69	0.54	3.13
Snowmobiling	Non-Res.	1.30	0.43	3.03
Fresh Water Boating	Non-Res.	1.79	0.63	2.82
Fishing/Hunting	Non-Res.	2.99	1.30	2.30
Business	Resident	1.18	0.56	2.09
Salt Water Boating	Resident	0.39	0.22	1.82
Camping	Non-Res.	0.95	0.58	1.64
Other	Resident	0.82	0.51	1.60
Fresh Water Beaching	Resident	0.33	0.23	1.46
Fresh Water Boating	Resident	0.49	0.34	1.44
Camping	Resident	0.45	0.39	1.17
Sightseeing	Resident	0.59	0.54	1.09
Salt Water Beaching	Resident	0.23	0.23	1.02
Snowmobiling	Resident	0.43	0.55	0.71
Fishing/Hunting	Resident	1.14	2.33	0.49

### The Winning Combinations

Exhibit 11 shows the top fifteen types of non-resident and resident tourists in terms of generated total tourism business activity, wages and income, employment and tax revenues. In this case the type of tourist takes into account activity, lodging accommodation and season. Since there are twelve kinds of activity, ten types of lodging accommodations and four seasons, these fifteen represent the top of the list of 480 different possible combinations each for residents and non-resident tourists.



Of the top fifteen types of non-resident tourists, ten stay in motels, seven are summer activities and five are business activities, encompassing all four seasons. Again, it appears that simply going to Maine is the key activity.

However, the resident (who is always in Maine) is clearly more activity oriented as a tourist. Of the top fifteen types of resident tourists nine are associated with traditional single purpose recreational activities, and only two with business.

Leading activities are fishing and hunting (3); fresh water beaching (2); sightseeing (2); other activities (2); business (2); and skiing, salt water boating, snowmobiling, and fresh water boating. With respect to type of lodging accommodations, eight of the top fifteen types of resident tourists do not use any (day trippers), six stay at their own seasonal home, and one stays with friends and relatives. It is remarkable to note that none of these top fifteen stay at commercial lodging facilities.

It is important to note that the highest ranked type of resident tourist (goes fresh water beaching in the summer and stays at his own seasonal home) has a total economic impact of only one tenth that of the highest ranked type of non-resident tourist (goes sightseeing in the summer and stays at a motel) and in fact is exceeded by all of the top fifteen types of non-resident tourists.

**EXHIBIT 11**  
**RANKING OF SPECIFIC TYPES OF MAINE TOURISTS HAVING HIGHEST ECONOMIC IMPACT**  
 (All Values in Thousands)

Type of Tourist (Activity-Lodging-Season)	Total Tourism Business Activity Generated	Total Wages And Income Generated	Total Man-Months Of Employment Generated	Total State Tax Revenue Generated
<b>Non-Resident Tourists</b>				
Sightseeing-Motel-Summer	\$48,254	\$11,394	28.7	\$2,735
Other-Motel-Summer	16,411	3,884	9.8	931
Business-Motel-Winter	15,541	3,699	9.2	883
Sightseeing-Motel-Fall	13,119	3,114	7.7	885
Camping-Campground-Summer	12,107	2,504	6.0	648
Business-Motel-Spring	11,905	2,742	6.7	630
Business-Motel-Summer	11,050	2,617	6.4	596
Sightseeing-Campground-Summer	10,336	2,202	5.2	725
Other-Friends/Relatives-Summer	10,088	2,099	4.9	767
Business-Motel-Fall	8,348	2,022	5.1	466
Salt Water Beaching-Motel-Summer	8,157	1,940	5.0	396
Sightseeing-Motel-Spring	7,583	1,727	4.2	393
Other-Motel-Spring	5,798	1,333	3.3	297
Business-Day Tripper-Winter	5,551	1,259	2.8	311
Other-Friends/Relatives-Fall	5,176	1,128	2.6	307
<b>Resident Tourists</b>				
Fresh Water Beaching-Own Seasonal Home-Summer	5,159	1,044	2.5	322
Business-Day Tripper-Fall	4,233	912	2.0	283
Skiing-Day Tripper-Winter	3,778	997	2.4	302
Business-Day Tripper-Winter	3,598	816	1.8	202
Fishing/Hunting-Day Tripper-Fall	3,340	1,016	2.1	971
Sightseeing-Day Tripper-Summer	3,218	629	1.5	175
Sightseeing-Day Tripper-Fall	2,987	602	1.4	141
Salt Water Boating-Own Seasonal Home-Summer	2,986	618	1.4	160
Snowmobiling-Day Tripper-Winter	2,896	616	1.4	152
Fishing/Hunting-Own Seasonal Home-Fall	2,664	371	0.9	322
Fresh Water Boating-Own Seasonal Home-Summer	2,142	423	1.0	137
Other-Friends/Relatives-Fall	1,918	392	0.9	122
Other-Own Seasonal Home-Summer	1,843	358	0.8	117
Fresh Water Beaching-Day Tripper-Summer	1,810	400	1.0	90
Fishing/Hunting-Own Seasonal Home-Summer	1,484	319	0.7	150

### The Seasonal Home Owner - A Special Case

The seasonal home owner, as one type of Maine tourist, merits individual consideration for he represents a special case. He stands apart from other types of tourists because of his special commitment to Maine in the form of a property capital investment and because he represents the largest category of tourists who stay overnight in Maine.

The seasonal home owner is different also because he incurs certain kinds of expenses that other kinds of tourists do not encounter. Reference here is to annual expenses associated with owning a seasonal home in Maine which are not trip related. Exhibit 12 illustrates these annual expenses prorated to a per person per day of seasonal home use basis and compares them with trip expenses associated with traveling to and from the seasonal home. It should be noted that on this basis, non-resident tourists spend four times the amount that Maine residents do each year on their own seasonal homes. Overall, the significance is that tourists who stay at their own seasonal home have an actual daily expenditure of \$11.94 rather than \$7.32 as used previously in comparison with other kinds of tourists.

### EXHIBIT 12 DISTRIBUTION OF EXPENDITURES BY MAINE TOURISTS WHO STAY AT THEIR OWN SEASONAL HOME

	Expenditure/Person/Day (Dollars)		
	Residents	Non-Residents	Total
<b>Annual Expenses</b>			
Reinvestments Costs			
Improvements	0.72	2.83	1.33
Maintenance	0.48	2.24	1.00
	<u>1.20</u>	<u>5.07</u>	<u>2.33</u>
Carrying Costs			
Mortgage Payments	0.24	1.80	0.70
Property Taxes	0.49	1.05	0.66
Insurance	0.18	0.51	0.28
	<u>0.91</u>	<u>3.36</u>	<u>1.64</u>
Utilities			
Electricity	0.13	0.48	0.23
Fuel	0.11	0.37	0.19
Telephone	0.06	0.22	0.11
Water	0.00	0.04	0.01
	<u>0.30</u>	<u>1.11</u>	<u>0.56</u>
Other Costs			
Property Services	0.02	0.12	0.05
Surveillance	0.00	0.12	0.04
	<u>0.02</u>	<u>0.24</u>	<u>0.09</u>
<b>Total Annual Expenses</b>	<b>\$2.43</b>	<b>\$9.78</b>	<b>\$4.62</b>
<b>Trip Related Expenses</b>			
Lodging	0.00	0.02	0.01
Food	1.82	4.38	2.58
Transportation	1.29	2.21	1.56
Entertainment	0.22	0.97	0.45
Miscellaneous	1.68	5.18	2.72
<b>Total Trip Related Expenses</b>	<b>\$5.01</b>	<b>\$12.76</b>	<b>\$7.32</b>
<b>Total Daily Expenditures</b>	<b>\$7.44</b>	<b>\$22.54</b>	<b>\$11.94</b>

Some of the more significant differences between resident and non-resident seasonal home owners are shown in Exhibit 13. Because seasonal homes owned by non-resident tourists are used about 10 days per year less than those owned by residents, and because the non-resident party size is slightly smaller, the total user days attributable to non-residents are only about three-fourths of that for Maine resident owned seasonal homes. However, the much higher daily expenditures of non-resident seasonal home owners raises their total annual expenditures to over \$5,700 per seasonal home, more than double the annual expenditures by Maine residents who own a seasonal home. Similarly, the average present market value of a seasonal home owned by non-residents is twice that of one owned by Maine residents. Property taxes paid are also double.

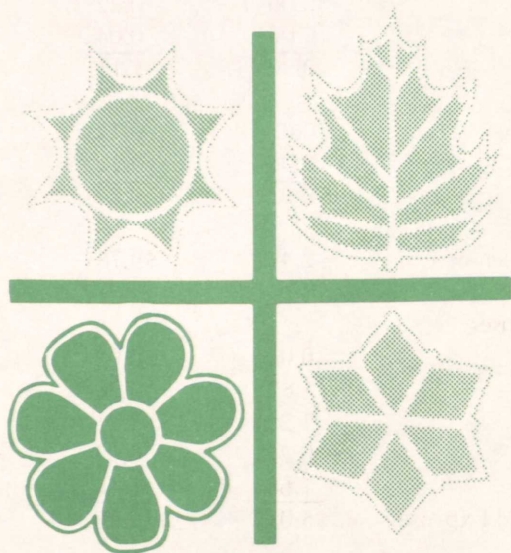


EXHIBIT 13  
SUMMARY OF MAINE SEASONAL HOME CHARACTERISTICS

	Maine Seasonal Homes Owned By	
	Residents	Non-Residents
Days of Usage Per Year		
By owner and family	83.6	64.6
Lending to others	7.1	5.8
Renting to others	1.3	11.8
Total	<u>92.0</u>	<u>82.2</u>
Average Size of Party	3.8	3.1
User Days per Year	349.6	254.8
Expenditures per Person per Day		
Annual Expenses	2.43	9.78
Trip Expenses	5.01	12.76
Total Expenditures	<u>\$7.44</u>	<u>\$22.54</u>
Expenditure per Seasonal Home per Year		
Annual Expenses	850	2,492
Trip Expenses	1,751	3,251
Total Expenditures	<u>\$2,601</u>	<u>\$5,743</u>
Percent on Waterfront Property	80.0%	59.0%
Percent Winterized	29.0%	51.0%
Percent Mortgaged	7.0%	35.0%
Percent Acquired Last 5 Years	34.4%	50.4%
Average Years of Ownership	12.7	10.6
Average Present Market Value	\$15,400	\$30,900

## THE MISSING INGREDIENTS

To this point, discussion has centered on where tourists come from, where they stay, what they do and how much money they spend while in Maine. The larger question of whether Maine wants or should encourage them, even though they are profitable, has not been addressed. Before this can be done, it is necessary to first examine the effect of tourism on our environment and their impact on our society.

Although it is difficult to measure, tourists have a very real social and environmental impact in Maine. To briefly outline some of the major ways tourists effect the environment, consider the following:

Congestion is the primary cause of serious social and environmental impact. Crowding of beaches, roads, and parks by non-residents creates social resentment among residents. Concentrated activities endanger the environment. Maine suffers from seasonal congestion (summer) and locational congestion (most notably the southern coast).

Mechanical equipment used by tourists adds to environmental impact. Motor boats, snowmobiles, ski lifts, recreational vehicles -- all intrude sharply into a natural scene. They create pollution of all types -- air, water, noise, and visual.

Accommodations have certain inherent characteristics that affect the environment and social status quo. Those that intrude on the natural "Maine scene" tend to have higher impact. A motel, for example,

intrudes because, by economic necessity, it must be highly visible with a large sign and lights.

Other measures of the impact of accommodations are related to the efficiency of functions. Facilities located far from urban services with inefficient water, sewage, and solid waste disposal systems in most cases have greater social and environmental impact than those tied into urban systems.

If a tourist accommodation facility consumes large amounts of land per unit, it logically has relatively greater environmental impact. One hundred seasonal homes standing alone have greater impact than, for example, a motel with 100 units on a small tract.

Based on a formal evaluation scheme in which the values for social and environmental criteria were subjectively assigned using professional judgment, we found convention and business activities imposed, by far, the least social environmental impact on the State. Fresh-water and salt-water boating and recreation vehicle camping scored the highest impact. The other activities clustered closely together in between the two extremes. As for accommodations, hotels have the least unfavorable impact. They are followed closely by inns. Resorts, seasonal homes, campgrounds and rental cottages have considerably greater impact and motels fall in the middle of the spectrum.

Business travel is a significant part of tourism. Businessmen visit Maine throughout the year, spend large amounts per day, and have little adverse social or environmental impact. The volume of travel among individual businessmen is a function of overall economic activity and not susceptible to tourism promotion. Group business meetings, however, can be successfully promoted.

Conventions refer to all forms of organized group activities -- sales meetings, seminars, corporate "think" sessions, etc. Like business travel, conventions are a valuable part of tourism by all criteria -- low social/environmental cost, high economic benefits. Convention travel in Maine is low, but efforts would be justified to attain significant increases in this activity.

Sightseeing is a desirable tourist activity by all standards. Sightseers spend at high levels; social/environmental impact is moderate; seasonality is not extreme. Past volume levels have been high, reflecting Maine's appeal in the market for this activity. Unfortunately, the energy shortage may diminish potential for increases, but every effort should be made to attract sightseers in the future.

The analysis points up the desirability of skiing as an activity. Expenditure levels and social/environmental impact levels are comparatively favorable, and skiers do not add to summer congestion. Volume levels are now low, so considerable efforts would be needed to generate significant levels of economic benefits.

Tourists participating in other activities fall generally into a mid-range on both social/environmental and economic scales. These activities -- beaching, boating, hunting, fishing, etc. -- represent the heart of traditional Maine tourism, and any tourism policy must be sensitive to their needs. Promotional efforts and other supporting activities should aim to alleviate congestion by emphasizing off-season travel and underused locations.

Traditionally, the social/environmental impact of seasonal homes and rental cottages has been high, and economic benefits in the low range. However, this sector of tourism is growing rapidly and the quality of facilities is being upgraded through site planning and provision of full amenities. Planned second home communities in which the environment is protected create opportunities to increase economic benefits while decreasing social/environmental impact.

Camping as an activity and campgrounds as accommodations rank lowest on the social/environmental scale and lowest on the daily expenditure scale for non-residents. A new state policy toward camping and campgrounds appears to be advisable. The high level of camping volume, most of which is concentrated in summer, suggests that this activity may be a source of problems that are attributed to tourism generally.

### A Yellow Light

When social and environmental factors have been added to the economic factor, some of the difficulties in establishing a clear cut direction to tourism policy become more evident. These difficulties can be described to consist of six specific constraints which tend to inhibit a strong growth policy.

First of all, recent surveys have indicated that, compared to other employment and revenue sources, public support for tourism is lukewarm. One reason may be that the importance of tourism as a contributor to Maine's economy has not been clearly understood. The results of this study should provide sufficient data to increase that understanding.

The second constraint on tourism growth policy is the feeling among many Maine residents that out-of-state pressure has forced land prices to increase and led to higher property taxes. A counter-argument to this is presented by tax authorities, who point out that the majority of local taxes, and an increasing percentage of state taxes, go to support educational services that provide no benefit to non-residents. Other research also shows that land prices in non-tourist areas have also substantially increased.

Third, there is substantial feeling that Maine residents resent crowds of out-of-state tourists. Certainly, tourist congestion is a major problem, particularly in the summer months and in the coastal areas.

Any new tourism policy should be so constructed to help to diminish this problem.

A fourth constraint is the economic weakness of seasonal business. Profits are hard to realize from seasonal tourism in Maine. The absence of profits is reflected in many areas, from low pay scales to high lending rates and inadequate or obsolete facilities. While there are limits to the range of potential solutions to the problem of seasonality, the efforts of both promotional and guarantee agencies to encourage four-season resorts are steps in the proper direction.

The public disinterest toward tourism is reflected in the funding levels of Maine's two tourist promotional organizations, the Department of Commerce and Industry and the Maine Publicity Bureau. Although costs for media and services have increased dramatically in the past five years, budgets have lagged. If tourism is to contribute significantly more to the economy, this direction will have to be reversed and promotional organizations better-structured to meet their increased challenges.

Finally, the energy crisis in 1973 and early 1974 created a dark cloud over tourism planning decisions. At best, we face a long period of uncertainty about availability and the cost of fuel for tourists. Maine may be fortunate in that a majority of our tourists come from within a tankful of gas of the Maine border.



## A NEW DIRECTION

After careful analysis of the data and the constraints effecting tourism growth and its social and environmental impact, it is concluded that, overall, tourism is a positive, constructive force in Maine and a strong growth policy is justified. However, there is a need for better management of growth, and a need to change present patterns.

A series of new objectives are proposed:

- o To draw tourists to less congested areas of the state;
- o To reduce fuel consumption by encouraging longer visits to single destinations;
- o To encourage large-scale, four-season projects in which economic feasibility and environmental protection can be achieved simultaneously;
- o To expand regional and statewide planning;
- o To review and streamline or strengthen environmental control mechanisms;
- o To provide a means for local option regarding development so that development is not forced on those who do not want it, nor is it denied to those who do want it.

## A New Policy

In response to these objectives and in recognition of the economic importance of tourism in Maine today, a policy recommendation is submitted for consideration namely that:

The State of Maine adopt a policy to encourage tourism growth and that this policy have two major thrusts: 1) Increased support of the existing tourism industry, with emphasis on attraction of the most desirable tourists; and 2) A new development program oriented to inland lakes, with emphasis on second homes.

The proposed policy stipulates that the state should encourage the most desirable tourists, that is, those tourists whose activities have high economic impact and low social/environmental impact. One of the objectives of the study was to identify the most desirable tourists. Analysis indicated that tourists engaged in the following activities are most desirable: 1) Business, 2) Conventions, 3) Sightseeing, 4) Skiing.

It is recommended, therefore, that these activities be supported in appropriate ways, with particular emphasis on promotional support and encouragement of new facilities.

On the other side of the coin, it is recommended that the state not encourage the least desirable tourists, that is, those with low economic impact and high social/environmental impact. One of the major findings of the study is that camping in recreational vehicles in campgrounds tends to meet these specifications. Daily expenditures per capita of tourists staying in campgrounds are less than those staying in any other type of accommodations. State tax revenues per tourist day, therefore, are less. Camping is the most seasonal of all activities, that is, it is most concentrated in summer. Recreational vehicles, particularly trailers and large motor homes, are found to be less safe, use more gas, and contribute more to congestion than standard passenger vehicles. For these reasons, it is recommended that the State not encourage camping or campground growth. In fact, an excise tax on campsite rentals, is recommended.

In regard to regional tourism, it is recommended that the state apply a disproportionate share of public expenditures to areas that bear the brunt of tourism. The study showed that the southern coast, particularly, bears much of the social/environmental impact. State revenues from tourism are derived mostly from sales taxes, which are channeled to Augusta. This recommendation attempts to correct a potential regional imbalance in cash flow.

In regard to organizations, it is recommended that there be

established a new quasi-governmental non-profit tourism organization to absorb the Promotion Division of the Department of Commerce and Industry and the Maine Publicity Bureau. It is noted that in 1973-74, Maine had the lowest promotion budget of any state in the area. At present, state efforts and those to the Maine Publicity Bureau overlap and lack efficient coordination. A new organization outside the framework of state government but set up as an arm of state policy--supported by both public and private funds--would be better able to attain maximum impact per dollar spent.

#### **Spreading the Benefits**

In regard to future development of tourism, that is, to achieve new growth objectives, it is recommended that a new state development agency be established to promote investment in second home communities oriented to inland lakes. The proposal could have direct economic impact on such communities as Rumford, Norway, Farmington, Skowhegan, Dover-Foxcroft, Lincoln, and Millinocket. Lewiston, Augusta, Waterville and Bangor would be major service centers along the Maine Turnpike--I 95 spine. The new development agency, which could be part of the proposed new tourism agency, would work with communities to pre-package development tracts, promote investments in new projects, and facilitate review among state agencies.

### A Model Authority

There is one special situation in Maine that requires exceptional emphasis in a growth program. It is recommended that a Regional Development Authority be established in the Rangeley-Carrabasset area. This development authority would prepare a master plan for the entire area and have powers to implement the plan. The Rangeley-Carrabasset area clearly has great development potential, which could mean significant levels of economic benefits. It also has great public value, with potentially significant levels of social benefits. There is an opportunity for the state to help achieve maximum levels of both types of benefits.

### Seeding the Garden

The proposed new Tourism Development Agency and new Regional Development Authority will require state funding. There are two funding possibilities proposed for consideration.

The first is to increase the sales tax on lodging and restaurants. If adopted, the amount of additional sales tax could be increased to cover costs of the proposed new development agency.

A second approach would be to increase the real estate transfer tax that is paid when properties are sold. This tax would apply directly to the proposed new vacation home community development program. It would be possible to apply the tax only above a certain property value level to protect people with modest incomes.

In summary, the study arrived at positive conclusions about tourism in Maine, although certain less favorable aspects were identified. The recommendations provide a concept for growth and a new framework upon which to build. The goal is to realize the economic benefits of tourism and environmental protection simultaneously.

