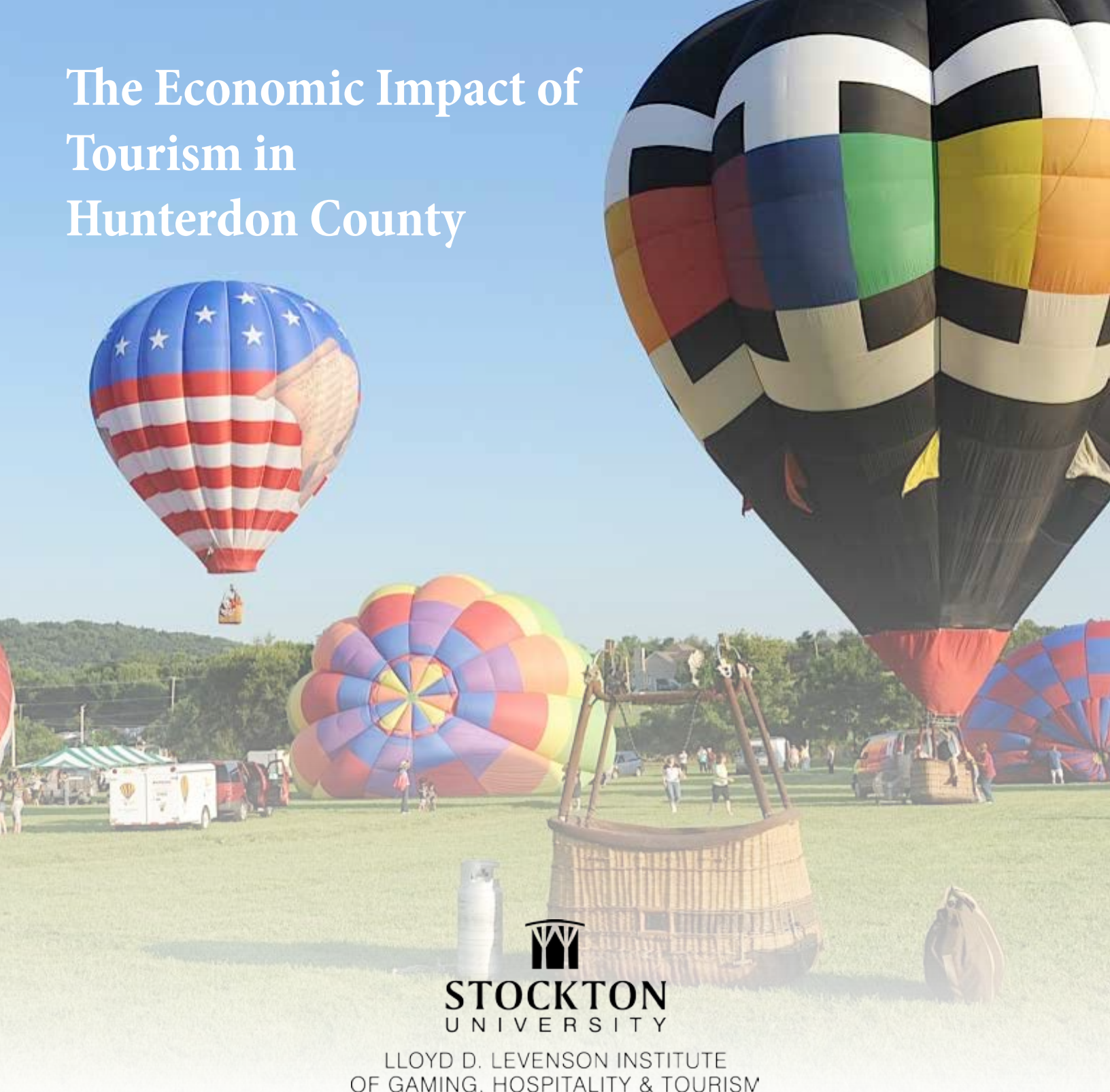


The Economic Impact of Tourism in Hunterdon County



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OF GAMING, HOSPITALITY & TOURISM



ACKNOWLEDGMENTS

The author would like to thank the staff of the Hunterdon County Office of Economic Development, for providing the opportunity to conduct this study. In my role in developing hospitality and tourism managers in the state, it is invaluable to have learned, first-hand, about the wonderful assets that Hunterdon County has for the visitor, and the contribution that Hunterdon County makes to the tourism economy in the state of New Jersey. We are particularly grateful to the New Jersey Highlands Council for providing the county with the necessary funding.

Hunterdon County and the New Jersey Highlands Council has provided a report that will serve as a basis with which to judge future efforts at promoting Hunterdon County to current and future visitors. In particular, the author would like to thank Mark Saluk, Director for the Hunterdon County Office of Economic Development, for his assistance in developing this report. His dedication to the promotion of tourism in Hunterdon County and the state of New Jersey is evident throughout the study.

About the Author

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EXECUTIVE SUMMARY

* Hunterdon County commissioned this study with substantial financial support from the New Jersey Highlands Council, a regional planning agency whose master plan advocates for tourism in the Highlands Region. One of the plan's goals is the "Expansion of compatible and sustainable tourism and recreation within the Highlands Region."

* In advancing this goal, the Highlands Council has supported and funded local agri-tourism, heritage tourism, and ecotourism programs throughout the region.

* The Hunterdon County Chamber of Commerce and The Delaware River Towns Chamber of Commerce and Visitors Bureau are complimentary organizations operating as Destination Marketing Organizations (DMO's) in order to promote tourism in Hunterdon County. This economic impact study reviews the performance metrics by which the promotional efforts in Hunterdon County can be examined.

* The report uses as its sources for information multiple publicly available data sources including the New Jersey Division of Travel and Tourism, the New Jersey Division of Taxation, the Bureau of Economic Analysis and the United States Census Bureau.

* The study reviews performance of the United States and New Jersey tourism industries as well, such that we can place the performance of Hunterdon County's tourism industry in perspective.

* In generating tourism expenditures of over \$317 million in 2016, Hunterdon County has achieved a new high in tourism receipts for the region and is showing similar growth to both the US and NJ industry performance averages.

* The tourism industry in Hunterdon County provides over 2,800 jobs for Hunterdon County residents in area hotels, restaurants and other attractions as well as businesses that support the tourism industry.

* Tourism employment in Hunterdon County has been increasing for the past six years.

* The tourism economy in Hunterdon County has seen

a similar increase, but for the past seven years.* We conservatively estimate that the industry generated state and local taxes of approximately \$35 million in 2016.

* Without the tourism industry in Hunterdon County, residents would need to be taxed roughly \$750 more annually in order to maintain the same level of state and local governmental services.

* Lodging properties in Hunterdon County earned more revenue in the summer and spring seasons, showing double digit-growth over the past several years.

* The combined growth of the past several years have the occupancy tax collections well above their pre-recession highs for both Hunterdon County and the state of New Jersey.

* Hunterdon County tourism displays a less seasonal pattern than many of the tourism regions around the state, providing for more stable employment and personal income throughout the year.

* Several lodging properties are expected to be opening in 2019 and 2020 in Hunterdon County, likely providing for significant growth in the coming years.

* This report provides strong evidence that investment into tourism promotion in Hunterdon County is paying tremendous dividends.

MEASURING THE ECONOMIC IMPACT OF TOURISM IN HUNTERDON COUNTY

In the fall of 2017, the Hunterdon County Freeholders approved a grant to fund a three-phase tourism study to be conducted by Stockton University's Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism. The three phases will provide an in-depth analysis of Hunterdon's tourism economy, create a visitor profile to identify geographic, demographic and psychographic characteristics of tourists, and will provide insight and strategy for the county's future tourism marketing efforts. This study achieves the first of these three phases.

The Hunterdon County Office of Economic Development, under the leadership of Mark Saluk, partnered with the Hunterdon County Chamber of Commerce and the Delaware River Towns Chamber of Commerce and Visitors Bureau to champion the need for the study. The County's interest in conducting such a study largely centered on the need to show a baseline of performance against which future efforts at promoting Hunterdon County could be measured against moving forward. The study provides evidence that Hunterdon County's collective efforts at marketing the destination have worked and should benefit the community well into the future.

Both partnering organizations are involved in the promotion of the region's tourism economy. The Hunterdon County Chamber of Commerce is involved in many facets of industry in addition to travel and tourism. The Chamber, having served the community for nearly 100 years, provides the following mission statement...

*"The Hunterdon County Chamber of Commerce is a proactive partnership of businesses whose mission is to support the success of member organizations by promoting a favorable business climate and by providing leadership, business and professional development and promoting, coordinating and facilitating shared services initiatives in Hunterdon County. The Chamber sees its role in the promotion of tourism as a primary responsibility toward maintaining vitality in its municipalities and among its business."*¹

The other partner, Delaware River Towns Chamber of Commerce and Visitors Bureau, promotes the area as well, partially describing their efforts as...

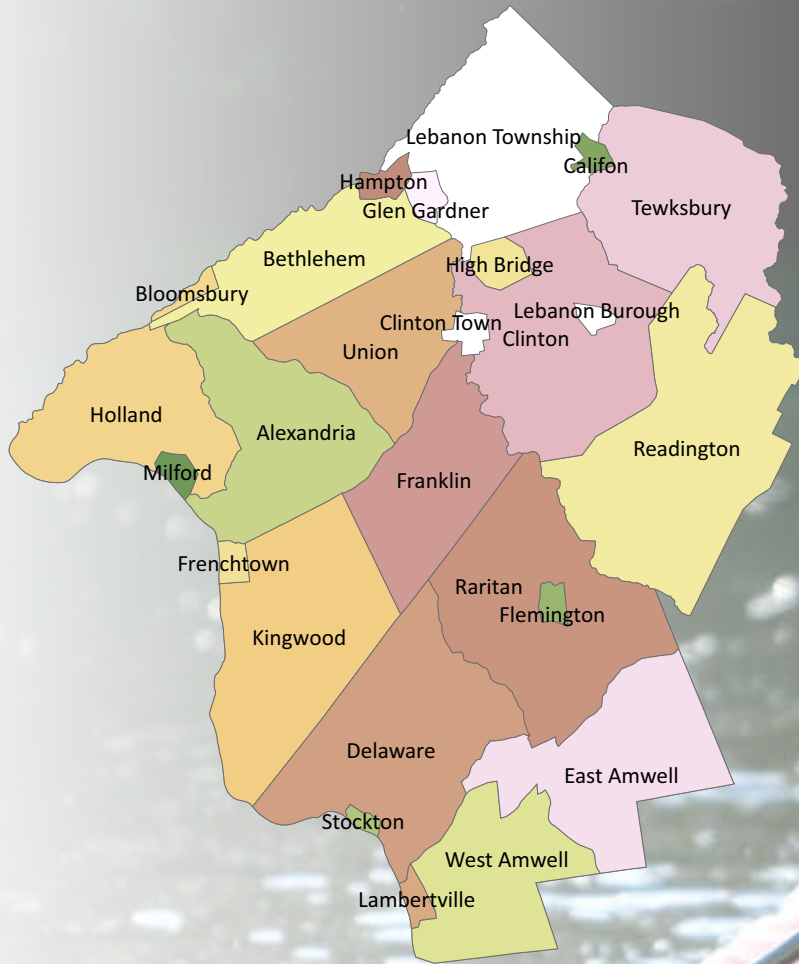
*"We are a destination/promotional marketing agency working on your behalf. Whether in print or on-line, we are focused on drawing attention to your business and the services you have to offer. The Chamber of Commerce is often the first place people contact when doing research on an area. We are a referral service to those who inquire, with first priority given to Chamber members. And, we can provide technical assistance for those looking to start a new business or expand an existing business."*²

Both of these partners receive partial support from the state of New Jersey, Division of Travel and Tourism. They act as Destination Marketing Organizations to promote Hunterdon County. This report will serve as a good benchmark to measure the returns of this investment into the public private partnerships that are the hallmark of any good Destination Marketing Organization (DMO). In reviewing the economic performance of tourism in Hunterdon County, it is clear that the investment is paying dividends for the area and ultimately the State of New Jersey.

I'm confident that the reader of this report will agree with these conclusions given the strong evidence from sources that are authoritative and publicly available.

Figure 1 shows the municipalities whose tourism industries are promoted. Hunterdon County is situated in the Skylands region of northwest New Jersey, just south of Warren and Morris Counties, west of Somerset County and north of Mercer County. Hunterdon County's western border is flanked by the Delaware River and Pennsylvania. Because of Hunterdon County's close proximity to Pennsylvania, it attracts a good share of out of state visitors, which in turn generates a higher than average proportion of out of state visitors. Brief profiles of each of Hunterdon County's municipalities are provided at the end of the report.

Figure 1: Hunterdon County Municipalities



NEW JERSEY TOURISM AND THE ROLE OF DESTINATION MARKETING ORGANIZATIONS

Maximizing the potential of New Jersey's tourism industry requires a commitment to a strong public private partnership with dedicated and stable funding sources at the state, regional and local levels. The model for these Destination Marketing Organizations (DMOs) (Figure 2³) is quickly proving to be a success in the state of New Jersey, and Hunterdon County is no exception.

The New Jersey Division of Travel and Tourism make DMO awards grants each fiscal year. These funds draw on the occupancy tax levied on overnight visitors (5% of the room rate) to New Jersey which, in 2017, is projected to generate over \$100 million in tax receipts for the State of New Jersey. Those tax revenues help to support funding opportunities provided by the New Jersey Division of Travel and Tourism. DMOs, in their application for the funds, "must demonstrate quality work, a clear demonstration of how their project will contribute to New Jersey's tourism industry, and how their project fits within the Division of Travel and Tourism's priorities." Marketing a tourism destination requires a focused promotional effort and can pay dividends in the form of revenues, employment and income (Figure 3⁴).

Figure 2: Destination Marketing Organizations (DMOs) Defined

- This term is synonymous with convention and visitor bureaus (CVBs) and tourism boards for accreditation purposes.
- Destination Marketing Association International has an accreditation program for both Destination Marketing Executives and the DMO itself.
- DMAI's accreditation program was referenced in developing the standards used in reviewing DMO status in the state of New Jersey's DMO grant program.

While all of New Jersey's Destination Marketing Organizations have collectively and individually, helped to raise the profile of New Jersey as a tourism destination, the funding for tourism in New Jersey still has a long way to go to be considered both sufficient and stable. Of the \$100 million in total occupancy tax collected by the state, only 1.4% or \$1.4 million is reinvested in the tourism industry through New Jersey's regional DMOs. By contrast, Destination Marketing Association International's latest national survey⁵ revealed that US states dedicate an average of 55% of room tax (hotel/motel occupancy tax) to DMO funding. Furthermore, the 1.4% does not take into account the additional 1% to 3% tax on hotel stays, which visitors pay to the local municipality.

Still, the monies invested in local DMOs throughout New Jersey are paying dividends, as evidenced by several sources. In this report, we will review evidence from the New Jersey Division of Travel and Tourism, the New Jersey Division of Taxation, the US Census Bureau and the Federal Bureau of Economic Analysis, all of which points to the success of DMO efforts in Hunterdon County.

Figure 3: Travel and Tourism Promotion and its Economic Benefits



TOURISM SPENDING IN THE UNITED STATES

The United Nations World Tourism Organization adopted the Travel and Tourism Satellite Accounting (TSA) system for reporting on the performance of the travel and tourism industry in 1998. TSA's allow for the estimation of what are often disparate components of various enterprises that ultimately provide goods and services to the traveling public. Unlike many other industries where one can measure directly the amount of goods and services produced in a given year, tourism is really about consumption. For example, the number of hotel rooms produced in a given year is good information on the growth of the supply of hotel rooms in that particular year, but really tells us little about the demand for hotel rooms as the majority of travelers will not have stayed in a hotel room that was brand new in that given year.

According to the United Nations, TSA's allow the researcher to "analyze in detail all the aspects of demand for goods and services which might be directly associated with the activity of visitors; to observe the operational interface with the supply of such goods and services within the same economy of reference; and to describe how this supply interacts with other economic activities."⁶

Accordingly, we will review the performance of Hunterdon County's tourism industry by first reviewing the Office of Travel and Tourism Industry's estimation of tourism performance in the US. We will then transition into a discussion of the New Jersey Division of Travel and Tourism's estimate of tourism performance in the state of New Jersey. Next, we will compare both of these estimates with the estimate for Hunterdon County. Finally, we will look at one additional measure, the state's hotel occupancy tax, to verify the patterns we see estimated for both New Jersey and Hunterdon County.

Total tourism related output in the United States for 2017 (annualized through the third quarter) was over \$1.6 trillion (see Figure 4^{7,8,9,10}). Spending nationally on tourism goods and services is now on its fourth consecutive year of increases. This is encouraging news after experiencing declines owing largely to the national recession. The \$1.6 trillion represents a 38% increase since the depths of the recession. With increases projected for 2018, it would not be surprising to see yet another new record set for travel and tourism in the United States this coming year.

Figure 4: All Tourism Goods and Services for the US, \$trillions



Figure 5 shows just where visitors spent those dollars. It is important to note that the distribution of tourist dollars amongst these tourism goods and services categories can vary markedly between different geographic areas. In the present context, it is important to understand that New Jersey is, largely, a destination that visitors travel to by vehicle. This results in less spending on transportation by the average visitor, which can be an opportunity for additional spending at the destination itself.

As shown in Figure 5, transportation expenses represent 40% of all travel and tourism spending in the US; we would expect that figure to be somewhat lower as a percent of spending on travel and tourism in both New Jersey (17%, see Figure 10 on page 7) and Hunterdon County (26%, see Figure 16 on page 10) due to the region's high reliance on vehicular travel. The relative afford-ability of a trip to Hunterdon County perhaps represents an opportunity for additional visitor spending in other sectors of the local tourism industry.

Figure 6 shows the percentage year over year change for the tourism industry in the United States by sector. With the notable exception of transportation and shopping, 2017 marks the third strong year in a row of growth for most sectors of the tourism industry. After declines in 2015 and 2016, transportation expenditures were very healthy through the first three quarters of 2017. Likewise, after declines in 2014 and 2015, shopping expenditures increased in 2016 and 2017.

“Spending nationally on tourism goods and services is now on its fourth consecutive year of increases.”

Figure 5: 2016 Tourism Goods and Services for the US by Industry, \$billions

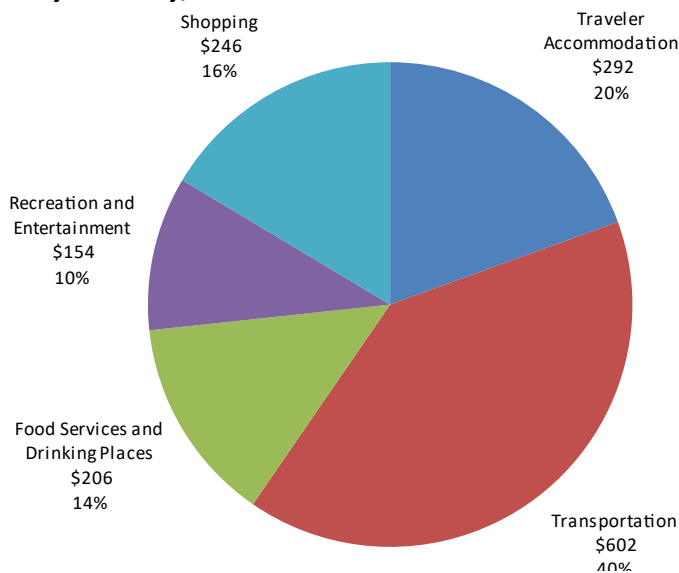


Figure 6: Year over Year Change in Tourism Expenditures for the US by Industry

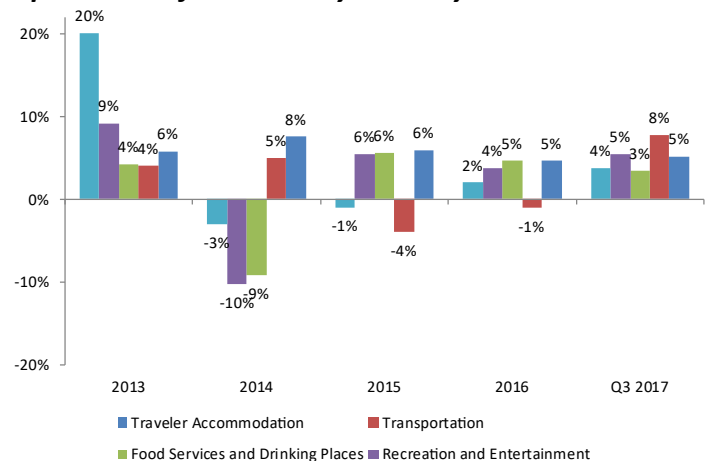


Figure 7 shows quarterly performance for tourism expenditures by industry for just the past four quarters (through the third quarter of 2017). Particularly promising were the large increases in spending on transportation and traveler accommodations during the first three quarters of 2017. Meanwhile, spending on recreation and entertainment increased significantly in the first quarter of 2017, but was relatively flat the remainder of the period. Spending on food services and drinking places as well as on shopping was also relatively flat during the four quarters.

Figure 8 reveals strong growth in direct tourism employment during those most recent four quarters. The period was marked by relatively healthy growth in employment in all sectors for the first two quarters, tapering off a bit during the final two quarters. Small declines in direct tourism employment for shopping were seen in the second and third quarter of 2017, and for traveler accommodations in the third quarter. The transportation sector had the largest percentage change in direct tourism employment over the period.

“New Jersey’s Destination Marketing Organizations have collectively and individually helped to raise the profile of New Jersey as a tourism destination.”

Figure 7: Q4 2016 through Q3 2017 Tourism Expenditures for the US

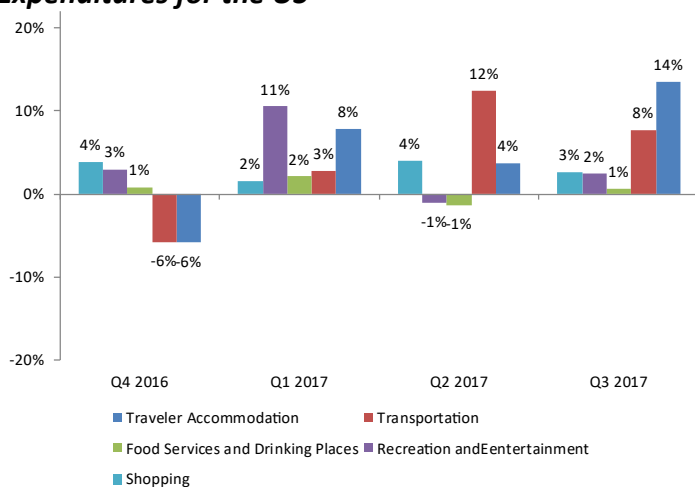
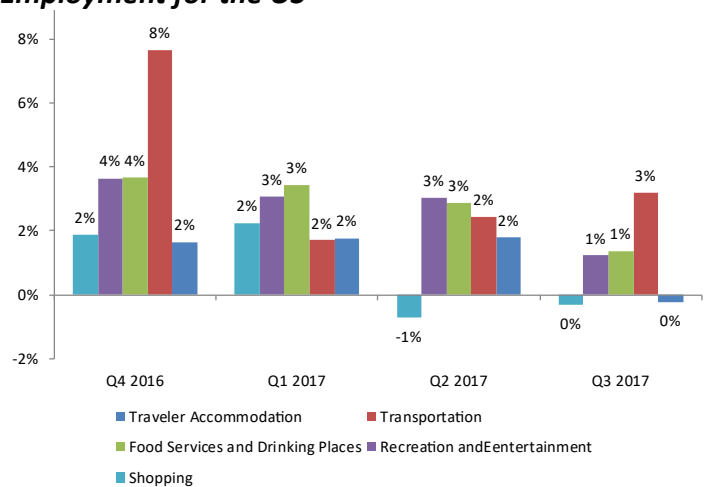


Figure 8: Q4 2016 through Q3 2017 Direct Tourism Employment for the US



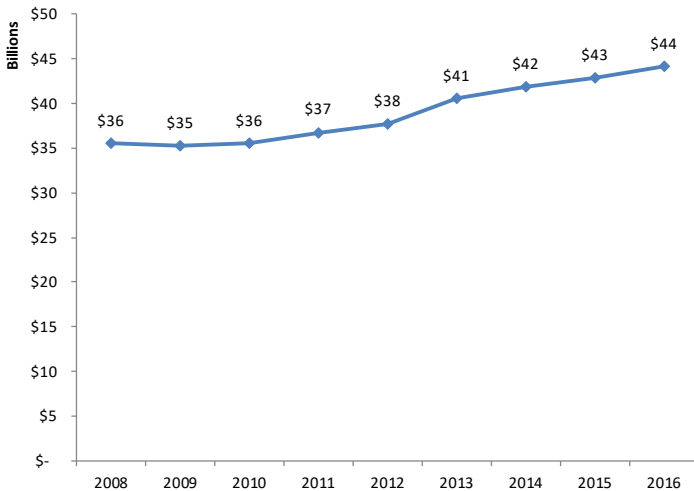
TOURISM SPENDING IN NEW JERSEY

The New Jersey Division of Travel and Tourism conducts, annually, a report^{11, 12, 13, 14, 15, 16, 17} that can reliably be used as a source in the current study.

Visitors to New Jersey spent over \$44 billion statewide in 2016. That represents an increase of more than 2.9% in visitor spending from the prior year and marks the seventh year of growth in a row following the national recession.

Reviewing the total tourism goods and service's figures over time requires an examination of the annual economic impact studies of several years (see Figure 9). All tourism goods and services for the state of New Jersey from 2008 through 2016. The state of New Jersey, like the US, has recovered from the recession with steady growth. The \$44 billion in expenditures by visitors to the state of New Jersey is very impressive and ranks in the top third for receipts in the US.

Figure 9: Recent Performance for All Tourism Goods and Services for NJ, \$billions



The tourism economy in New Jersey is broken down into its component parts in Figure 10. As was noted above, transportation to New Jersey consists of a relatively stronger drive market and relatively weaker air transportation market than does the whole of the US (see Figure 5 on page 5). Also, perhaps owing to the very seasonal nature of the shore tourism in the state, higher room rates during these peak seasons help to increase traveler accommodation spending as a percentage of tourists spending. Indeed, the ratio of food to accommodations in the US is 1.1 while the comparable ratio in New Jersey for 2016 was 1.3, a considerable difference.

The \$44 billion generated from the direct sale of goods and services produced by the tourism industry in New Jersey can be classified into categories that one typically associates with the travel and tourism industry. Yet, it is perhaps instructive at this time to pause and consider the fact that tourism's impact on Gross Domestic Product (GDP) in the state actually serves to enhance the fortunes of numerous businesses in other industry sectors.

Figure 10: 2016 Tourism Goods and Services for NJ by Industry, \$billions

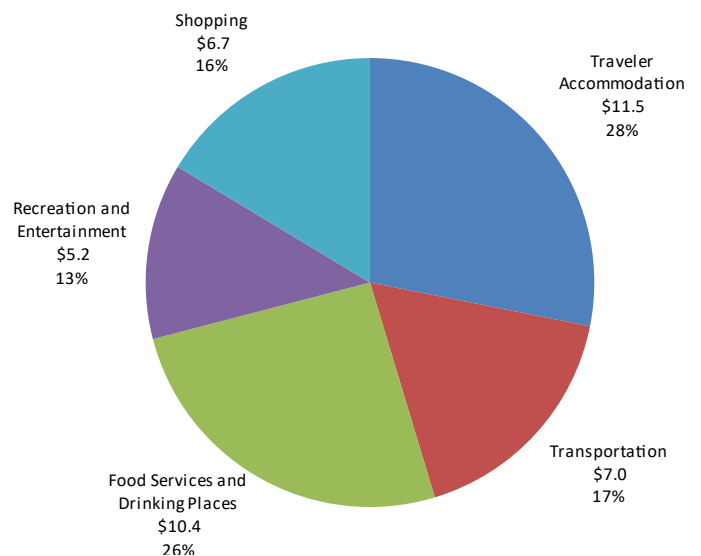


Figure 11 reveals that, when including indirect and induced impacts, the finance, insurance and real estate industries in New Jersey are the top beneficiaries. Still, the impact of direct spending on lodging as well as food and beverage in New Jersey is considerable.

Finally, those jobs help to produce personal income, as measured in Figure 12. Differences in the relative performance of income, when compared with jobs, are largely a result of disparity in pay amongst the industries detailed here. For example, finance, insurance and real estate jobs are generally comprised of larger numbers of professionals compared with the recreation and entertainment industries. These professional jobs generally pay better than their non-professional counterparts.

“\$44 billion in expenditures by visitors to the state of New Jersey is very impressive and ranks in the top third for receipts in the US.”

Figure 11: Tourism’s Impact on GDP in New Jersey in 2016

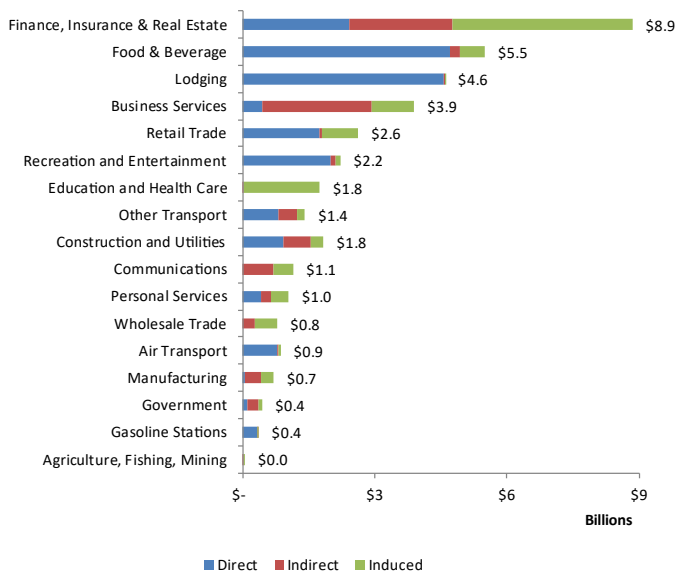
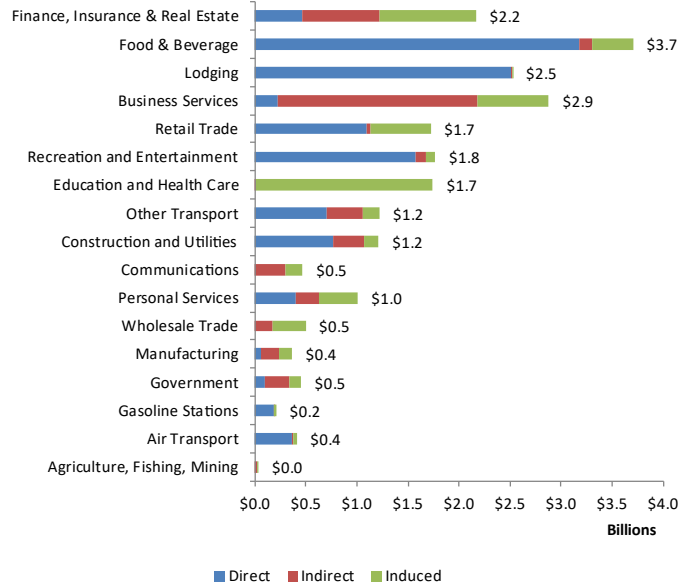


Figure 12: Tourism’s Impact on Income in New Jersey in 2016



Furthermore, the labor intensive nature of the hospitality and tourism industries is evident with the larger direct impacts on employment realized in the food and beverage, lodging, recreation and entertainment industries (see Figure 13).

Here, the vast majority of employment for these three important sectors in the tourism industry are dominated by direct employment in these labor intensive industries, helping make tourism the fifth largest private sector employer in the state of New Jersey with 321 thousand jobs in 2016. More insight into employment in the tourism industry can be found in Figure 14¹⁸, which defines tourism employment.

“Tourism is the fifth largest private sector employer in the state of New Jersey with 321 thousand jobs in 2016.”

Figure 13: Tourism’s Impact on Employment in New Jersey in 2016

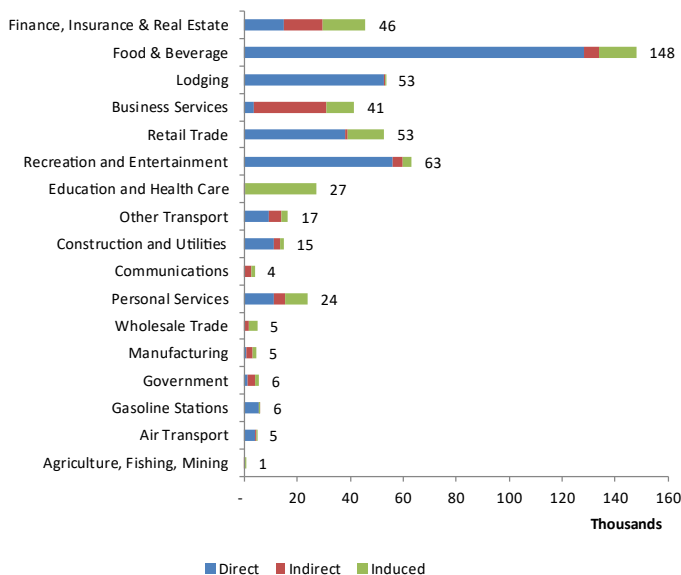


Figure 14: Tourism Employment Defined

- Tourism-related employment consists of direct tourism employment plus indirect tourism employment.
- Direct tourism employment comprises all jobs where the workers are engaged in the production of direct tourism output (for example, hotel staff and airline pilots).
- Indirect tourism employment comprises all jobs where the workers are engaged in the production of indirect tourism output (for example, workers producing hotel toiletries and delivering fuel to airlines).

TOURISM SPENDING IN HUNTERDON COUNTY

Providing a baseline to judge the efforts of these DMO activities in Hunterdon County is crucial to being able to justify the investments made by Hunterdon County, its local partners and the New Jersey Division of Travel and Tourism. Hunterdon County, through undertaking this study, endeavors to provide evidence of their successes.

Hunterdon County visitors spent \$317 million on tourism goods and services in 2016, a new record for tourism spending in the county (see Figure 15). Hunterdon County, like both the state and nation, was not immune to the impact of the recession as evidenced in Figure 15, however it also revealed that 2016 was actually the seventh year of growth in a row for Hunterdon County. Indeed, 2016 was 2.3% higher than the 2015 level. All of these figures herald strong evidence of the effectiveness of the promotional efforts of Hunterdon County.

Hunterdon County is particularly well situated to take advantage of out of state tourism. With the entire western border of the region abutting the state of Pennsylvania, much of the over \$317 million in tourism spending in Hunterdon County is money that is brought into the state of New Jersey. This generates a far greater economic impact, from New Jersey's perspective, than might be seen should the revenue be generated from visitors only originating from within New Jersey.

Figure 16 shows the breakdown of the \$317 million spent on tourism in Hunterdon County during 2016. The \$81.4 million in expenditures from the food and beverage sector of the tourism industry comprised the largest portion (26%) of tourism expenditures in the county, followed closely by the transportation sector at \$81.3 million (26%). Shopping was very significant as well, with tourists devoting \$1 of every \$5 (21%) at area retailers.

Figure 15: All Tourism Goods and Services for Hunterdon County, \$millions

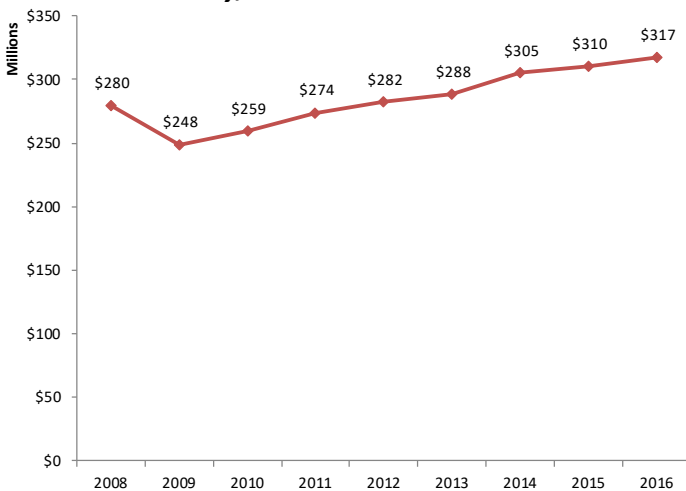
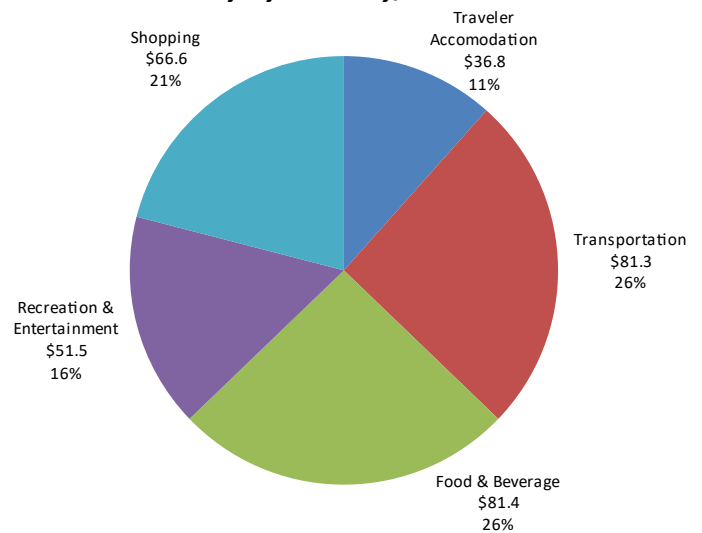


Figure 16: 2016 Tourism Goods and Services for Hunterdon County by Industry, \$millions



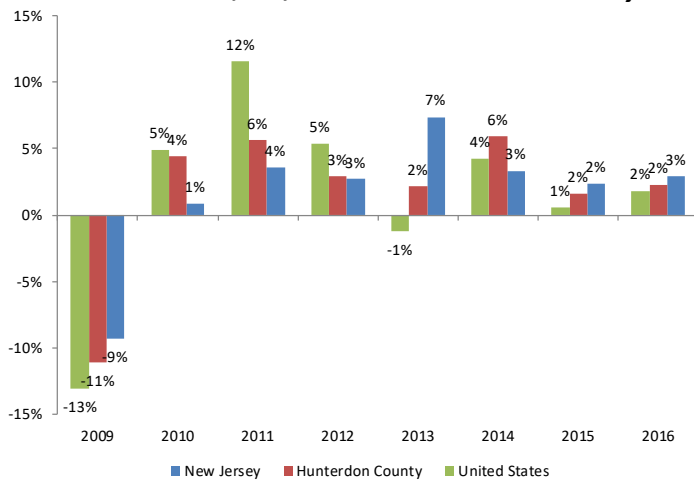
COMPARING TOURISM'S PERFORMANCE IN THE US, NJ AND HUNTERDON COUNTY

Figure 17 compares the year over year (YoY) change in tourism goods and services produced for the US, NJ and the Hunterdon County from 2009 through 2016. It is clear from the graph that Hunterdon County has followed a similar trend to both the state and nation over the eight-year period. The recession that began in the fourth quarter of 2007 hit the tourism industry particularly hard in 2009, though notably less severe in New Jersey and to a lesser extent in Hunterdon County. Since that time, tourism has rebounded to achieve new heights at the national, state and local levels.

2013 marked significant growth for tourism in Hunterdon County. Tourism expenditures in Hunterdon County in 2014 grew by 6%, its best year over year change over the period. That growth outpaced the state and national averages, and was twice the growth experienced by the whole state of New Jersey in 2014.

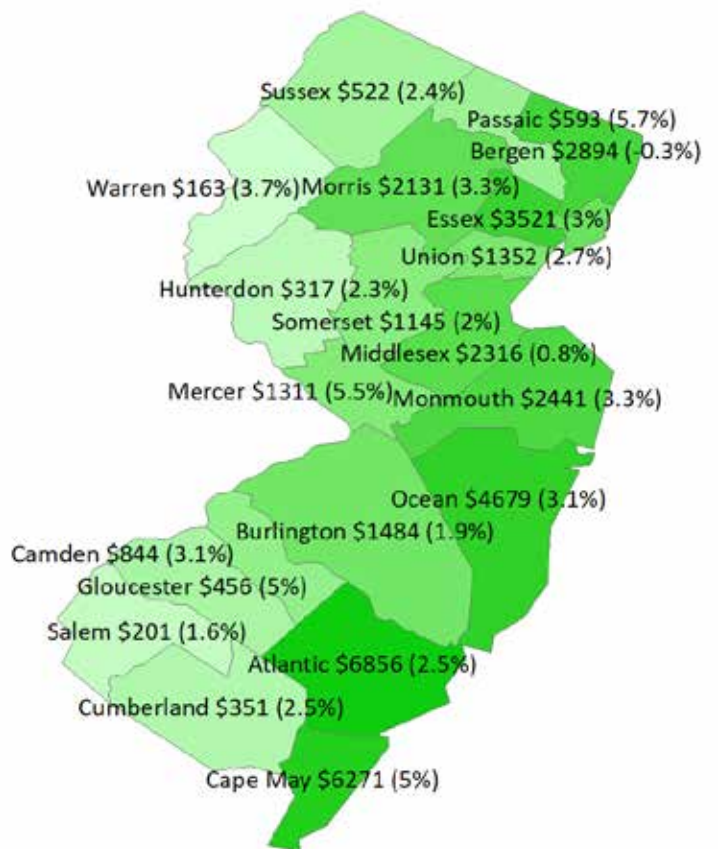
Drilling down deeper into where performance excelled throughout the course of a given year is also informative to a discussion of the longer-term trends affecting Hunterdon County tourism. This will be in the following sections of the report as we focus on tourism employment, the restaurant industry and

Figure 17: YoY Change in Tourism Goods and Services Produced; US, NJ and Hunterdon County



the lodging industry in Hunterdon County. First, however, we will focus on tourism employment in Hunterdon County.

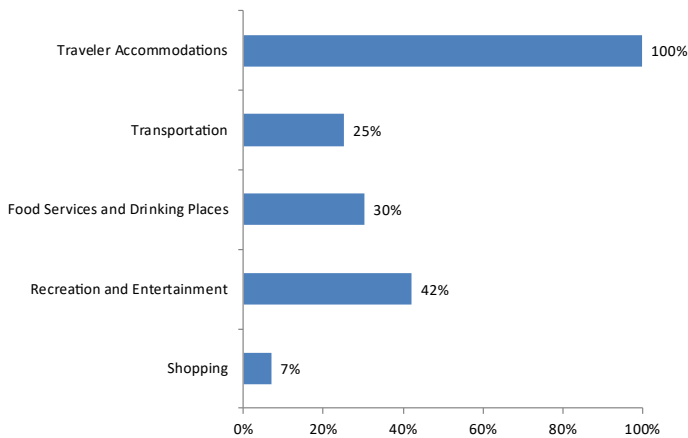
Figure 18: Tourism Expenditures in New Jersey by County, 2016, \$billions



FOCUS ON TOURISM EMPLOYMENT IN HUNTERDON COUNTY

Figure 19 shows the generally accepted share of employment that the various sectors of the travel and tourism industry generates. Note, that all lodging employment is considered to be jobs generated by the tourism industry, whereas the other industries represented here are only attributing some of their employment to tourism. That is, a particular local restaurant might only rely somewhat on the tourism industry; perhaps that restaurant serves more of a local population. Still, another restaurant might generate a majority of their business from the travel and tourism trade.

Figure 19: Employment Attributable to Tourism for Selected Industries, State of NJ



If we utilize the New Jersey Division of Travel and Tourism estimates of the impact on various industries (see Figure 19), we can arrive at estimated total employment (direct, indirect and induced) for the study period. Employment figures are presented below in Figure 20, which shows tourism employed 2,865 individuals in Hunterdon County in 2016. Hunterdon County tourism employment has been very stable over the past eight years, showing modest growth during the period. Figure 21 shows an estimate of the numerous industries that benefit from this employment.

Figure 20: Recent Performance for Tourism Employment in Hunterdon County

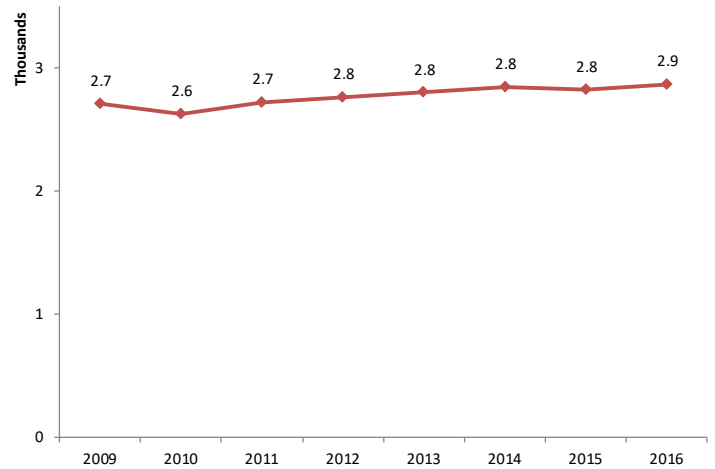
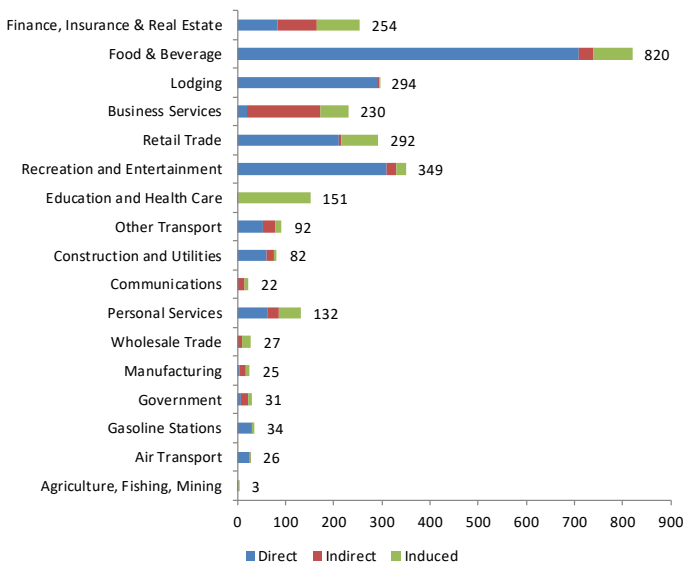


Figure 21: Estimate of Tourism's Impact on 2016 Employment in Hunterdon County by Industry



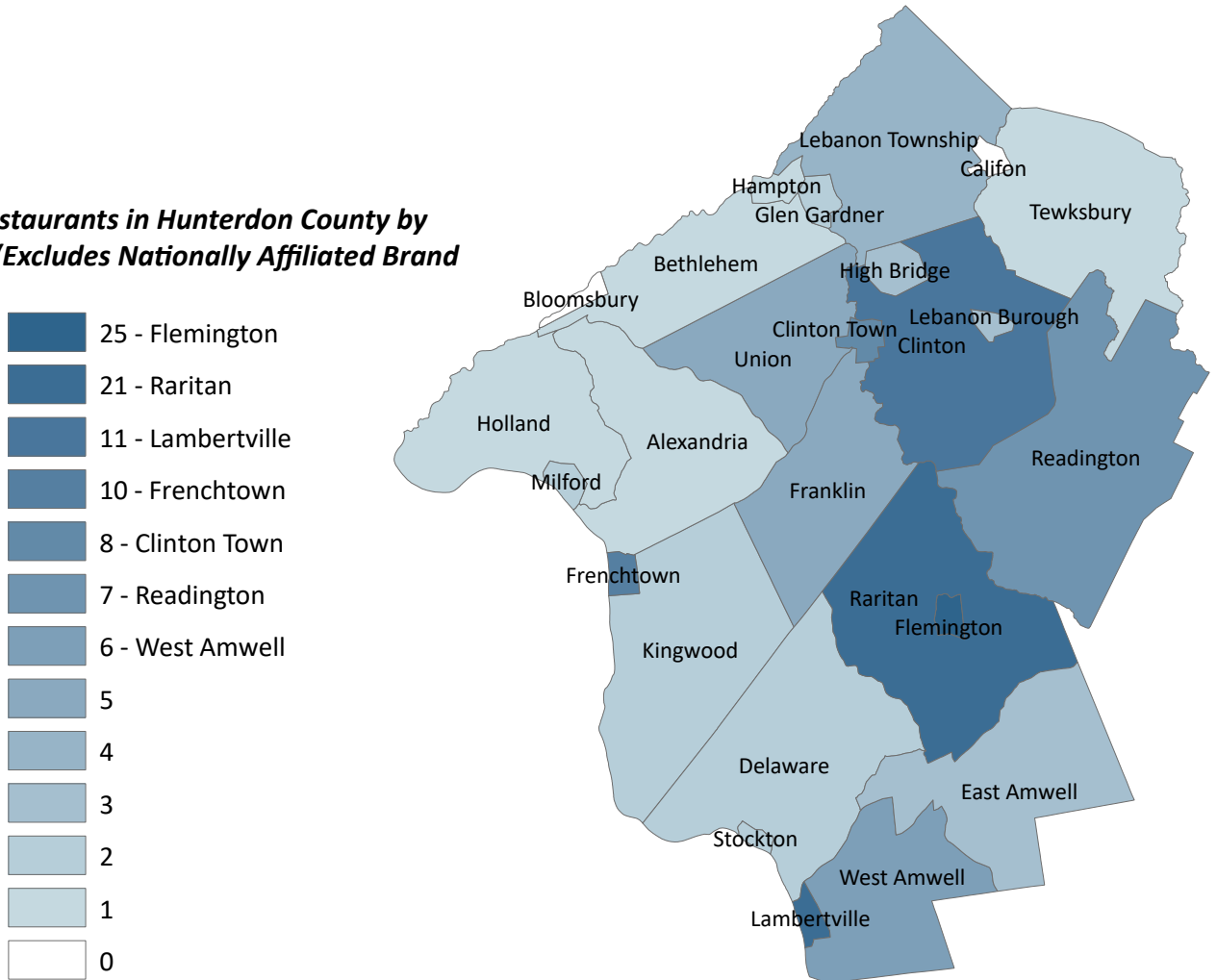
FOCUS ON THE RESTAURANT INDUSTRY IN HUNTERDON COUNTY

The largest recipient of employment in Hunterdon County is the food and beverage industry, employing approximately 820 individuals in 2016. Recall also that Hunterdon County generated over \$81.4 million in tourism related revenue from the food and beverage industries in 2016. The lion’s share of that revenue was generated by the restaurant industry.

To shed more light on this industry for Hunterdon County, we conducted an inventory of restaurants in the county. Figure 22¹⁹ reveals that Flemington has the most number of restaurants (25), followed by Raritan (21). While modest by comparison, the 11 restaurants in Lambertville, 10 in Frenchtown and 8 in Clinton are particularly notable given their close proximity to one another.

“The 11 restaurants in Lambertville, 10 in Frenchtown and 8 in Clinton are particularly notable given their close proximity to one another.”

Figure 22: Restaurants in Hunterdon County by Municipality (Excludes Nationally Affiliated Brand Fast Food)



FOCUS ON THE LODGING INDUSTRY IN HUNTERDON COUNTY

As noted several times in this report, the lodging industry is very critical to the success of the tourism industry in general. Earlier, we discussed that, in estimating tourism employment, we utilize 100% of lodging employment. We also suggested that it would be useful to look at the seasonal pattern of tourism in Hunterdon County to gain a fuller understanding of how tourism has grown over the past several years since Hunterdon County began its efforts at promoting tourism in Hunterdon County.

This section begins with a review of the size of the lodging industry. From there, we review the monthly hotel occupancy receipts collected by the NJ Division of Taxation on the sale of lodging. We will review how the Hunterdon County lodging industry has fared compared with the state of New Jersey. Most importantly however, we will end the section by showing how the seasonal pattern of business in Hunterdon County has changed for the better. Figure 23 shows where the supply of lodging exists

within Hunterdon County. The municipalities of Lambertville, Raritan and Readington had the most number of hotels (3), followed by Clinton Township (2). Clinton Town, Flemington, Franklin, Frenchtown, Lebanon Borough, Lebanon Township and West Amwell each feature one property.

Figure 23: Traveler Accommodations (Properties) in Hunterdon County by Municipality

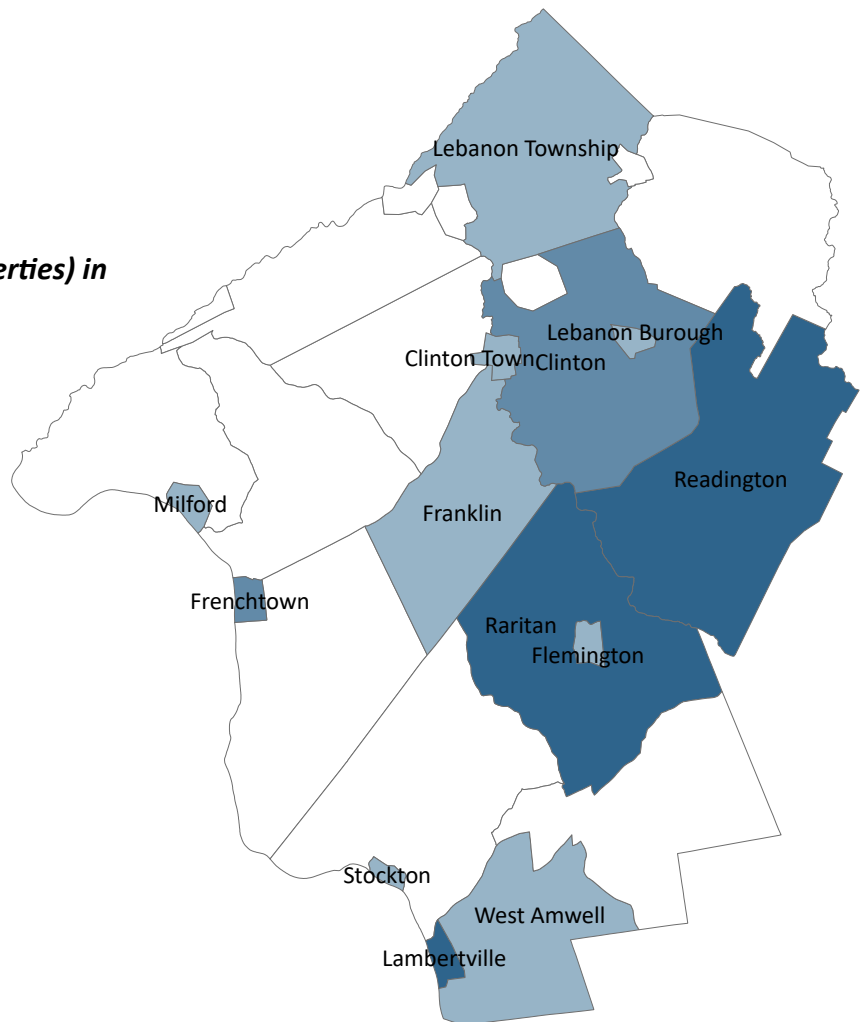
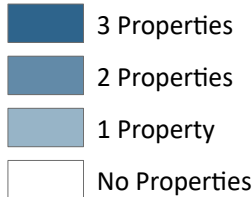
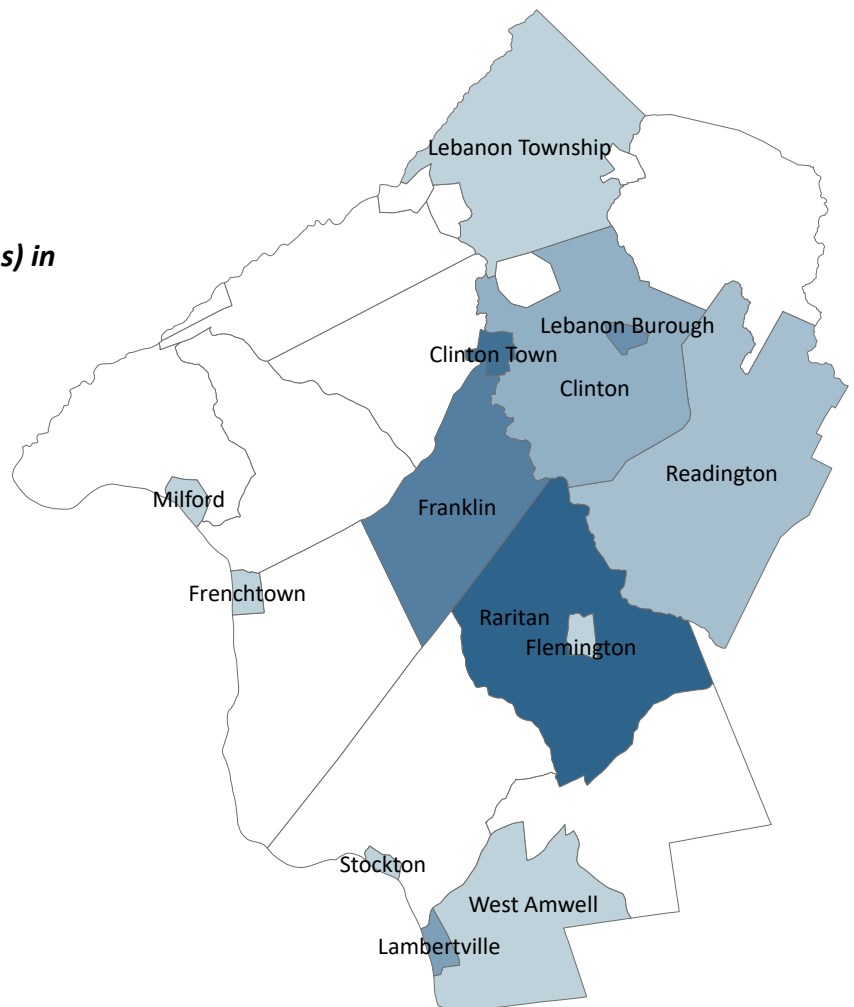
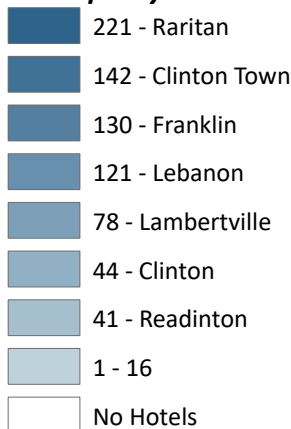


Figure 24 shows the number of rooms at these lodging properties by municipality. Raritan boasts the most number of rooms in the region at 221. Clinton Town has the second highest total number of rooms at 142. Franklin has the third highest volume of rooms at 130, followed by Lebanon Borough with 121 rooms. While municipalities like Lambertville, Frenchtown and West Amwell may have lower total number of rooms, the significance of the properties in those towns, many historical, help to complement many of the boutique shopping areas within their given municipalities.

“Lambertville, Frenchtown and West Amwell have accommodations, many historical, that help to complement many of the boutique shopping areas within their given municipalities.”

Figure 24: Traveler Accommodations (Rooms) in Hunterdon by Municipality



HUNTERDON COUNTY HOTEL OCCUPANCY TAX RECEIPTS

Hunterdon County lodging properties collect a hotel occupancy tax (5% state portion) on the sale of rooms for less than 30 days (see Figure 25²⁰). The intent of the tax was to provide a stable source of funds for the arts, history, culture and tourism in New Jersey. Passed in 2003 and later amended, the statute requires the imposition of a 5% hotel occupancy tax on the sale of a hotel or motel room and allows a municipality to pass a local ordinance, which would impose an additional 3% tax on the sale of a room.

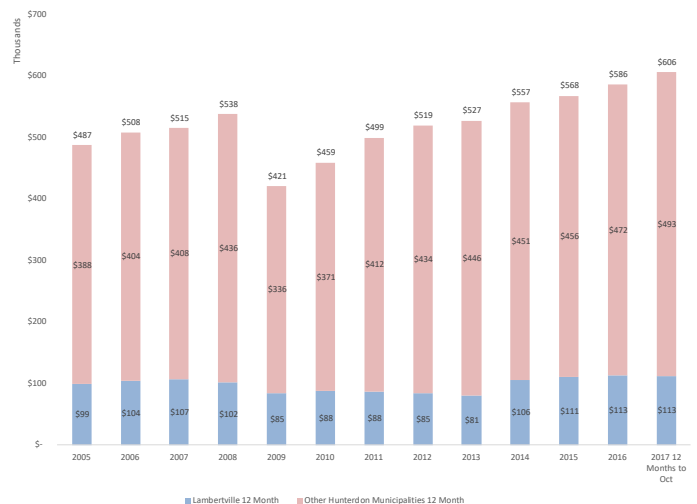
The municipal portion (see Figure 26) of this tax does not have dedicated funding beneficiaries unlike the state portion, which does (see Figure 25 for allocation of the funding from the collection of the hotel occupancy tax). It is often the case across the United States that such

municipal occupancy taxes are used to help fund the local tourism industry, an investment that generally pays dividends to the municipality by drawing more visitors and thus increasing other tax revenues as well.

Figure 25: Hotel (Motel) Occupancy Tax Defined

- Legislation enacted in 2003 (P.L. 2003, c. 114) imposed a 7% State Occupancy Fee on the rent for every occupancy of a room in a hotel, motel or similar facility in most New Jersey municipalities, between August 1, 2003 and June 30, 2004.
- For occupancies on and after July 1, 2004, the Fee was reduced to 5%.
- A hotel/motel is a building regularly used and kept open for the lodging of guests, including bed and breakfasts, inns, etc.
- The State Occupancy Fee is imposed on the room rentals that are currently subject to New Jersey sales tax and is in addition to the sales tax.
- The tax was designed to provide a stable source of funding for several related industries including the arts (22.68% or not less than \$22.68 million), NJ Historical Commission (3.84% or not less than \$3.84 million), the NJ Cultural Trust (0.72% or not less than \$0.72 million) and tourism (12.76% or not less than \$12.76 million).
- The NJ Division of Travel and Tourism spends much of the total on needed state level advertising.
- A significant portion of the remainder of the tourism funding portion (\$1.4 million in 2011) of the state hotel tax that funds regional DMOS.
- By contrast, in Destination Marketing Association International's latest national survey an average of 55% of room tax (hotel/motel occupancy tax) is dedicated to DMO funding.

Figure 26: Hunterdon County Municipal Occupancy Tax Receipts (3%)

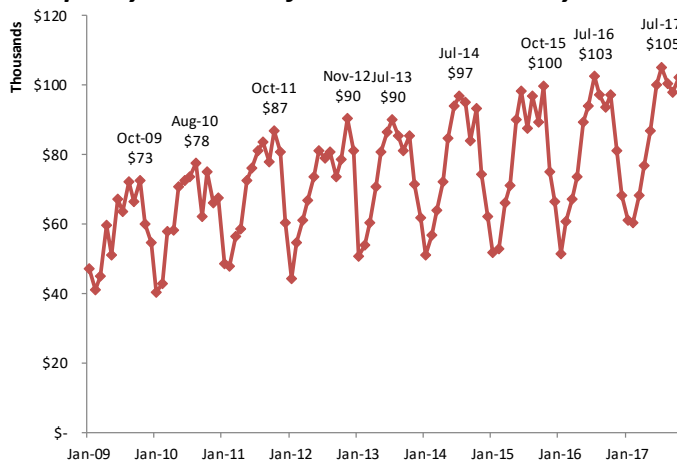


The state portion of the hotel occupancy tax (5%) is shown on a monthly basis in Figure 27²¹. While this graph contains a lot of information (showing all the monthly receipts since January 2009) it is helpful to examine the seasonal patterns of business. In particular, note there are generally two peaks during a given year, a bi-modal distribution.

Historically, (2004 to 2011, not all shown here) those peaks in Hunterdon County were in May or June and then again in October, typically busy months for business travel. There are two recent notable exceptions to these peaks, August of 2011 and November 2012. Likely, those two months experienced higher than normal occupancies as a result of Hurricane's Irene (August 2011) and Sandy (November 2012) and coastal area evacuations that populated hotels in numerous counties throughout the region. Hunterdon County also played a role in the wake of the storms, housing volunteers, emergency responders, displaced residents and travelers alike.

More recently, however, peaks have occurred mainly in July. Since 2013, four of the five years saw more hotel revenue generated in the month of July for Hunterdon County hotels than in any other month. This suggests a solid leisure market growing in Hunterdon County during the summer months.

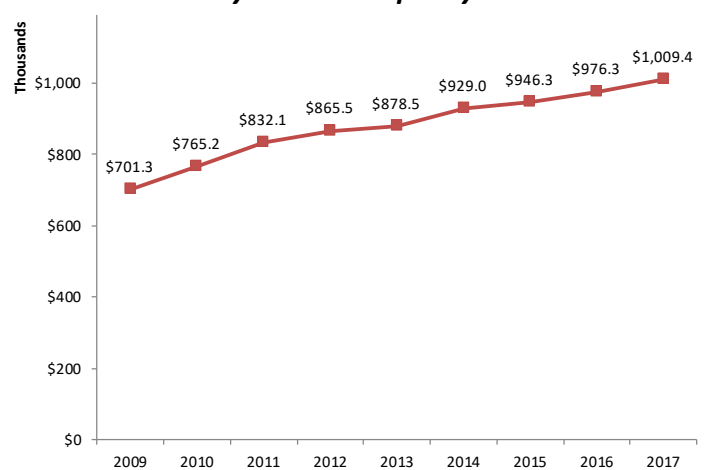
Figure 27: Recent Performance for the Monthly Occupancy Tax Totals for Hunterdon County



It is instructive at this point to show how the Hunterdon County lodging industry fared compared with the State of New Jersey. The next two graphs (Figure 28 below and Figure 29 on page 18) show the annual hotel occupancy tax revenue from 2009 through October 2017 (2017 was annualized for October 2017, the most recent data available at the time this report was created) for Hunterdon County and New Jersey respectively.

Hunterdon County is projected to hit a milestone in 2017, generating over \$1 million in occupancy tax receipts (5% state portion), the County's best year on record and ninth year in a row for growth following the national recession. Meanwhile, New Jersey, is projected to reach its own milestone with a new high in 2017 breaking the \$100 million mark (see Figure 26 on page 18).

Figure 28: Recent Performance for the Annual Hunterdon County Hotel Occupancy Tax Revenues



That both Hunterdon County and New Jersey lodging industries displayed a very similar pattern is even more evident when comparing the year over year percentage change as shown in Figure 30. Strong initial post-recession gains have given way to modest growth over the past few years. Collectively, however, the combined growth of the past several years have the occupancy tax collections well above their pre-recession highs (not shown here).

“The New Jersey Hotel Occupancy tax was intended to provide a stable source of funds for the arts, history, culture and tourism in New Jersey.”

“The combined growth of the past several years have the occupancy tax collections well above their pre-recession highs for both Hunterdon County and the state of New Jersey.”

Figure 29: Recent Performance for the Annual New Jersey County Hotel Occupancy Tax Revenues

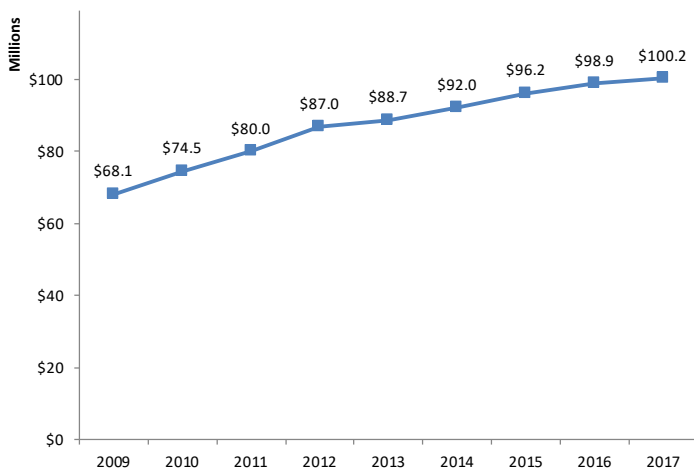
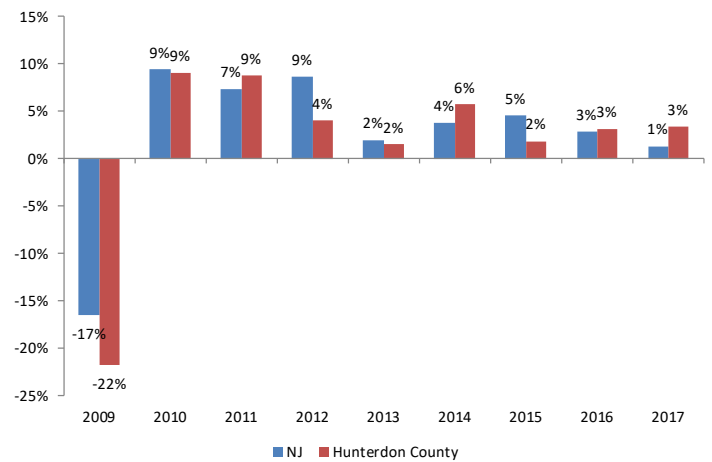


Figure 30: YoY Change in NJ and Hunterdon County Hotel Occupancy Tax Revenue



Focusing on the Hunterdon County monthly totals again, we can graph the same figures as were presented in Figure 27 on page 17 in such a fashion as to be able to more closely examine the differences between years as is accomplished in Figure 31. By plotting each year above each other, the seasonal pattern of business over the course of a year becomes a bit more evident. The best month on record was this past July, 2017 at \$105 thousand.

It was described earlier that a trend was developing with July being the strongest month for traveler accommodation expenditures for the tourism industry in Hunterdon County. Figure 32 is labeled with the two best months for the 2017, July (\$105 thousand) and October (\$102 thousand). By comparison, July of 2009 (\$64 thousand) was 14% lower than October of 2009 (\$73 thousand). It is expected that Hunterdon County will record another new high for lodging revenue when final full year figures are released over the coming months.

Still, Figure 31 contains all the same figures as Figure 27 on page 17 and consequently is still very difficult to discern clear patterns. Figure 32 shows the monthly averages over the period. The Hunterdon County lodging industry displays a tri-modal distribution, with the average peaks occurring in June, August and October typically.

This graph should be utilized in determining when new events and conferences might most benefit the region. Focus can be placed on bringing such events and conferences in the shoulder seasons surrounding these peaks. During those times, lodging properties will have the most availability and the impact to the region will be greatest. Hunterdon County tourism displays a less seasonal pattern than many of the tourism regions throughout the state. This stability over the course of a year is likely a function of the significant business travel (peaks in June and October) and the solid summer tourist season Hunterdon County enjoys (peaks in July and August).

“Hunterdon County tourism displays a less seasonal pattern than many of the tourism regions throughout the state.”

Figure 31: Recent Performance for the Monthly Hotel Occupancy Tax Totals for Hunterdon County

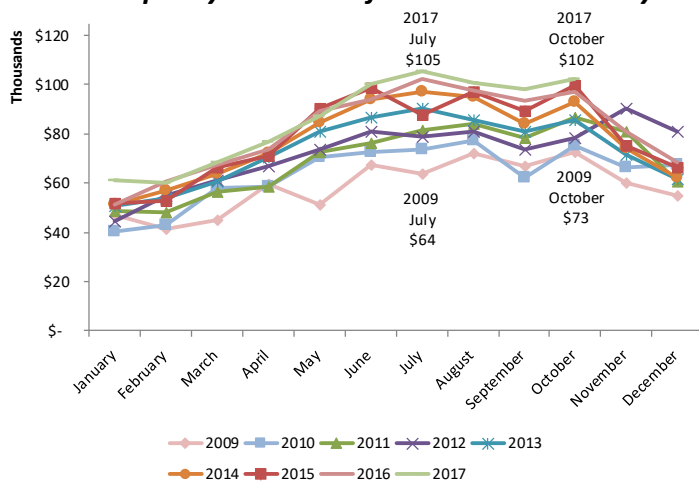
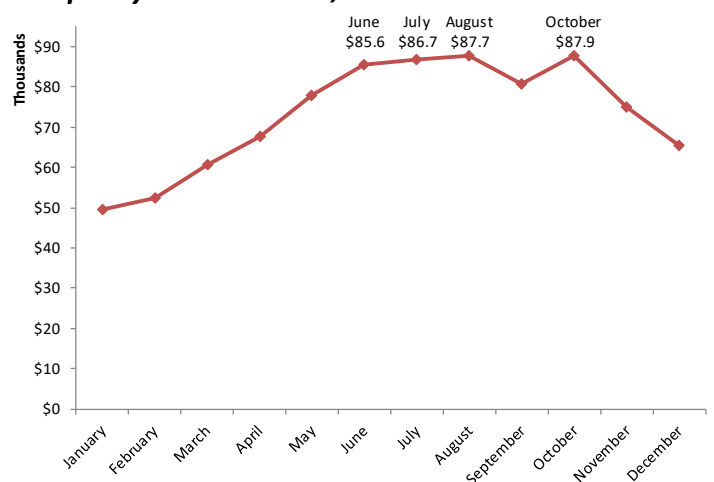


Figure 32: Hunterdon County Average Monthly Hotel Occupancy Tax Revenues, 2009 - October 2017



Indeed, when we compare just the first year of hotel occupancy tax receipts under examination (2009) with the final full year of (2017), it becomes perhaps most clear the change that has occurred following the promotion of Hunterdon County by the Hunterdon County Chamber of Commerce and The Delaware River Towns Chamber of Commerce and Visitor Bureau (see Figure 33). All twelve months show higher occupancy tax receipts, with notable gains of 70% in May, and 65% in July.

Importantly, the promotional efforts in Hunterdon County appear to be growing a strong summer, showing much stronger performance in 2017 when compared to 2009. In 2009 and prior, the pattern of hotel occupancy tax receipts appeared to very much resemble the typical business travel market, peaking in May and October. That four of the past five years have proven to have July display the best month on record for the respective years is strong evidence that this summer growth is not by coincidence. Better still, both of the most recent years have still shown strong October months, suggesting the business travel market remains strong in Hunterdon County.

Another way of comparing the two years (2009 and 2017) would be to examine the percentage change between the two years on a month-by-month basis. Figure 34 reveals that all months have shown growth in excess of 25% during the period. Gains of over 50% were had in three months, March (52%), May (70%) and July (65%).

Consider too that these new lodging sales in the summer and spring months come along with all the typical spending of the traveler including of restaurant, shopping, transportation and entertainment expenditures detailed earlier in this report. It is not surprising then that the travel and tourism industry in Hunterdon County achieved \$317 million in tourism expenditures in 2016.

Figure 33: Monthly Hunterdon County Hotel Occupancy Tax Revenue for 2009, 2016 and 2017

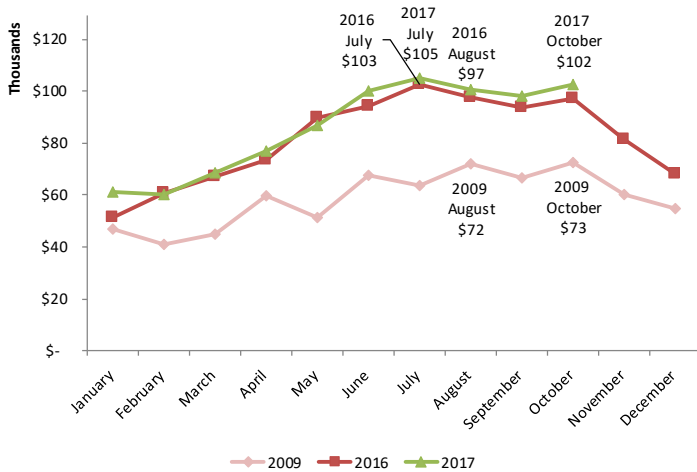
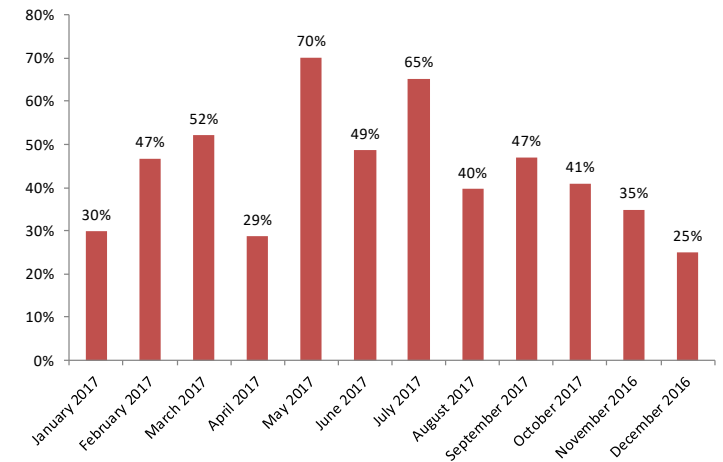


Figure 34: Change in Monthly Hunterdon County Hotel Occupancy Tax from 2009 to 2017



CONCLUSIONS AND RECOMMENDATIONS

Tourism in Hunterdon County appears to be greatly enhanced by the efforts of Hunterdon County, the Hunterdon County Chamber of Commerce and The Delaware River Towns Chamber of Commerce and Visitors Bureau. Strong evidence exists that the Chambers' efforts have helped to bolster the summer tourism season while contributing to growth in the shoulder seasons as well. Based on a review of this report, the following recommendations are offered as suggestions for the Hunterdon County in moving forward:

*** *Destination Marketing Accreditation Program (DMAP)***

The DMO grant application for the state of New Jersey, Division of Travel and Tourism was written with Destination Marketing Association International's accrediting standards in mind. Having had the opportunity to audit this class, I can say from first-hand experience it allows DMOs of all sizes to learn. Whether going for DMO accreditation or DMO Executive accreditation, the professionalism the courses offer will undoubtedly pay dividends for Hunterdon County and help to build on the gains already realized.

*** *Stable source of funding***

It was revealed earlier in this report that the US average for the return of hotel taxes to the promotion of the destination is 55%. For New Jersey that figure is less than 2% and Hunterdon County is no exception to this. For Hunterdon County tourism industry to continue to thrive in its efforts at attracting tourists, those actively working to promote the region should not be struggling to find resources on an annual basis.

For that, a strong stable source of funding should fervently be pursued. While the challenges faced in local, regional and statewide budgets over the past few years will continue, tourism provides an opportunity to help relieve municipal budgets through the development of jobs, income and taxable expenditures.

Both county and municipal governments in Hunterdon County need to understand that, to remain competitive, Hunterdon County needs to make a serious investment in the long-term future of the destination marketing such that the advances of the past several years that this report revealed can continue into the future.

*** *Continue efforts at developing programs and events during shoulder seasons***

The development and promotion of events and programs during the shoulder season has been and will continue to be the most lucrative manner in which Hunterdon County can effect positive change in the tourism expenditures realized by partners in the local tourism economy. The supply of accommodations during the peak seasons is fixed in the short run, relying on the construction of new lodging facilities, which takes time. Thus, increasing the reasons for folks to come and stay in Hunterdon County during times they might not otherwise come will continue to be a priority moving forward. There are a considerable number of events occurring in the region during this time and their effective promotion by the Chambers is critical to their continued success.

*** *Continue efforts at encouraging tourism partnerships in programming and packaging***

The Hunterdon County has worked closely with partners in the tourism industry to bring groups to region. Continued facilitation with current and future packaging between partners is very important to the success of those stakeholders and, ultimately, the health of the tourism economy in Hunterdon County.

*** *Focus on raising the level of quality during peak season to allow partners to command more for their product or service, this now includes the summer season as well as late spring and early fall***

Perhaps one of the most promising results of this study is the strong development of the summer season in Hunterdon County. The hospitality and tourism industries have known for some time about the revenue management strategies of charging more for goods and services during peak seasons to generate additional revenue when supply (hotel rooms) are fixed in the short run. Likely, this was already occurring for area hotels in the month of October in particular. Moving forward, those same properties must consider using similar tactics during the other seasons where demand is growing, as Hunterdon County, in partnership with the chambers, continues to effect positive change on visitation to the region.

This report provides strong evidence that promotional efforts in Hunterdon County are paying generous dividends to the stakeholders in the region. The Chambers and the county have been successful in growing a strong summer and spring travel market for the hotel industry in Hunterdon County, recovering nicely from the recession. Hunterdon County should be proud of their collective efforts, and leaders in the community should take note that the promotion of Hunterdon County works!



HUNTERDON COUNTY MUNICIPALITY DESCRIPTIONS

Alexandria

Travel west through rural farmland on the southern slope of the Musconetcong Ridge and you will come to Alexandria Township. Nestled among small towns along the Delaware and the Interstate 78 corridor, the township is home to several picturesque villages, Little York, Everittstown, Pittstown and Mt. Pleasant, as well as two of the county's three airports, Sky Manor and Alexandria Field.
www.alexandria-nj.us • Population: 4,938`

Bloomsbury

Bloomsbury is a quaint village of about one square mile surrounded by a scenic patchwork of rolling hills and access to the Route 78 corridor. Community spirit runs high in Bloomsbury, where the town hosts a popular Halloween parade, an early fall Crafts Festival and a variety of other town-wide events.
www.co.hunterdon.nj.us/mun/bloom.htm • Population: 870

Bethlehem Township

The Musconetcong River and the valley it creates make Bethlehem Township a delight to the outdoors-man offering fishing, hiking, river sports and places to rest your head after an active day in the fresh air. Bethlehem, incorporated in 1798, is still heavily agricultural and is home to many graceful historic homes.
www.bethlehem-twp.org • Population: 3,979

Califon

This small borough straddles the South Branch of the Raritan River and features many homes on the state's historic register. Its name was shortened from the original "California" in honor of a resident returned from the Gold Rush. Fly fishermen flock to nearby Ken Lockwood Gorge for the trout, but there's no fishing from one of the region's few remaining 19th century wrought-iron truss bridges in the heart of the village.
www.co.hunterdon.nj.us/mun/califon.htm • Population: 1,076

Clinton

Situated in the heart of northern Hunterdon County on the South Branch of the Raritan River is Clinton, where one can step back to a more peaceful era. A large millpond just upstream from a restored steel pony truss bridge feeds a spectacular waterfall, which powered two historic mills on opposite banks of the river. This very photogenic view is now home to both the Hunterdon Historical and Art Museums. Stroll across the pony truss bridge, and 19th century small town America unfolds before you on Clinton's historic Main Street. Coffee shops, restaurants serving international cuisine, art stores featuring talented local artists, jewelry, wine and a bookstore can busy the visitor for a full day's browsing and shopping and antiquing. Clinton hosts a variety of events year-round, such as antique and car shows, the spring Pansy Festival, the Clinton Rubber Ducky Race, the popular 5K Sprintin Clinton race, November's Dickens Days and the Clinton Guild Christmas Parade in December.
www.clintonnj.gov • Population: 2,179

Clinton Township

This municipality encompasses a 34 square mile area that includes Round Valley Reservoir, completely encircles Lebanon Boro and abuts the towns of Clinton and High Bridge. Located at the intersection of Route 31 and Interstate 78, the township includes Annandale, Allerton and Cokesbury. The township blends the rural charm of its hamlets with a bustling commercial environment in its variety of business districts. Residential developments, a full range of churches, a number of youth sports leagues, a municipal recreation department, Beaver Brook Country Club and Golf Course and a lively senior citizens group serve the growing population. It is also home to the Hunterdon County Arboretum, a 63-acre park with greenhouse and formal gardens to stroll through.
www.township.clinton.nj.us • Population: 13,478

Franklin Township

Franklin Township lies smack in the heart of Hunterdon. Established in 1845 as an agricultural community, it was settled in earlier decades of the 18th century by Quakers moving north from the Trenton area. Quakertown has one of the state's few remaining Friends Meeting Houses built of stone. Franklin's agricultural heritage is encouraged by ongoing farmland preservation, which now protects 2,082 acres and by protective right-to-farm ordinances. Seventy percent of Franklin is under farmland assessment and it is home to Snyder Farm, the Rutgers' Research Farm located on 377 acres donated by Township residents.

www.co.hunterdon.nj.us/mun/franklin.htm •

Population: 3,195

Frenchtown

Frenchtown, along the Delaware River, welcomes visitors to its antique stores, art galleries, specialty shops and fine restaurants. Once a manufacturing and trading center, the borough, with its tree-lined streets and 19th-century houses has undergone a renaissance, thanks to downtown renovation and growing tourism trade. Frenchtown is a favorite of bicyclists who take in the picturesque views and stop to sample the town's fine restaurants. In case of a needed repair, the bicycle shop sits in the center of town.

www.frenchtown.com • Population: 1,373

Delaware Township

Delaware Township is bordered on the southwest by the Delaware River, across from Bucks County, PA. The rural community, established in 1833, still retains much of its beautiful farmland. The area's Covered Bridge is the only remaining one in New Jersey and is the Township's official seal. The Township Municipal Building, 225 years old, is located in the Village of Sergeantsville in the heart of the Township. Sergeantsville is home to several businesses, including WDVR Radio and regionally popular dining establishments.

On the 4th of July, visitors can witness the Great Crate Race. The popular Thanksgiving in the Country House Tour held on the first week of November is widely enjoyed and typically fully booked far in advance of its opening day. Other hamlets in the Township, include Rosemont, Sandbrook, Raven Rock and Locktown. Bull's Island State Park, a popular launch and exit site for canoeists, is located off Rt.

29 north of Stockton.

www.co.hunterdon.nj.us/mun/delaware.htm •

Population: 4,563

East Amwell Township

Set in a valley at the base of the Sourland Mountains, East Amwell still reflects its agricultural beginning of 1708. A number of its working farms have been spared from development by state and local preservation efforts. Ringoes, the township's biggest village, is the home depot of the Black River and Western Railroad, which runs a steam engine excursion train between Lambertville and Flemington and sponsors the popular Santa's train during the holiday season. Other hamlets in the township include Weert's Corner, Larison's Corner and a portion of Reaville.

www.eastamwelltownship.com • Population:

4,013

Flemington

Flemington has been the County Seat since 1785. Its small-town charm reminds one of an earlier era; two-thirds of the borough's structures are listed on the State and National Historic Registers. In 1935, the world shone a spotlight on sleepy Flemington and its Main Street Courthouse during the trial of Bruno Hauptmann, who was charged with and convicted of the kidnapping and murder of Charles Lindbergh's infant son. Flemington has sprouted over 100 outlet and specialty stores and its main and side streets boast metro-like restaurants and boutiques that have made Hunterdon a popular shopping destination.

Hunterdon a popular shopping destination. Teaberry's victorian tea house has been recognized throughout the region for its authentic décor and scrumptious food. Flemington is also home to a state Welcome Center located at Liberty Village Premium Outlets and the Hunterdon County Chamber of Commerce.

www.ci.flemington.nj.us • Population: 4,581

Glen Gardner

Glen Gardner was never a sleepy farming community, even before the coming of the railroad in the mid-19th century. Route 31 and Spruce Run Creek, source of sport fishing for many years, divide the town. Sweeping upward from School Street is one of the County's bridges, Pony Pratt Bridge, listed on the National Register. Charming houses and balconies built close to the street help the town retain a 19th century look. In the 1980's, townhouses and single-family homes built on the outskirts of town doubled the borough's population.

www.co.hunterdon.nj.us/mun/ggardner.htm • Population: 1,704

Hampton

Hampton, bordered by Glen Gardner, rests on what is commonly known as the "highlands" of Hunterdon County, an area of the State under scrutiny today for its contributing water supply. A former railroad town, the borough was originally named Junction because it grew up around the junction where the Delaware, Lackawanna and Western met the Central Railroad of New Jersey. The area had been a gathering place as far back as when Native Americans camped on the banks of the Musconetcong, which forms the northern border of the borough. Today, the borough is a mix of highway development and quiet residential streets.

www.co.hunterdon.nj.us/mun/hampton.htm • Population: 1,401

High Bridge

Set among a cluster of steep hills, High Bridge offers many delights for visitors. The Union Forge Iron Works, opened in 1742 operated until its closing in 1972, is the longest running, privately held ironworks in the United States. Its older homes, dramatic church and bridge construction make this town a visual treat to bikers, hikers and those just passing through. Circa, a main street restaurant offers tapas and fine dining as do other of High Bridge's new eating establishments. Miles of hiking and biking trails begin in High Bridge on the north end of Main Street at the Columbia Trail. The South Branch of the Raritan River, one of the "ten best trout streams" in America, according to Field & Stream, runs through the breathtaking Ken Lockwood Gorge into the quiet serenity of Lake Solitude.

www.highbridge.org • Population: 3,648

Holland Township

Bordered by the Musconetcong River to the north and the Delaware River to the west, Holland Township offers a richly varied topography of valleys, hills, streams and woodlands. Holland's economy was dominated by agriculture and the paper industry until the latter part of the 20th century. It is a center for recreational activities. The Volendam Windmill, a full-size replica of a Dutch windmill and Edelweiss Farm, where one may view llamas, reindeer, emus, kangaroos and other fascinating animals, are popular stops for tourists and locals. With fine old houses tucked among its hills and valleys, the township offers beautiful scenery, sizable lots and the lowest tax rate in the county.

www.hollandtownship.org • Population: 5,291

Kingwood Township

Kingwood Township has the lowest population density in the county – 106 people per square mile, according to the 2000 Census. Kingwood is bordered by the Delaware River and a high rocky ridge. Highway builders had to blast through rock to finish Route 29, which connects Trenton to Frenchtown. Baptistown, Barbertown and Byram are among the few hamlets in this largely rural municipality, which also includes a significant portion of the Delaware & Raritan Canal Park.

www.co.hunterdon.nj.us/mun/kingwood.htm • Population: 3,845

Lambertville

Lambertville is one of the oldest communities in Hunterdon County. Because of its restaurants, antique shops and art galleries it has become a popular destination for tourists. In the 19th century, the town was a commercial and industrial center. The many industrial buildings and elegant structures date to the time when flax, paper, flour, rubber, rope, twine and cotton mills, as well as bridge-building plants flourished here. Lambertville's annual Shad Festival, held in April and a Winter Festival in January, attract thousands of people for seasonal meals, entertainment, arts and crafts and exhibits.

www.lambertville.org • Population: 3,906

Lebanon Borough

Surrounded by Clinton Township, the small borough of Lebanon is dotted with stately Victorian homes and farmhouses reminiscent of Lebanon's agricultural heritage has changed very little in the past century. Village activities include the May Fishing Derby and in January, the Burning of the Greens on Twelfth Night. By far, the biggest event of all is the Fourth of July Parade, the county's largest and the oldest in the State of New Jersey.

www.lebanonboro.com • Population: 1,358

Lebanon Township

Rugged, hilly Lebanon Township, bounded by the Musconetcong River, is the northernmost township in Hunterdon. It contains the villages of Woodglen, Changewater and Bunnvale. Voorhees State Park, with 500 wooded acres, features picnic sites, hiking trails, camping facilities and the New Jersey Astronomical Association's observatory.

www.lebanontownship.net • Population: 6,588

Milford

Quaint Milford, on the banks of the Delaware, hosts a thriving Farmer's Market on summer weekends, and a healthy commercial district with a number of shops and restaurants including the Ship Inn, New Jersey's first licensed brewpub in half a century, and The Baker, a nationally known distributor of fine breads. The town is a grand stop for canoeists along the river.

www.co.milfordnj.org • Population: 1,233

Raritan Township

Raritan Township is Hunterdon County's most populous municipality. The township surrounds the Borough of Flemington, and forms the county's commercial center often referred to as the heart of Hunterdon County. Raritan Township is home to the villages of Copper Hill, Stanton Station and Voorhees Corner. Recreational facilities include the Copper Hill Golf & Country Club and Heron Glen Golf Course. Among the several companies headquartered here are Johanna Foods, HealthQuest and the Hunterdon Medical Center.

www.raritan-township.com • Population:

22,185

Readington Township

Readington is the County's largest municipality geographically and the second largest in terms of population. Readington retains much of its rural nature, with small towns like Whitehouse,

Whitehouse Station, Three Bridges and

Potterstown dotting the hills and valleys of the township. Three major highways - routes 22 and 202, and Interstate 78 – have made it a prime spot for industrial and corporate office complexes, including Merck & Co., Inc. World Headquarters and Chubb. Readington is home to the annual New Jersey Festival of Ballooning at Solberg-Hunterdon airport each July and the annual summer concerts at Deer Path Park, where the Hunterdon County YMCA is located.

www.township.readington.nj.us • Population: 16,126

Stockton

Located along the Delaware River, this 0.6 square mile Borough is presided over by its inn, the Stockton Inn, established in 1710 and made famous by the Richard Rogers song about it- "There's a small hotel with a wishing well"...

Cyclists are familiar with the Prallsville Mill, an historic site along the D&R Canal path now home to juried art shows and the occasional music festival.

www.co.hunterdon.nj.us/mun/stockton.htm • Population 538

Tewksbury Township

In the northeast corner of Hunterdon County is Tewksbury Township, Hunterdon's wealthiest municipality with scenic views, luxurious homes and numerous villages and hamlets, including Fairmount, Pottersville and Cokesbury. The most visible of the villages is Oldwick, founded in 1753. Here find the Oldwick General Store and the Tewksbury Inn, as well as the oldest Lutheran church in the state, which dates to 1749. Tewksbury has many horse farms and on any Saturday or Sunday morning you can witness riders throughout the township.

www.tewksburytp.net • Population: 5,993

Union Township

Union Township in northwestern Hunterdon was named for the old Union Forge, an iron foundry that manufactured cannon balls for Washington's army during the Revolution.

The foundry was constructed on a site now covered by Spruce Run Reservoir. Remaining mostly rural and residential, the township, with Route 78 crossing through it, has attracted large businesses such as Foster Wheeler Corporation. The Clinton Wildlife Management Area and part of the Union Forge Nature Preserve overlook Spruce Run Reservoir.

www.co.hunterdon.nj.us/mun/union.htm • Population: 5,908

West Amwell Township

The southernmost municipality in Hunterdon County, the close-knit community of West Amwell is still largely rural, and home to the historic villages of Rocktown and Mount Airy, with its picturesque church and a stone storehouse and tavern from the Revolutionary War era.

www.westamwelltp.org • Population: 3,840

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