

Economy

A significant proportion of St. George residents recognise that there is a pressing need to stimulate the economy of St. George.

EEZ

The Bermuda Government has also long recognised this need and, through the Bermuda Small Business Development Corporation (now Bermuda Economic Development Corporation (BEDC)), research was conducted in 2009/10 which led to the declaration of the St. George’s Economic Empowerment Zone (EEZ) in 2011. With this designation new businesses and those that relocate to St. George, are afforded 2 year’s payroll tax relief, Customs duty deferrals, loan guarantees and a range of business planning advice, technical support and other services aiming at promoting their economic success. Despite presenting these options there has been limited uptake. BEDC officials advise that they are looking for leadership partners who can profile and promote the opportunities that relocating or starting a business within the EEZ brings.

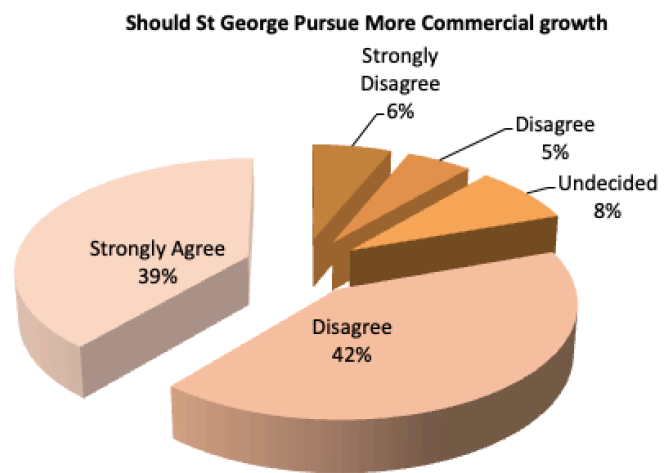
New businesses and those that relocate to St. George are afforded:

- 2 year’s payroll tax relief,
- Customs duty deferrals,
- loan guarantees, and
- a range of business planning advice, technical support and other services aiming at promoting their economic success.

One identified shortcoming that may have constrained the success of the EEZ in stimulating an economic revival in St. George is the lack of any strategic approach to business promotion. There are several groups, who are currently working independently and potentially duplicating effort, that are well positioned to participate together in developing and promoting such a strategic approach. Notable amongst these are the BEDC, the East End Chamber of Commerce and the Corporation of St. George. With the recent development of the St. Regis Hotel, closer collaboration between these and potentially other groups to work toward this objective is needed.

Many stakeholders have noted resistance to change, with the promotion of economic opportunities seen as threatening to the culture and celebration of heritage assets. To address this, several commentators have emphasized the need to develop and widely communicate a clearly articulated vision for St. George that encourages economic growth that is both sensitive to and respectful of the community and which celebrates and leverages its heritage assets. The key message is that “History should be an asset rather than a constraint”.

Only 11%
agree or strongly agree
that more commercial
growth should be
pursued



World Heritage Management Plan

A basic premise of most is that whatever planning is done should be tailored to support the World Heritage Site Management Plan. Unfortunately, the publication of the revised plan has been delayed. Rather than simply allow the postponement in the delivery of this plan to delay planning an economic revival of the old town there are two clear options: apply pressure on the Government to publish the plan in short order; and ensure that the push for new economic activity prioritises endeavours that are clearly compatible with the old (2014) plan.

The failure to date of St. George and indeed Bermuda to effectively capitalise on the World Heritage Site designation is recognised by a significant majority of the town’s residents. “Marketing of St. George’s in

general, and the WHS specifically, has not taken place in an organized manner, with one entity responsible for promoting the area, i.e. activities and events; retail and dining; attractions; beaches and water sports; historic sites. The UNESCO designation is one of the many positive attributes of the town, none of which have been promoted aggressively. It is up to the town to promote itself."

Events

The BEDC has held events in St. George and has determined that these have attracted people the Town and have driven increased business in the Town. This demonstrates that events provide one opportunity for stimulating business. However, for this to promote the sustainability of businesses these pulses of activity need to be regular. Consistently providing such opportunities is a significant undertaking that should be supported by a full-time promotion/event planning position. Several commentators have identified this as a key role for St. George that they believe, should be provided by the Corporation. It was noted that the Corporation currently lacks a clear business development mindset and has no one with a mandate to drive new investment and experiences in the town. This is likely reflective of a shortage of resources and it is likely that a new revenue stream would be needed to finance these.

Re-location of Government Bodies

The off-season is challenging for many St. George businesses; a reality that has prompted some to suggest the relocation of Government or other public bodies to the town. The objective would be to increase the pool of consumers that are in town throughout the year. This suggestion is based on the premise that if the agency to be relocated is not a public-facing organisation but rather one that has few clients physically accessing their office, they do not need to be located centrally. Whilst this may be true, enabling such physical relocation of personnel would require the creation of office space in St. George. The viability of such a strategy has not been fully assessed, but as Hamilton has many vacant office spaces this approach may prove impractical.

Needs of Residents

Several comments were received noting that many businesses in the town are not focussed on serving the needs of area residents. The point was made that these year-round residents are potential year-round

What people said

"Need to get landlords to charge more reasonable rent."

"We must attract exempt companies, al fresco dining and produce markets."

"More people - especially visitors (when they come back!)."

"The simple reality is that local traffic alone cannot anchor Retail/Restaurants in St. George."

"If there is (commercial development) it shouldn't take away the character of the Towne."

"Building upgrades, better amenities to attract commercial growth."

"Quarterly newsletter containing buildings available for rent. Also a map showing locations of vendors and their goods for trade."

"A centralised list of all available commercial and residential properties for sale or rent. Could go hand in hand with a campaign to promote living and working in St. George's."

"Incentives for small business to operate."

"Promote the fact that there are a lot of empty spaces, no taxes, cheaper rents etc."

"Town Square needs more prominence."

"Advertising, events that draw a crowd and are maybe specific to St. George - find a focal point and make that the main attraction for St. George (e.g. offer art space to local and visiting artists/ potters/ woodworkers, etc - there are enough empty buildings - and make St. George into an art community). I feel that to draw people to St. George it needs a strong and unique selling point. Make it a destination not just for its history."

"Put in place the right laws and the private sector will take care of it - for instance impose a tax on empty buildings, in no time they will be rented."

"Tiger Bay is a wasted resource. Having a commercial building there, for example office complex, would be a big boon to the town. It would help with the local eateries during lunch time, however first infrastructure needs to be beefed up (i.e. telecoms, water, sewage), also the commutes need to be sorted out in terms of ferries and any other water travel to reduce impact on the roads. Bridges need to be fixed and operational as well."

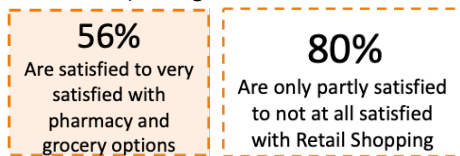
clients and meeting the needs of this captive audience may lead to more sustainable business for St. George.

The recent, enthusiastic response of Bermudians to the re-opened White Horse Tavern highlights that a receptive local market exists for quality offerings in St. George.

Retail and Local Market

One of the top desires expressed by St. Georgians was for a regularly available local-produce market. In recent weeks just such a market has operated on Hunter’s Wharf and has predictably met with strong demand. As many residents and business people had also identified the revitalisation of the Town Square as a critical need for the town, it would appear responsive to the community’s desires for this market to be relocated in that more sheltered, inviting, and central location.

It was also clear from those polled that current retail options are less than satisfactory, both in terms of choice, and opening hours.



Vacant Buildings

A major concern of both residents and business owners is the currently vacant and derelict buildings, which detract from the attractiveness of the town. Engaging with the landowners to determine what is needed to prompt the restoration of these and action to solve these may help reduce the negative impact of these structures whilst potentially creating opportunities for these to house new residents or businesses. This would appear to be a priority action to take to improve the business-ready status of the town.

Cruise Ships

The strategic location of Bermuda and the ready access to St. George’s Harbour through one of the only safe passages through the Island’s fringing reefs are key natural assets that prompted the establishment and growth of St. George as a centre for shipping and maritime trade. Reflecting the importance of maritime activity as a prime driver of commerce, the town developed orientated toward the harbour, leaving important heritage buildings along the shoreline that enjoy spectacular water views. The natural beauty of this waterside setting provides much of the charm of the town.

What people said

“Most of the industry in St George’s caters to the residents; however, most residents are not in the town during the day. The businesses should collaborate on designing opening hours to allow residents to use their services.”

“More flexible schedules of shops to coincide with demand.”

“A real push to attract young entrepreneurs to rent on the main street and then have special shopping evenings or Sunday shopping. To take this risk, they may need some financial backing.”

“The entities in St. George have no advertising or social media presence.”

“Make St. George the food hub of Bermuda. Offer fresh seafood, local food, food markets, international cuisine, casual Caribbean style. Locals and tourist will come.”

“Business development - mindset, office, officers, budget, PPPs, concessions, targets, KPIs, goals, consequences, expectation management, proof of concept.”

“Put a survey out asking “What would you need to bring your business to St. George” and see what comes back.”

“Have a coupon book available with incentives for buying/spending money in St. George’s. If you spend \$50 at this store you get a free sample of... or a 5% discount off purchases. Etc.”

“As long as the commercial growth is in a boutique style fashion so that we can target high-end tourists and the high-end Bermuda shoppers to venture to St George’s on the weekends.”

“Rents are often too high for start up businesses. Cafe and arts culture would suit the town with artisan services such as a bakery that offered locally produced foods such as Tuckers Farm cheese and Berymyfresh.”

“St George needs business incubators and needs to create its own commerce.”

“Government should locate remote workers to St. George’s instead of Hamilton.”

“More entertainment in the square - markets, dances, art shows etc. Dining in the Square.”

“Kings Square events outsourced.”

“A collective think tank for creative and intuitive ideas.”

Although the town has depended upon shipping as a primary driver of economic activity throughout its history, today the harbour is an underutilised asset. Increasing usage could clearly benefit the town and complement its maritime heritage.

The suggestion of modifying Town Cut to enable large cruise ships to access the town has prompted concern over potential effects on wave penetration and flooding whilst the scale of modern cruise ships is in dramatic contrast with that of the town. Many St. Georgians would love the economic benefits but oppose such a plan. Restricted to visitation by smaller cruise ships, St. George is largely out of this business. In 2019, only 15 cruise ship visits were scheduled with stays that ranged from ½ to 2-day stays. This is unlikely to sustain businesses tailored to serving these rare visitors. However, passengers from the large vessels berthed in Dockyard are ferried to St. George, enabling the town to benefit from this dominant form of local tourism without the impact of mega cruise ships in the harbour. Unless regular small cruise ships can be sourced to visit the town, this may be the face of cruise visitation in the foreseeable future.

There is a clear potential to better exploit opportunities centred around yachting. The Bermuda Government has, in recent years, come to recognise the opportunities that visiting yachts bring and have passed legislation to enable longer stays and the ability for foreign super yachts to be offered for charter locally. Yachts venturing south in the fall and north in spring bring business to the town. In recent years between 800 and 1,000 vessels have visited annually bringing between 3,000 and 5,000 people. The potential for growing yacht-related tourism is appealing and moves to promote this may bear fruit.

Plans for a new marina at Ordnance Island have been discussed publicly since 2010. Many St. Georgians support the marina planned for Ordnance Island to serve these visitors and likely support the recent change in Government policy that enables longer stays. Ideas that promote yachting and associated business in St. George are likely to bring benefits to the economy of the town with little negative impact. The community's support for the marina probably reflects broad appreciation of that fact. Indeed, the

stage is set for this project to the point where in 2016 the Customs Tariff Act was amended to facilitate the importation of goods for the development of this marina. This is clearly the most obvious of low hanging

fruit and an opportunity that promises economic stimulation for the town.

Commercial Shipping

Moving the Island's container port to Ships Wharf (formerly Marginal Wharf) at Southside has been suggested and given serious consideration. Although outside the control of St. George, such a move would bring business to the east end and activity to the harbour that would likely spill over into the old town. Some however feel this would be counter to the historic aspect of the Town.

The Government is also considering the replacement of the Swing Bridge with a new drawbridge that would allow larger vessels and sailboats to enter the harbour from Ferry Reach. Discussions over this plan have prompted divergent views over the benefit of improving this access for marine traffic, but it may well stimulate increased activity in the harbour and business for the town.

A large majority of the people of St. George feel that the town needs to pursue more commercial growth. Improved use of the harbour is one opportunity to address this need.

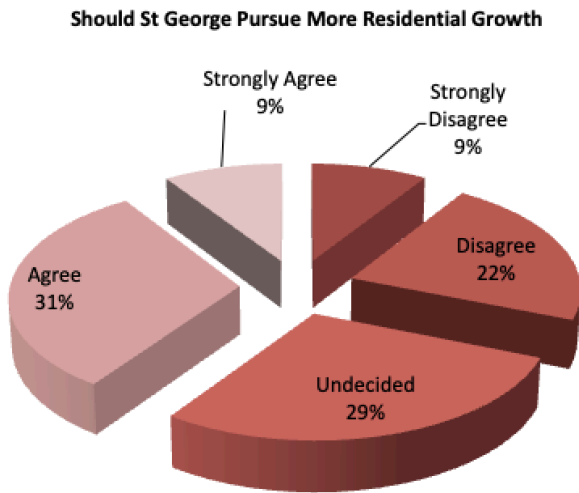
Population Growth

A 2010 report of the Economic Empowerment Zone Agency noted that reviewing the economic success of the east end through the years reveals a "simple formula for success. Find ways to generate human traffic through the town in large numbers and commerce will take care of itself."

One potential way of increasing traffic through the town would be to increase the resident population of the area. Responding to this suggestion some said: *"The locals and residents are what keep the town alive outside of tourism season. Boost St. George as a niche location to live in."* Provide *"housing for young professionals to bring life back into town"*, or *"Incentives for young families and retirees to move here. Many people say they would love to live here but don't seem to find the right place."*

However, St. Georgians have mixed feeling about the desirability of increasing the population of the area. Over 50% of the respondents were either undecided or did not agree that there is a need to increase the residential population of the Town. This, despite a

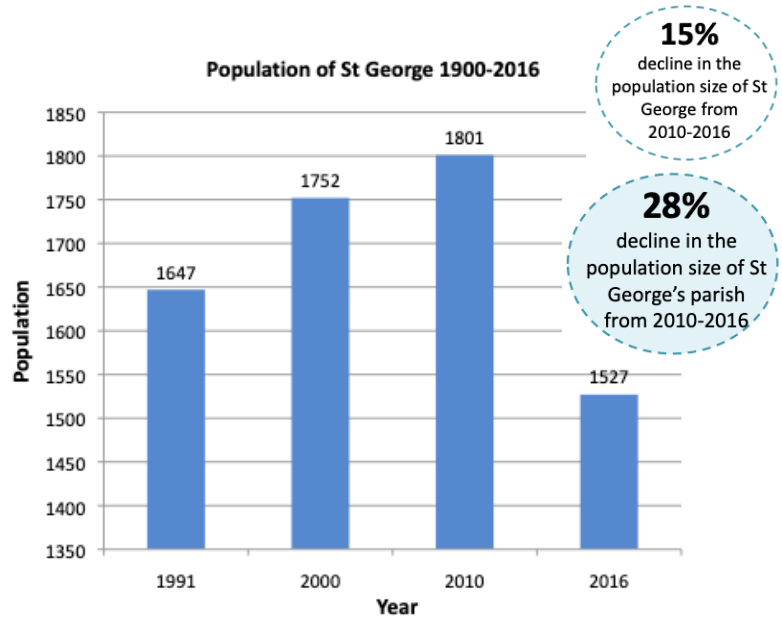
28% decline in the population of St George’s parish, between 2010-2016 and a 15% decline in the population of the Town. However, 40% thought there was a need to expand the population. Others suggest other approaches to using the resident population to boost economic activity, *“There is a large resident population which is not currently tapped into when it comes to the town’s overall needs. CSG has forgotten that this is a living town.”*



Concern was expressed over how new housing might affect the town. Comments included “This needs to be done properly. No stupid low-cost housing condos. No grand Atlantic. Focus on building an active community not just residents. Make the living option environmentally and therefore economically sustainable” and “It is built up enough.”

Some aspects of St. George that many residents greatly value are its strong sense of community and that it is quiet and peaceful and possesses a unique charm. It is highly likely that those who are unsure or non-supportive of increasing the population are concerned over potential adverse impacts on these important features.

Incentivising the renovation of currently unused buildings in St. George to provide new residential units would improve the aesthetics of the town and enable some growth in the population.



What people said

“Make the Town a success and the population growth will come. Pursuing residential population growth directly is misdirecting energy and attention from the work that needs to be done to attract residential growth. It is putting the cart before the horse.”

“Housing for young professionals to bring life back into town.”

“I think the geography of the town means only marginal growth in the town's population is possible: the Growth should be in the number of people visiting St George either as locals or tourists both by land and by sea.”

“More rental properties available.”

“With the opening of a hotel in the parish this will automatically generate additional traffic. This will in turn have a trickle down effect as it will generate more jobs. Additional jobs equate to rental opportunities for home owners, purchasing power for those employed, and opportunities for new business to open.”

“Apartment style buildings needed.”

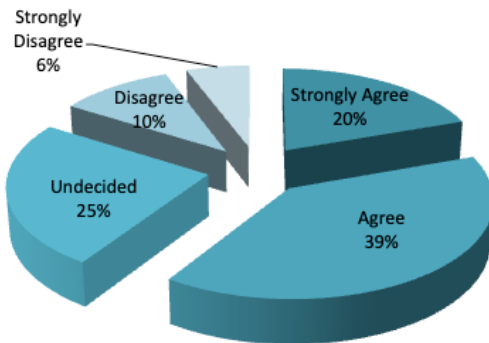
“Protected buildings has slowed down the growth as it is more costly to maintain as time goes on for Bermuda. I love old buildings but this fact cannot be overlooked.”

“Need better quality properties that young professionals would be willing to spend rent on.”

Is St George a good place to locate a business?

When asked if St George is a good location to locate a business, 59% agreed or strongly agreed.

St George is a Good Place for Business to be Located



What people said

"It currently is difficult but it has a lot of potential. If given the resources, it could be a great location, if left as it, it would be a waste."

Technology will be a big help to a business that does not need walk-ins as much."

"Too far from key infrastructure and not attracting sufficient retail clients."

"Not enough good restaurants or shops. At night time town is lacking safety and shops or things to do."

"With good promotion and the new hotel, St. George's will be an amazing place for business!"

"It is very difficult. There is little to no support. You have to be multifaceted. Required to work longer hours for less traffic. The town and corporation does not support businesses, they make harder if anything and even hire non St. George businesses when there are options. Entrepreneurs are mostly not supported through marketing, town signage, a cohesive vision, etc. I believe the lack of cohesion is our biggest problem and corporation / town management is at odds with dedicated entrepreneurs."

"St Georgians talk a good show but do not appear to want to get out of their own way to allow others in the Parish to succeed. When it is all said and done...there is more said than done."

"There is non-compelling clarity to all the positive economic multiplier effects of the St Regis Development on the Town to spur on the necessary investment from others".

When asked what 3 distinctive assets or advantages does St George has on which to build a strong economy, responses were largely grouped into the following:

- 1) Location (proximity to airport, natural harbour, docks, hotels)
- 2) Sense of community (friendly people, small, quaint, people take care of each other)
- 3) Accessibility (walkability, small town, good restaurants)
- 4) Heritage (architecture, UNESCO, Museums)
- 5) Natural beauty
- 6) Low rents
- 7) "Great" Corporation and good infrastructure

What people said

- *The global tourist brand*
- *As a cruise ship destination St George can differentiate itself favourably from destinations in the Caribbean*
- *UNESCO World Heritage status, Museums*
- *Proximity of Town to interesting and adventurous sites*
- *Take advantage of a small community; there isn't the traffic to deal with; you can walk the streets and it's not just business – it's relationships*
- *2 Cruise Ship Access Docks Available*
- *Great corporation team*
- *The Harbour*
- *Walking distance to everything*
- *A proud and diverse community*
- *Lovely architecture; heritage*
- *Quiet and safe areas for water sports.*
- *Inspiring, beautiful and quiet locations to work from*
- *Development potential. A developing brand*
- *The ability to have a pedestrianised area for shopping and outdoor dining/cafe.*
- *Rosewood, Grotto Bay, St Regis*
- *Relatively unadulterated architecture- "spared development"*
- *You can do business quickly*
- *Uniqueness (history, beauty, culture)*
- *Cost of doing business, rent, corporation taxes for water, sewage and trash pickup cheaper than City*
- *Great cultural infrastructure and human story*
- *Good base with access to services and population*
- *Accessibility*
- *Proximity to the airport*
- *The community: it cares, is welcoming, and wants the best for the town; Friendliness of the people*
- *The availability of unused/ill used properties that can be repurposed!*
- *Size*
- *Low Rents*

What is the Primary Reason for Locating Your Business in St George?

Broadly speaking, the same factors presented as the assets or advantages that St George offers to new businesses, are also those identified as the reasons existing businesses have become established in St George. Additional reasons included; demand, the market is not saturated with the business; free parking; already own property in the Town.

Finally, when asked what the most important factors were in ensuring the growth and sustainability of existing businesses, promotion and marketing of St George was identified as overall the most important factor. Community policing and affordable energy costs were identified as the second and third most important factors.

The least important factors in ensuring the growth and sustainability of businesses/organisations were: Availability of land and buildings, pedestrianisation of Water Street and proximity to supply and market chains.

Craig Simmons, a Bermudian economics lecturer said recently:

“These are unprecedented times and so we need new thinking. The gig economy is here and it is our young people who are in a position to leverage that economy....In any economy, job creation boils down to entrepreneurs. Recovery is salient to entrepreneurs – they’re the ones who can think outside the box and create.....We really need to find people who have skin in game and then give them the resources to create. ‘Skin in the game’ needs to be our mantra moving forward.”

Finding a way to engage with the younger members of the community is essential in the future development of St George.

Most Important Factors in Ensuring the Growth and Sustainability of Businesses

