

William J. Holtzinger, Mayor
Richard G. Griffin, CECD, AICP, Director

ECONOMIC DEVELOPMENT

101 N. Court Street, Frederick, Maryland 21701 301-600-6360 www.cityoffrederick.com

2009 ECONOMIC DEVELOPMENT PRIORITIES

MISSION STATEMENT: To increase economic opportunities in the City of Frederick through job creation, revitalization and reinvestment.

CORE PREMISE: The role of economic development in enhancing the quality of life for Frederick residents is a crucial one. An attractive quality of life cannot be maintained, let alone enhanced, without a vibrant business community that produces family-supporting jobs for Frederick's growing population and contributes equitably to the tax base needed to support critical services.

BACKGROUND: The Department of Economic Development (DED) was created by the Mayor and Board of Aldermen on July 1, 2002. The Department is staffed with three full-time positions – (1) Director, (2) Business Development Specialist, (3) Economic Development Specialist

STRATEGIC PARTNERS: Economic Development in Frederick is carried out by a number of organizations, which together form a strong strategic partnership with each entity responsible for specific components of the overall strategy.



2009 OVERVIEW: The City of Frederick like other communities around the country is faced with the challenge of a weak economy, slowed business absorption rate, higher rates of unemployment, and business closings and/or layoffs. However, Frederick remains in a much better position than many of its peers due to strong business diversity and significant percentage of businesses with government contracts.

The City has 3,500 businesses and 49,000 jobs. This represents 43% and 49% of the county totals respectively. 600 of those businesses are located downtown with 5,000 jobs. Most of the larger businesses in the county are located in the City of Frederick including Fort Detrick and National Cancer Institute, SAIC-Frederick, Wells Fargo Home Mortgage, State Farm, United Health Care, Frederick Memorial Healthcare (FMH), Frederick Community College (FCC), Hood College, MedImmune, BP Solar, etc.

Expansion at Fort Detrick and the National Cancer Institute (NCI-F) is the primary catalyst for growth in jobs and businesses in the community. Fort Detrick is constructing \$2 billion in new labs and support buildings. Less than ¼ of the 8,000 employed at Detrick and NCI-F are military – the remainder are composed of civil servants and contractors like SAIC-F, Charles River Labs, and Battelle. Fort Detrick and NCI-F are involved in advanced technologies including bio and botanical research and development, bioinformatics, nanotechnology, telemedicine, and satellite communications. It is expected that more than 1,400 new jobs will be added at Detrick in the next 10 years – more likely sooner. NCI-F is constructing a major new 300,000 SF Advanced Technology Center at Riverside Research Park

Other significant increases in employment are in Health Care, and Professional and Scientific industries. Frederick remains a highly competitive location for businesses to located in a business park, downtown, or along a commercial corridor.

Office, Industrial & Flex Development Opportunities Based on Demand and Supply Factors 2007-2020			
	Office	Industrial	Flex
Current Supply (Square Feet)	3,797,672	2,340,378	1,474,547
Current Employment (Jobs)	14,317	4,626	3,244
Current Occupied Supply (Square Feet)	3,459,679	1,996,342	1,285,805
Square Feet Per Employee	240	430	400
Net Future Employment (Jobs)	8,300	2,900	6,400
Net Future Demand (Square Feet)	2,000,000	1,250,000	2,560,000
Annual Demand (Square Feet)	153,000	96,000	197,000
Net Future Supply (Pipeline in Square Feet)	1,900,000	700,000	1,200,000
Opportunity Gap (Square Feet)	100,000	550,000	1,400,000
Total Future Potential Space (Square Feet)*	5,800,000	3,550,000	4,100,000

*Total Future Space = Current Supply (includes occupied and vacant space) plus net future supply (pipeline) plus opportunity gap
Source: BBPC

2009 CHALLENGES:

- Weakened Economy – soft sales
- Difficult financing for construction, business expansion, revolving credit
- Slower absorption of businesses and space
- Job losses/higher unemployment 5% and higher
- Municipal and business budget cuts due to lower revenue
- Retail Closures – restaurants, specialty retail, fashion
- Tax Base Value decline – primarily residential

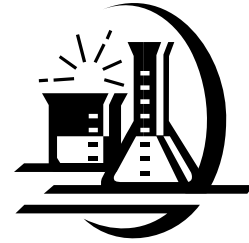
2009 OPPORTUNITIES:

- Stimulus Money
- Build capacity for future business expansion – Capital Improvements
 - Carroll Creek Park
 - East Street Extension to I-70
 - Monocacy Boulevard Center Section
 - Route 15/Monocacy Boulevard Interchange
- Fort Detrick Expansion – National Interagency Biodefense Campus
 - USAMRIID
 - NBACC
 - USAID
- Federal Research & Development Life Sciences Campus @ Riverside
 - NCI/SAIC-F Advanced Technology Center
 - Partner Agency Recruitment - FITCI & others
- Emphasis on Entrepreneur Support Network (ESN) – More new companies are started during period of high unemployment.
- East Frederick Rising – and focus on light industrial development/locations
- Key annexations to provide for new mixed-use and employment development – particularly laying ground-work for future corporate and R&D campuses.
- Build new 45,000 SF hi-tech business incubator for FITCI
- Brickworks Property Master Plan
- Land Sales – C2, J/K, Bowman Farm, Monocacy Boulevard
- Airport Development – Bailes Lane Demolition, Tower, Runway
- Downtown Hotel & Conference Center

ECONOMIC ENGINES: The primary employment engines that drive the economy of The City of Frederick include Bioscience, Manufacturing, Advanced Technology, Services, and Tourism. Below are a few selected major employers in each sector that are located in The City of Frederick.

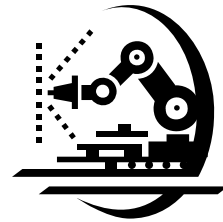
□ **BioScience**

- ❖ Fort Detrick (USARMRIID)
- ❖ National Cancer Institute
- ❖ Dynport Vaccine Company, LLC
- ❖ MedImmune, Inc.
- ❖ Southern Research Institute
- ❖ SAIC – Frederick
- ❖ Biological Mimetics



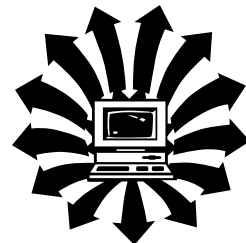
□ **Manufacturing**

- ❖ BP Solar
- ❖ Stulz ATS
- ❖ Fairchild Controls
- ❖ Airpax Corporation
- ❖ Morningstar Foods
- ❖ Dairy Maid Dairy



□ **Advanced Technology**

- ❖ Welocalize
- ❖ Sycamore Associates
- ❖ Yakabod
- ❖ Verizon
- ❖ SAIC-Frederick (BioInformatics/Nanotechnology)



□ **Services**

- ❖ United HealthCare
- ❖ State Farm
- ❖ Experient
- ❖ Corp OHS
- ❖ Frederick Memorial Healthcare (FMH)



□ **Tourism**

- ❖ Downtown Frederick – History, Architecture, Shopping, Arts
- ❖ Festivals and Special Events
- ❖ Frederick Keys Baseball
- ❖ Industrial Tourism (McCutcheon's, etc.)
- ❖ Civil War Battlefields and Museums



DED ECONOMIC DEVELOPMENT PRIORITIES: The following is a synopsis of economic development priorities in The City of Frederick. They are based in part on the priorities established by the Business Development Advisory Council (BDAC) and will be fully coordinated with the DED Strategic Partners. Additionally, these priorities are not static and will be revised and updated as part of the City's Comprehensive Plan.

- ❑ **Job Creation** 
- ❑ **Infrastructure Development** 
- ❑ **Downtown Revitalization** 
- ❑ **Corridor Revitalization** 

(1) JOB CREATION (Retention, Expansion, & Recruitment)

The primary priority is to improve the overall employment opportunities by retaining existing jobs & adding additional full-time jobs with benefits and family-supporting wages. This has the added benefit of improving the tax base balance between residential and non-residential sectors. Job creation will be accomplished through coordinated retention & expansion of existing businesses and recruitment of new businesses. These activities are coordinated with the strategic partners.



A. Business Retention & Expansion

Frederick's present prosperity is in part based on the strength and diversity of the existing business base. Future economic stability depends in large part on successfully retaining and supporting the long-term health and expansion of those businesses.

Goals:

- ❑ Expand the number of business visits and systematize feedback mechanisms (monthly business retention visits and annual business appreciation week).
- ❑ Use business feedback to develop program mix, delivery systems and marketing strategies.
- ❑ Develop and maintain a citywide business database for analysis and measurement of success.

- ❑ Access services and financing for businesses through strong county, state and regional partnerships and participation in matching incentive programs/grants.
- ❑ Target diverse industry base to maintain economic stability and capitalize on our existing strengths.
- ❑ Advocacy for the business community regarding key issues (ex. Water rates, water allocation, permitting, etc.)

B. Business Recruitment

*Future prosperity will hinge in large part on the ability to add jobs by attracting quality employers to the community. In particular recruitment efforts should focus on our targeted industry sectors of **Bioscience, Advanced Technology, Manufacturing, and Tourism.***

Goals:

- ❑ Capitalize recruitment efforts on existing community strengths.
- ❑ Focus on competitive advantages in **bioscience** such as National Cancer Institute and other research and development efforts at Fort Detrick.
- ❑ Participate with the BDAC Bioscience Subcommittee to thoroughly explore the benefits and resources needed to make Frederick a “**biotech hub**”.
- ❑ Market the attractive job opportunities of the **manufacturing industry**.
- ❑ Support **advanced technology** industry through the Frederick Network of the Tech Council of Maryland and work with MD Technology Development Council (TEDCO) to assess and address current technology infrastructure needs.
- ❑ Partner with the Frederick Innovative Technology Center, Inc (FITCI) to support and encourage entrepreneurs in the Advanced Technology and Bioscience areas.
- ❑ Partner with the Fort Detrick Alliance and the Fort Detrick Business Development Office for the purpose of developing stronger community relationships and highlighting business collaboration opportunities at Fort Detrick.
- ❑ Work with the Tourism Council of Frederick County and the Downtown Frederick Partnership (Main Street Organization) to increase annual tourist visits and retail spending in downtown Frederick.
- ❑ Recognize small business as the backbone of our economy and establish Frederick as a place that encourages diversity and growth of small businesses and entrepreneurs. Identify the needs of entrepreneurs

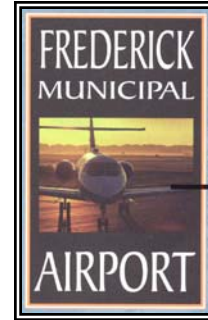


through the efforts of the Entrepreneur Support Network and establish programs to meet those needs.

- ❑ Refer small businesses with service needs to the Small Business Development Center (SBDC - located at OED), the Library and Chamber programs.
- ❑ Explore ways to promote the development of minority businesses, including partnerships with the Mid-Atlantic Hispanic Chamber of Commerce and the Frederick County African-American Chamber of Commerce.
- ❑ Collaborate with OED on joint marketing strategies and trade show/conference attendance.
- ❑ Partner with OED to provide CoStar Commercial Database reports and WSRI Demographic data to existing and prospective companies.
- ❑ Collaborate with OED, Frederick County Workforce Services, BDAC, the Workforce Development Board (WDB) and educational institutions to strengthen the City/County workforce by defining training and education resources, addressing business training gaps and set up a web-based system for easy access market-driven education and training.
- ❑ Enhance State and regional partnerships through active participation in Greater Washington Initiative, Tech Council of Maryland, MD Dept. of Business and Economic Development (DBED) functions and groups, regional economic development partners, the Chamber of Commerce and other business service organizations.
- ❑ Work with local media and business groups to market the positive contributions of business to our community and economy.
- ❑ Build rapport with regional media targets and disseminate positive information on Frederick and Frederick businesses.
- ❑ Maintain flow of positive information to media through OED, Chamber of Commerce and City/County Public Information Officers.
- ❑ Develop a “customer friendly” development review/permitting and inspection system with the ultimate goal of a one-stop permitting center.

(2) BUSINESS INFRASTRUCTURE DEVELOPMENT

Participate and advocate for business infrastructure planning and implementation through the City and County Comprehensive Plan processes. Such advocacy may include but is not limited to land-use, transportation, water, sewer, redundant communications (broadband access), and redundant electrical power.

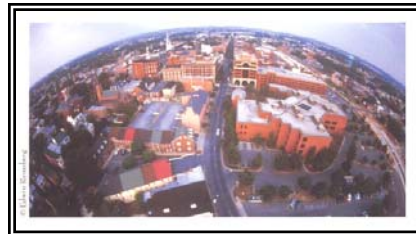


Goals:

- ❑ Support the implementation of the City's comprehensive plan and recommend public policies and strategies that balance residential and non-residential development.
- ❑ Support capital improvements projects needed for community development, including Potomac River Water Line, Carroll Creek Park, Monocacy Boulevard, I-70 / 270 Interstate Projects, East Street Extension, Multi-modal facilities, MARC, etc.
- ❑ Re-activate the City Industrial Development Authority and coordinate employment development strategies with the County BDAC. Pursue employment development strategies as established during the Comprehensive Plan process.
- ❑ Coordinate with the County OED, DBED, and MDE to promote and implement the locally-adopted Brownfields Redevelopment Tax Credits to encourage downtown infill development and adaptive reuse.
- ❑ Support and advocate for expansion and enhancements to the Frederick Municipal Airport and support services for Frederick businesses.

(3) DOWNTOWN REVITALIZATION

Downtown is the center of arts, culture, and government within the greater Frederick community. Every effort should be made to facilitate continued downtown revitalization efforts to encourage adaptive reuse, renovation, and infill development.



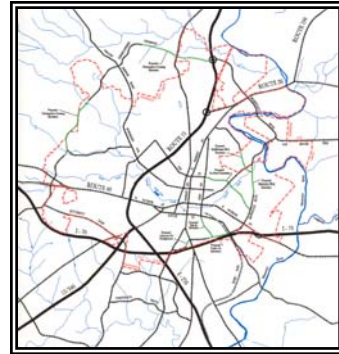
Goals:

- ❑ Facilitate the Carroll Creek Park Task Force to complete design, engineering, and improvement plans for creekscape.
- ❑ Partner with the Frederick Brick Works to ensure appropriate master planned uses for the East Street extension.
- ❑ Partner with Downtown Frederick Partnership to fund, facilitate, and implement all facets of the Main Street Program.

- ❑ Partner with the Downtown Frederick Partnership to conduct a “Downtown Market Analysis” as part of the economic restructuring component of the Main Street Program – as recommended by the State of Maryland Main Street Program and the National Trust.
- ❑ Coordinate the sale and development of excess city-owned property along Carroll Creek Park, East Street, Monocacy Boulevard, Airport, and Bowman Farm strategic for sale/development, market the properties, and facilitate the sale and redevelopment process.
- ❑ Advocate for and facilitate capital improvements projects needed for downtown development, including East Street Extension, I-70 East Street Interchange, Carroll Creek Creekscape Improvements, etc.
- ❑ Coordinate a multi-modal feasibility study, MARC service expansion, etc.
- ❑ Coordinate with the State, through the Priority Places program, regarding revitalization efforts, parking strategies, creekscape issues and others.
- ❑ Identify strategies to keep local government entities (and their employees) downtown.
- ❑ Coordinate with the County OED, DBED, and MDE to promote and implement the locally-adopted Brownfields Redevelopment Tax Credits to encourage downtown infill development and adaptive reuse.
- ❑ Advocate for and provide information on the historic tax credits and other incentive programs for downtown redevelopment.

(4) CORRIDOR REVITALIZATION

The primary roadways that lead into Frederick from the backbone of interstates and highways have traditionally been attractive and vibrant gateway corridors, but are now in need of aesthetic improvements and, in some cases, economic restructuring. In particular, W. Patrick Street (Golden Mile), E. Patrick Street (I-70 entrance), and W. Jefferson Street, among others, constitute primary gateway corridors.



Goals:

- ❑ Continue to implement the recommendations of the Golden Mile Task Force and encourage further revitalization and neighborhood stabilization.
- ❑ As done with the Golden Mile, a task force should be created with key stakeholders along other primary corridors to research the corridor issues, consolidate the property owners into a single voice, and implement enhancement projects. This should be coordinated with the City Neighborhood Advisory Councils.
- ❑ Promote and support the Golden Mile Tax Credit and Vacant Commercial Structures Tax Credit programs to encourage revitalization and

redevelopment. Work with owners and property managers of vacant or underutilized properties to improve the properties and attract quality tenants.

- Partner with the State Highways Administration (SHA) to identify strategies for streetscape and traffic improvements – including, but not limited to, reducing above ground utilities and improving pedestrian access – along and across these major corridors.
- Explore and implement opportunities such as Business Improvement Districts (BIDs), Tax Increment Financing Districts (TIF Districts) and other mechanisms for increasing the opportunities for improved public facilities (roads, sidewalks, utilities, etc.), joint marketing, improved streetscape, access, aesthetics, etc.
- Facilitate a gateways program to use monument signage or other techniques to designate the major entryways into and out of The City of Frederick.
- Partner with the Downtown Frederick Partnership on wayfinding and gateway signage from I-70 along the new East Street gateway and throughout downtown.
- Fully utilize the opportunities from designations such as the National Road Project (for Patrick Street), Scenic Byway Programs, Transportation Enhancement Projects, etc. to help implement upgrade strategies.
- Consider all aspects of transportation along the corridors including public transportation (bus, etc.), pedestrian, bicycles, and automobiles.

BROAD POLICY THEMES FOR THE FUTURE:

- Maintain 2:1 Jobs to Housing Ratio
- Maintain industry diversity
- Focus on entrepreneurship as a primary job growth tool
- Focus on small business assistance
- Shift marketing, recruitment, and development to emerging technologies – clean energy, nanotechnology, bioinformatics, infotech, etc.
- Focus on competitiveness – costs of development and business in Frederick - predictability
- Federal R&D life sciences campus @ Riverside
 - Anchor – NCI/SAIC-F
 - FITCI – new 45,000 SF incubator/mezzanine space
 - Education Consortium – Hood, FCC, Mount St. Mary’s
- Increase overall market share for downtown – tourism, retail, office, and residential
 - Carroll Creek Park
 - Brickworks
 - Downtown Hotel
 - Infotech
 - Policies/regulations which create incentives for infill development
- Expand and maintain business infrastructure
 - Land – though infill development and annexation
 - Water, sewer
 - Roads & Public Transportation & Trails & Pedestrian
 - Broadband
 - Electricity
- Focus on creative class – R&D, Designers, Arts,
- Commercial Corridor Redevelopment
- Workforce Housing