



# Chapter 9

## Economic Development Element

**Comprehensive Plan 2040**  
Your County. Your Vision. Your Future.

# ECONOMIC

# Development Element

## Introduction and Purpose

The Economic Development element serves as a guide for future economic growth and development within the County. It establishes the vision and basic development policies, which should be implemented to ensure the orderly economic growth and development of Washington County. The purpose of this element is to maintain and strengthen the County's status as a regional center of economic activity by directing job growth where resources, infrastructure, and human capital already exist.

Washington County offers one of the most dynamic and ideal business locations in the Eastern United States. This unique and vibrant economy is driven by many factors including:



### LOCATION

Washington County is conveniently located at strategic crossroads of multiple modes of transportation including major interstates and national highways, rail lines and airways. It is also located within a one-hour drive of the international Port of Baltimore and the Washington DC metro area.



### WORKFORCE

The County has a diverse and abundant workforce and a dynamic partnership with local educational facilities to prepare students for future careers.



### FISCAL RESPONSIBILITY

Washington County has continued to maintain a strong economic base. Currently, the County maintains an AA+ rating from Fitch relating to general obligation bonds, an Aa1 rating from Moody reflecting the County's strong financial profile, and an AA+ rating from Standard and Poor's also relating to bonding. These ratings demonstrate Washington County's commitment to be a leader in fiscal responsibility.



### QUALITY OF LIFE

Rich history, scenic vistas, and cultural diversity make Washington County a great place to live, work, and play.

## Economic Profile

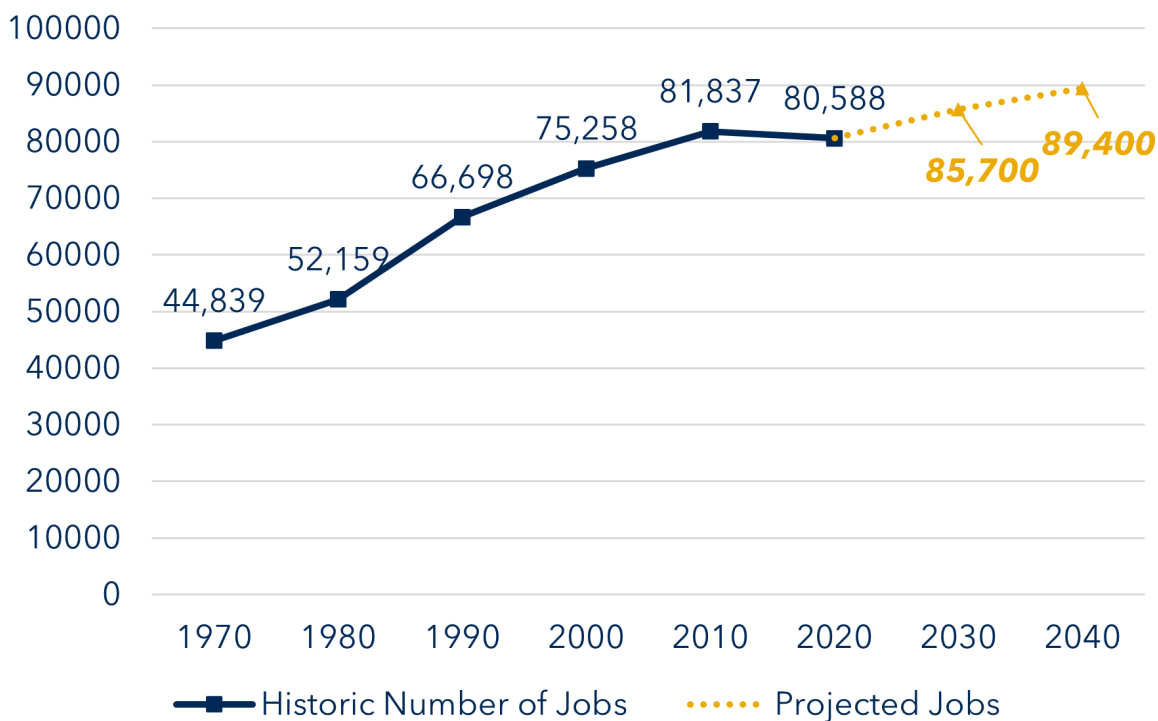
Washington County has a land area of 467 square miles (299,522 acres) and ranks 8th in size among the 24 counties and county equivalents<sup>1</sup> in the State of Maryland.<sup>2</sup> The County remains mostly a rural area but has experienced modest urbanization over the last several decades.

### Jobs

According to the Bureau of Economic Analysis (BEA), Washington County had a healthy increase of jobs between 1970 and 2010 before a slight drop off of jobs between 2010 and 2020. It should be noted that these figures represent jobs in Washington County regardless of where the job holder resides. As shown in Chart 9-1 below, the decades leading up to 2000 experienced increases of 12% to 27% while there was a slight decrease between 2010 and 2020. Some of the latest decrease can likely be attributed to the effects of the COVID-19 pandemic in 2020.

According to the Maryland Department of Planning, the number of jobs is projected to increase again but at a slower rate than previously experienced. The latest estimate by the BEA shows there were approximately 80,588 jobs in the County through 2020. It is projected that the number of jobs in Washington County will rise to approximately 89,400, or 10.9% by 2040.

Chart 9-1: Total Jobs 1970-2040



Source: Historical data from the U.S. Bureau of Economic Analysis, Tables CA25 and CA25N  
Projections from 2020 to 2040 prepared by the Maryland Department of Planning, January 2015

<sup>1</sup> The City of Baltimore generally possesses the same powers and responsibilities as the counties within the State and is therefore counted as a county equivalent.

<sup>2</sup> Source: US Census Bureau TIGER/Geographic Identification Code Scheme, 2010.

## Economic Sectors

Analyzing types of jobs by industry in the community assists local economic leaders and planners to develop strategies for workforce development, land use codes, etc. To help organize, understand and plan for economic growth, a generally accepted method of job classification is the North American Industry Classification System (NAICS). Some form of this classification system has been in place since 1980 and provides a consistent statistical analysis of economic sectors.

As stated previously, there are approximately 80,000 jobs currently spread out over the 20+ economic sectors. Approximately 89% of these jobs are within the private sector while the remaining 11% are located within the governmental sector. When compared with the State, Washington County has a slightly higher ratio of private jobs v. non-private (or government) jobs, as shown in Table 9-1.

Table 9-1: Comparison of Job Sectors - County vs. State (2020)

| NAICS Major Industry                  | Washington County Average Employment (2020) | Percentage    | Maryland Average Employment (2020) | Percentage    |
|---------------------------------------|---------------------------------------------|---------------|------------------------------------|---------------|
| <b>Total Employment</b>               | <b>79,712</b>                               | <b>100.0%</b> | <b>3,536,398</b>                   | <b>100.0%</b> |
| Farm Employment                       | 1,161                                       | 1.5%          | 16,486                             | 0.5%          |
| Forestry, Fishing, Related Activities | 0                                           | 0.0%          | 6,501                              | 0.2%          |
| Mining                                | 0                                           | 0.0%          | 2,709                              | 0.1%          |
| Construction                          | 4,494                                       | 5.6%          | 235,683                            | 6.7%          |
| Manufacturing                         | 6,394                                       | 8.0%          | 118,155                            | 3.3%          |
| Wholesale Trade                       | 2,200                                       | 2.8%          | 90,167                             | 2.5%          |
| Retail Trade                          | 10,835                                      | 13.6%         | 309,217                            | 8.7%          |
| Transportation & Warehousing          | 6,233                                       | 7.8%          | 176,364                            | 5.0%          |
| Utilities                             | 246                                         | 0.3%          | 10,653                             | 0.3%          |
| Information                           | 816                                         | 1.0%          | 44,742                             | 1.3%          |
| Finance & Insurance                   | 4,162                                       | 5.2%          | 161,151                            | 4.6%          |
| Real Estate, Rental & Leasing         | 3,221                                       | 4.0%          | 174,589                            | 4.9%          |
| Professional & Technical Services     | 2,889                                       | 3.6%          | 368,370                            | 10.4%         |
| Management of Comp. & Enterp.         | 609                                         | 0.8%          | 31,126                             | 0.9%          |
| Administrative & Waste Services       | 5,414                                       | 6.8%          | 223,888                            | 6.3%          |
| Educational Services                  | 954                                         | 1.2%          | 105,367                            | 3.0%          |
| Healthcare & Social Assistance        | 10,932                                      | 13.7%         | 432,402                            | 12.2%         |
| Arts, Entertainment & Recreation      | 1,204                                       | 1.5%          | 68,451                             | 1.9%          |
| Accommodation & Food Service          | 5,133                                       | 6.4%          | 200,807                            | 5.7%          |
| Other Service, Except Public Admin.   | 4,081                                       | 5.1%          | 198,827                            | 5.6%          |
| Government & Gov. Enterprise          | 8,497                                       | 10.7%         | 560,743                            | 15.9%         |

Source: Maryland Department of Planning, Full & Part-time Jobs by County, October 2022

As shown in Table 9-1, the top three private employment industries in Washington County are Health Care & Social Assistance, Retail Trade and Manufacturing. Over one third of all jobs in the County are related to these three industries. Comparatively, the State's top three private employment industries include Health Care and Social Assistance, Professional and Technical Services and Retail Trade. Table 9-2 below shows specific major employers in Washington County that make up the derivation of industry types.

Table 9-2: Major Employers in Washington County

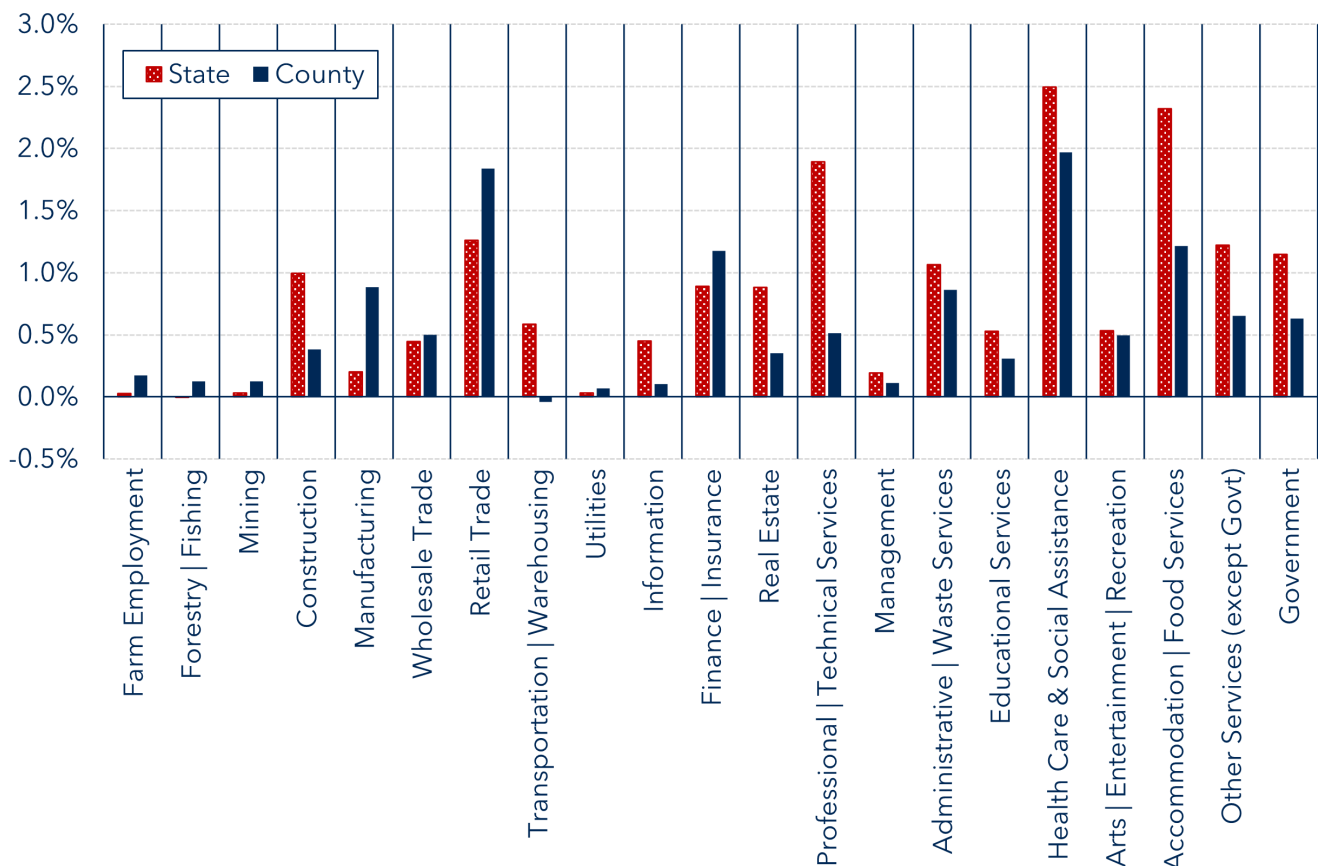
| Major Private Employer in Washington County |                               |                                             |                                                               |
|---------------------------------------------|-------------------------------|---------------------------------------------|---------------------------------------------------------------|
| Company                                     | Estimated Number of Employees | Products or Services                        | Industry                                                      |
| Meritus Health                              | 3000-4000                     | Medical and Social Services                 | Healthcare                                                    |
| Volvo Group                                 | 1000-2000                     | Diesel Engines & Transmission               | Manufacturing                                                 |
| Amazon                                      | 1000-2000                     | Retail Sales and Package Delivery           | Transportation & Warehousing                                  |
| Fiserv                                      | 1000-2000                     | Credit Card Processing                      | Finance & Insurance                                           |
| Bowman Group                                | 1000-2000                     | Transportation Logistics & Hotel Management | Transportation & Warehousing/<br>Accommodation & Food Service |
| FedEx Ground                                | 500-1000                      | Package Delivery Service                    | Transportation & Warehousing                                  |
| Walmart                                     | 500-1000                      | Retail Sales and Distribution               | Retail Trade                                                  |
| Merkle                                      | 500-1000                      | Mail Processing                             | Professional, Scientific & Technical Services                 |
| Berwick Offray                              | 250-500                       | Ribbon Manufacturing                        | Manufacturing                                                 |
| Direct Mail Processors                      | 250-500                       | Mail Processing                             | Professional, Scientific & Technical Services                 |
| Fives Landis Corp                           | 250-500                       | Machining Equipment                         | Manufacturing                                                 |
| Martins Food Markets                        | 250-500                       | Grocery Store Chain                         | Retail Trade                                                  |
| Peak Engineered Wood                        | 250-500                       | Wood Products                               | Retail Trade                                                  |
| Certainteed                                 | 250-500                       | Building Products                           | Manufacturing                                                 |
| Weis Markets                                | 250-500                       | Grocery Store Chain                         | Retail Trade                                                  |

Source: Maryland Department of Labor, Office of Workforce Information and Performance

As shown in Chart 9-2 below, the Maryland Department of Planning projects that the State will see more employment increase in nearly all of the industry classifications than that of the County. Industries that are projected to increase more at the County level than the State level include rural employment industries such as Farming and Mining, as well as Manufacturing, Wholesale and Retail Trades, and Finance and Insurance. Both the County and the State are projected to expect greater increases in employment in the Health Care and Social Assistance and the Accommodation and Food Services industries.

Overall, the County is expected to have the highest level of employment growth in Health Care and Social Assistance, Retail Trade, and Accommodation and Food Services Industry. These projections seem to be in line with national, State, and local trends as well as regional influences, such as our proximity to three (3) interstate systems.

Chart 9-2: Changes in Jobs by NAICS Industry

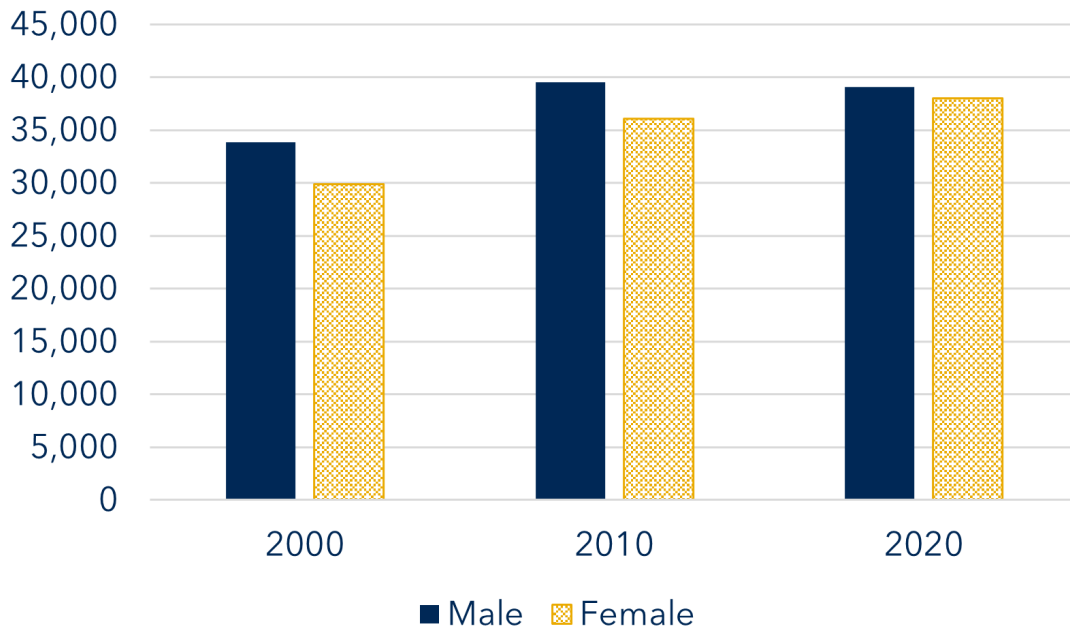


Source: Projections from 2020 to 2040 prepared by the Maryland Department of Planning, October 2022.

## Workforce Analysis

Labor force is defined by the United States Bureau of Labor Statistics as that portion of an area's population that is 16 years of age or older, employed or unemployed, is neither part of a group quarter or on active duty in the Armed Forces. The review and analysis of labor force trends can give an indication of the availability of personnel that can participate in the workforce. It also gives us a glimpse into the economic health and vitality of our community.

Chart 9-3: Total Labor Force



Source: Maryland Department of Planning, Projections & State Data Center, 2018

### Washington County Labor Force

Since 2000, Washington County has steadily increased its total available labor force by 21%. Comparatively, the County's population growth was approximately 17.8% over the same period. This is likely indicative of a combination of a greater number of younger people entering the workforce and older people waiting longer to retire. Trends in gender of the labor force show a continued movement toward equilibrium between the sexes.

### Regional Labor Force

Given Washington County's unique geographic location in the State, it is also important to recognize labor force data from neighboring States and Counties. Washington County draws the majority of its workforce from a multi-County, tri-State region which includes Franklin and Fulton Counties in Pennsylvania; Berkeley, Jefferson, and Morgan Counties in West Virginia; and Allegany and Frederick Counties in Maryland. As shown in table 9-3, the combined labor force of neighboring jurisdictions is over 400,000 people.

Table 9-3: Regional Labor Force

| State/County                                                                                                                                                                                                                                                                                                        | Population*<br>(2020 Census) | Labor Force    | Participation/<br>Employment |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------|------------------------------|
| State of Maryland                                                                                                                                                                                                                                                                                                   | 6,177,224                    | 3,214,536      | 3,140,267                    |
| Maryland <sup>1</sup>                                                                                                                                                                                                                                                                                               |                              |                |                              |
| Washington County                                                                                                                                                                                                                                                                                                   | 154,705                      | 72,466         | 70,538                       |
| Allegany County                                                                                                                                                                                                                                                                                                     | 68,106                       | 31,806         | 30,797                       |
| Frederick County                                                                                                                                                                                                                                                                                                    | 271,717                      | 139,119        | 136,242                      |
| West Virginia <sup>2</sup>                                                                                                                                                                                                                                                                                          |                              |                |                              |
| Berkeley County                                                                                                                                                                                                                                                                                                     | 122,125                      | 58,340         | 54,710                       |
| Jefferson County                                                                                                                                                                                                                                                                                                    | 57,486                       | 30,080         | 28,300                       |
| Morgan County                                                                                                                                                                                                                                                                                                       | 17,873                       | 8,360          | 7,860                        |
| Pennsylvania <sup>3</sup>                                                                                                                                                                                                                                                                                           |                              |                |                              |
| Franklin County                                                                                                                                                                                                                                                                                                     | 155,637                      | 77,900         | 75,100                       |
| Fulton County                                                                                                                                                                                                                                                                                                       | 14,503                       | 7,100          | 6,900                        |
| <b>TOTAL REGIONAL<br/>WORKFORCE</b>                                                                                                                                                                                                                                                                                 | <b>862,152</b>               | <b>425,171</b> | <b>410,447</b>               |
| <p>*Source: US Census Bureau, 2020 Census</p> <p><sup>1</sup> Source: MD DLLR, Monthly Labor Review, March 2023</p> <p><sup>2</sup> Source: Workforce WV - WV Labor Force Data Annual Averages 2020</p> <p><sup>3</sup> Source: PA Workstat, Center for Workforce Information and Analysis, Economic Indicators</p> |                              |                |                              |

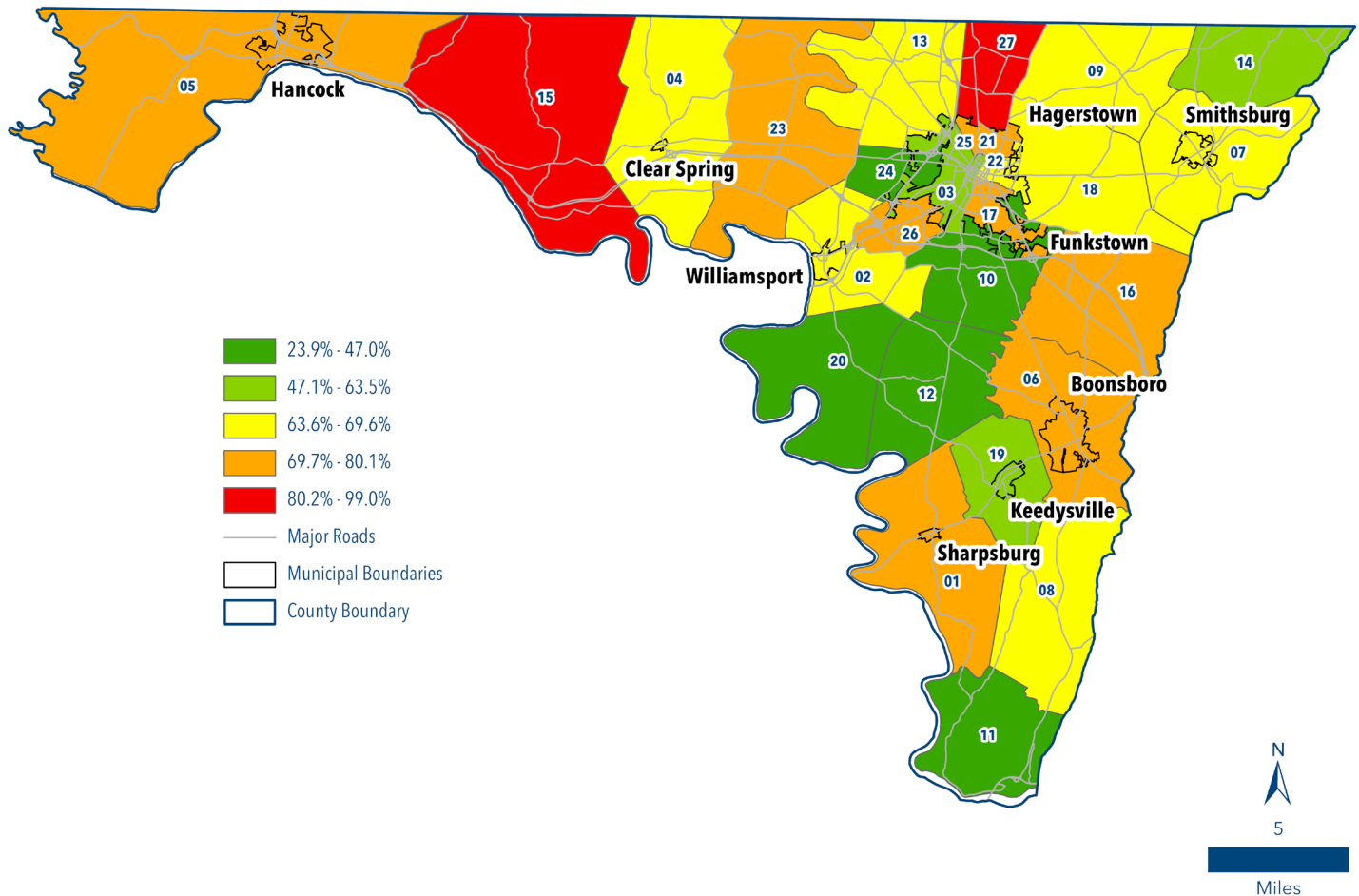
## Characteristics of the Labor Force

### Dependency Ratios

Labor Force dependency ratios measure the number of people who are not of working age (dependent) versus those who are of a working age (economically active). The purpose of defining the dependency ratio in a labor force is to measure the pressure on the productive population. A higher dependency ratio means that fewer people are carrying the burden of working and paying taxes to support the dependent population. Higher ratios can mean higher governmental expenditure on health, social security, and education, lower tax revenues and, therefore, higher tax rates, labor shortages, and negative impacts on retirement age and pensions.

According to the US Census Bureau, Washington County had a dependency ratio of 0.64 meaning that 64% of the County labor force is outside of the typical working ages of 20-64. The majority of the dependency is related to children (35.7%) as opposed to retirement age citizens (28.2%). Comparatively, the State has a dependency ratio of 0.60 and the United States as a whole has a ratio of 0.625. Therefore, Washington County appears to be slightly higher in levels of overall age dependency. Map 9-1 below shows the dispersion of dependency ratios by election district across the County.

Map 9-1: Dispersion of Dependency Ratios by Election District



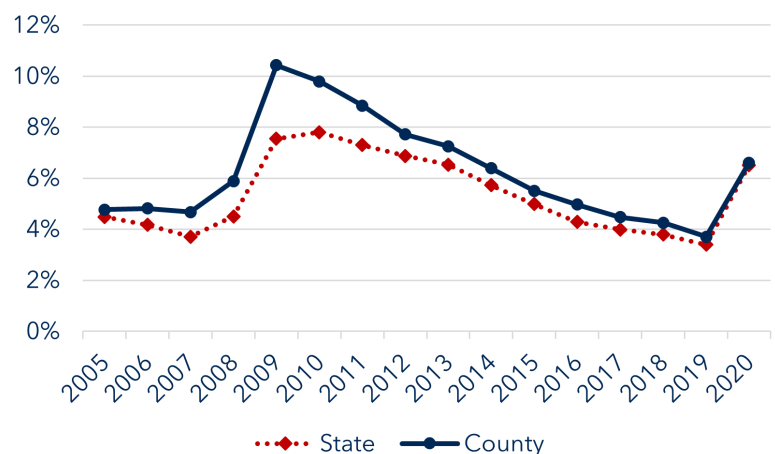
## Unemployment Rates

Unemployment rates are key indicators of labor market performance. When workers are unemployed, the most obvious implication is loss of wages. The loss of wages means loss of purchasing power that can lead to more unemployed workers. This trend can cause a cascading effect that ripples throughout the economy. These trends tend to be cyclical and can vary greatly from year to year or even quarter to quarter.

While the cycles of high vs. low unemployment rates can typically be manageable, there have been historic cases of major highs and lows. The most recent example is the recession that occurred in 2008. As shown in Chart 9-4, the County, as well as the State, enjoyed a rather low unemployment rate that averaged around 4.5% in the early 2000s. Once the recession gripped the economy, unemployment rates jumped dramatically to almost 10%. As the economy slowly began to normalize, the unemployment rate began to decline before a spike in 2020 related to the global pandemic.

Chart 9-4: Unemployment Rate 2005-2020

Source: US BLS. Local Unemployment Statistics

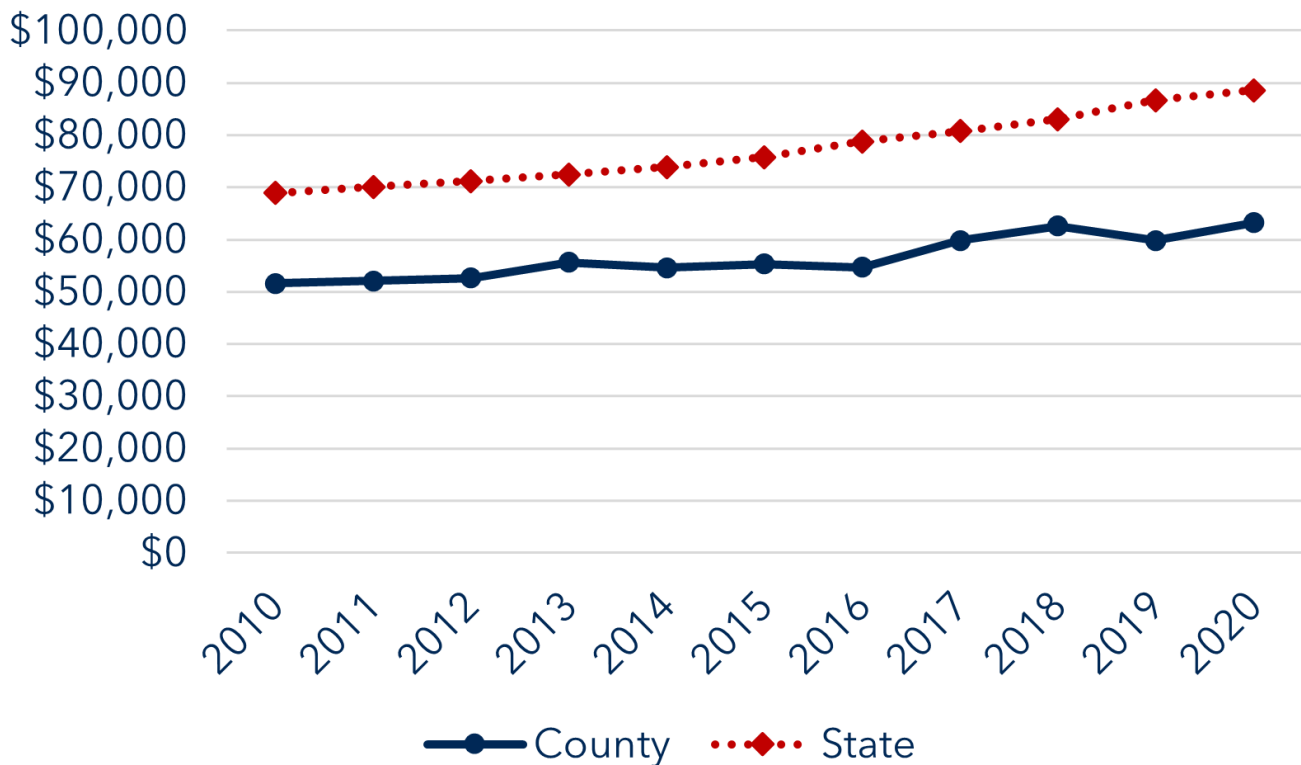


## Household Income

Household income provides another indicator of how the economy is faring. Median household income refers to the income level earned by a household where half of the homes in the area earn more, and half earn less. Median income levels are usually preferred in economic analyses instead of average or mean incomes because they give a more accurate illustration of the area's economic status. Averages can be skewed greatly by anomalies in different income levels.

As shown in Chart 9-5 below, the median household income in Washington County has remained stagnant between 2010 and 2016 before slightly increasing throughout the rest of the decade. Median household income across the State has constantly risen over the decade thereby creating larger disparities between the overall State median income versus that of the County.

Chart 9-5: Median Household Income 2010-2020



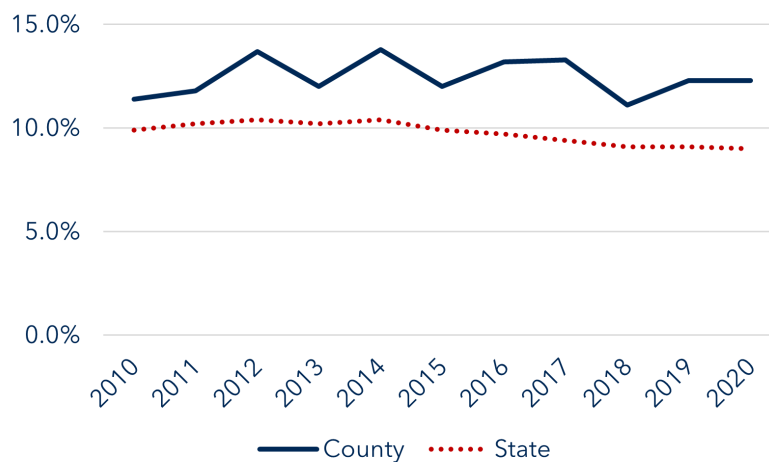
Source: US Census Bureau. Small Area Income and Poverty Estimates, December 2021

## Poverty Rates

Another indicator of overall economic health is poverty rates. There are many factors that can impact the definition of poverty. For the purpose of determining eligibility for financial assistance such as subsidies, benefits and other programs, the poverty level is based upon household size and household income. As shown in the chart below, slightly over 12% of households in Washington County are below poverty level. Comparatively, slightly below 10% of households across the State are below poverty level. Also indicated by Chart 9-6 below is that Washington County is showing trends toward higher poverty rates than the State overall, thus widening the financial gap between the County and the rest of the State.

There are several ways poverty can affect the economy of an area. The most common effect of poverty is on the supply and demand of goods. By definition, that portion of a population living below the poverty line has less money to spend and, therefore, there is less demand for goods. This in turn affects the supply side of the economy by lessening the money paid to others to produce, distribute, and sell goods. Poverty levels also affect the demand for government assistance. This means the government may need to increase taxes or run higher deficits.

Chart 9-6: Poverty Rates 2010-2020



Source: US Census Bureau, Small Area Income and Poverty Estimates, December 2021

## Workforce Development

While education and skill attainment can offer a snapshot of the workforce, there are still gaps between what employers need and what the workforce has to offer. To fill these gaps, the Governor's Office has developed a Workforce Development Board that provides assistance to the various regions of the State. Washington County is part of a three-county regional board known as the Western Maryland Consortium. These Local Development Boards (LDB) work with both employers and job seekers to build connections. They offer services to employers such as information brokering, outplacement services for businesses that are downsizing, recruitment and hiring assistance, and specialized services such as on-the-job training. Services provided to job seekers include career counseling, resource libraries, training and education, equipment access to assist in their job search, and access to the Maryland Workforce Exchange. LDB's also provide youth services such as skills training, academic support, and employment assistance.

## Economic Trends and Analysis

To identify strategies to retain and attract jobs in the County, it is important to understand short and long-term industry trends at a national, regional, and local level. Historic data can be used to observe the composition of our local economy in the past. This data helps planners to predict short term economic trends, but long-term trends require analysis of not just local trends but also regional and national trends. To assist the County in comparing the local economy to regional and national industrial trends, a shift-share analysis and a location quotient analysis will be used to project potential changes in future trends.

It is also important to study earnings and income data for different industries. Income levels determine the purchasing power of residents and the degree to which they can contribute to the local economy. This in turn can influence the affordability index as it relates to home ownership, cost of living expenditures and disposable income.

### Shift Share Analysis

A shift share analysis is a standard model to determine how much of a jurisdiction's economy can be attributed to national growth trends and how much can be attributed to unique regional factors. The model assumes that changes in employment over time can be explained by three things:

- **National Share** of growth – This factor assumes that if all things are equal, any changes that occur in the national economy should also be felt at a regional level and distributed across the entire country. Any increase or decrease in the national job average should have an equal impact locally. For example, if the national economy is growing at a steady rate of 3% then any region in the country should also experience overall economic growth of 3%.
- **Industrial Mix** of employment – The industrial mix effect examines the portions of an area's economic growth that can be attributed to a specific industry's growth at a national level. Industrial Mix is calculated by subtracting the fluctuations in a specific industry with changes in overall national growth rates.
- **Regional Shift** in employment – Regional shifts indicate a locality's competitive advantage in specific industries. When regional growth outpaces that of national trends, there is an indication that the region has a competitive advantage that causes some industries to thrive in the area. Factors that can generate regional competitiveness include geography, legislation/regulation, population characteristics, infrastructure availability or natural resources.

Once each of these factors is calculated, they are added together to determine actual employment growth for a region.

$$\text{Actual Growth} = \text{National Growth} + \text{Industry Mix} + \text{Regional Shift}$$

For this analysis, two different time frames are being evaluated to help understand short and long-term trends in the region. For long-term purposes, an evaluation period from 2000 to 2020 was used, while an evaluation period from 2010-2020 was completed to analyze short term trends.

## 2000-2020

As shown in Table 9-4, Washington County has experienced a modest amount of employment growth over the long-term period between 2000-2020. The bulk of existing jobs and job growth has been in the Trade, Transportation and Utilities and Education and Health Services sectors. There has also been a marked increase in Leisure and Hospitality jobs.

Table 9-4: Changes in Employment 2000-2020

| Industry Sector                     | 2000          | 2020          | Change/Growth | %Change     |
|-------------------------------------|---------------|---------------|---------------|-------------|
| Natural Resources and Mining        | 97            | 172           | 75            | 77.3%       |
| Construction                        | 3,330         | 2,762         | -568          | -17.1%      |
| Manufacturing                       | 10,289        | 6,487         | -3,802        | -37.0%      |
| Trade, Transportation and Utilities | 13,979        | 16,618        | 2,639         | 18.9%       |
| Information                         | 981           | 637           | -344          | -35.1%      |
| Financial Activities                | 6,284         | 3,742         | -2,542        | -40.5%      |
| Professional and Business Service   | 4,819         | 5,761         | 942           | 19.5%       |
| Education and Health Services       | 7,653         | 10,372        | 2,719         | 35.5%       |
| Leisure and Hospitality             | 4,243         | 6,164         | 1,921         | 45.3%       |
| Other Services                      | 2,220         | 1,724         | -496          | -22.3%      |
| Public Administration               | 7,831         | 8,285         | 454           | 5.8%        |
| <b>INDUSTRIES, TOTAL</b>            | <b>61,726</b> | <b>62,724</b> | <b>998</b>    | <b>1.6%</b> |

While this basic analysis is helpful in determining long-term job growth, a shift share analysis helps illustrate what is influencing industry sector job growth in our specific area. As stated previously, there are three factors that are evaluated as part of a shift share analysis: National Share, Industrial Mix and Regional Shifts. By comparing local changes in job growth to national and industry trends, local planners can extrapolate which industries are growing or declining based upon these influencing factors.

Table 9-5: Shift Share 2000-2020

| Industry Sector                     | National Share | Industry Mix  | Regional Shift | Total Change in Employment 2000-2020 |
|-------------------------------------|----------------|---------------|----------------|--------------------------------------|
| Natural Resources and Mining        | 16             | 0             | 59             | 75                                   |
| Construction                        | 554            | 34            | -1,156         | -568                                 |
| Manufacturing                       | 1,713          | -4,134        | -1,081         | -3,802                               |
| Trade, Transportation and Utilities | 2,327          | -1,132        | 1,444          | 2,639                                |
| Information                         | 163            | -332          | -176           | -344                                 |
| Financial Activities                | 1,046          | -335          | -3,253         | -2,542                               |
| Professional and Business Service   | 802            | 734           | -595           | 942                                  |
| Education and Health Services       | 1,274          | 3,764         | -2,319         | 2,719                                |
| Leisure and Hospitality             | 706            | 1,121         | 94             | 1,921                                |
| Other Services                      | 370            | -129          | -736           | -496                                 |
| Public Administration               | 1304           | -426          | -423           | 454                                  |
| <b>INDUSTRIES, TOTAL</b>            | <b>10,275</b>  | <b>-1,136</b> | <b>-8,141</b>  | <b>998</b>                           |

According to data obtained from the US Bureau of Labor Statistics (BLS), the national employment rate grew by approximately 16.6% between 2000 and 2020. Applying this information generically to Washington County, there is an assumption that approximately 10,275 of the new jobs created in this County can be attributed to national trends in employment.

Next, job growth per industry sector was calculated and compared to the average national employment growth rate. The difference between these two illustrates the influence of changes in industrial sectors to national averages. As shown in Table 9-5 above, Manufacturing, Financial Activities, Trade, Transportation and Utilities and Education and Health Services sectors had large changes over the 20-year period between 2000 and 2020.

Impacts on regional job growth are calculated by determining the difference between the industry changes and national changes in job growth by industry sector. This calculation separates what affects our region by national and industrial fluctuations in job growth. As shown on Table 9-5, there is a significant regional influence on regional employment due to job growth in several different sectors.

Finally, all three influencing factors are added together to determine the overall change in job growth per industry sector for our County. As shown in Table 9-5, the Manufacturing Industry suffered significant decreases in job growth mainly attributed to industry level influences. The Trade, Transportation, and Utilities and Educational and Health Services industries had large job growth over the period. The Leisure and Hospitality sector also experienced large gains in job growth mostly attributable to industry level influences.



Volvo Hagerstown Source: Volvo

## 2010-2020

As shown in Table 9-6 on the following page, a lower rate of job growth was experienced than over the long-term period. Sharp declines were experienced in the Financial Activities sector showing a decrease in job growth by over 25%. The Information industry sector also shows a significant loss as a percentage, but the total number of jobs lost was relatively moderate in comparison to other industries. To counter these decreases, there were modest increases in the Trade, Transportation and Utilities and Professional and Business Service sectors.

Table 9-6: Changes in Employment 2010-2020

| Industry Sector                     | 2010          | 2020          | Change/Growth | %Change     |
|-------------------------------------|---------------|---------------|---------------|-------------|
| Natural Resources and Mining        | 134           | 172           | 38            | 28.4%       |
| Construction                        | 2,642         | 2,762         | 120           | 4.5%        |
| Manufacturing                       | 6,497         | 6,487         | -10           | -0.2%       |
| Trade, Transportation and Utilities | 15,501        | 16,618        | 1,117         | 7.2%        |
| Information                         | 888           | 637           | -251          | -28.3%      |
| Financial Activities                | 5,910         | 3,742         | -2,168        | -36.7%      |
| Professional and Business Service   | 4,559         | 5,761         | 1,202         | 26.4%       |
| Education and Health Services       | 9,939         | 10,372        | 433           | 4.4%        |
| Leisure and Hospitality             | 5,581         | 6,164         | 583           | 10.4%       |
| Other Services                      | 1,629         | 1,724         | 95            | 5.8%        |
| Public Administration               | 9,099         | 8,285         | -814          | -8.4%       |
| <b>INDUSTRIES, TOTAL</b>            | <b>62,379</b> | <b>62,724</b> | <b>345</b>    | <b>0.6%</b> |

Using the shift share analysis to interpret this data can help illustrate what is influencing industry sector job growth in our specific area. As was the case in the long-term analysis, the short-term analysis shows that the majority of job growth in our area can be attributed to national job growth trends. According to the US BLS, the country experienced a growth rate of approximately 17.8% between 2010 and 2020. Modest job growth came from the National Share and occurred in the Trade, Transportation, and Utilities, and Professional and Business Services sectors.

Table 9-7: Shift Share 2010-2020

| Industry Sector                     | National Share | Industry Mix | Regional Shift | Total Change in Employment 2010-2020 |
|-------------------------------------|----------------|--------------|----------------|--------------------------------------|
| Natural Resources and Mining        | 24             | -10          | 25             | 38                                   |
| Construction                        | 470            | 587          | -937           | 120                                  |
| Manufacturing                       | 1,156          | -389         | -777           | -10                                  |
| Trade, Transportation and Utilities | 2,757          | -530         | -1,110         | 1,117                                |
| Information                         | 158            | -102         | -307           | -251                                 |
| Financial Activities                | 1,051          | -281         | -2,938         | -2,168                               |
| Professional and Business Service   | 811            | 588          | -197           | 1,202                                |
| Education and Health Services       | 1,768          | 924          | -2,259         | 433                                  |
| Leisure and Hospitality             | 993            | 690          | -1,099         | 583                                  |
| Other Services                      | 290            | -212         | 18             | 95                                   |
| Public Administration               | 1,618          | -1,505       | -927           | -814                                 |
| <b>INDUSTRIES, TOTAL</b>            | <b>11,094</b>  | <b>-242</b>  | <b>-10,508</b> | <b>345</b>                           |

The Industry Mix component of the analysis shows that the Public Administration sector of the economy experienced a sharp decrease in job growth while Education and Health Services saw a significant increase in growth. The Leisure and Hospitality sector also experienced a modest increase in job growth at the industry level.

Overall, it appears from the short-term analysis that this region is more susceptible to a job recession in the Financial Activities and Public Administration sectors. Job growth in the Trade, Transportation, and Utilities and Professional and Business Service, sectors appear to be less prone to recessionary effects.

## Location Quotient

A location quotient analysis is a popular method of identifying trade flows in a locality. This analysis helps identify exporting vs. importing job sectors by measuring the concentration of an industry in a particular locality and then comparing it to larger areas such as the State or nation as a whole. The location quotient is a ratio of an industry's share of the local employment divided by its share of the comparable area (state, nation, region, etc.). A location quotient equal to one indicates that local employment in a specific industry matches the proportion of employment in the comparative area. A location quotient less than one indicates that the concentration of local employment is lower than the comparative area and a location quotient greater than one indicates that the concentration of local employment is higher than the comparative area.

The basic uses of industry LQs (and, by extension, for clusters and occupations as well) include these:

- To determine which industries make the regional economy unique.
- To identify the "export orientation" of an industry and identify the most export-oriented industries in the region.
- To identify emerging export industries beginning to bring money into the region.
- To identify endangered export industries that could erode the region's economic base.

Table 9-8: Location Quotient

| Industry Sector                      | Total Employment by Sector, Washington County |               |               |               |               |               | Location Quotient, National Comparison |      |      | Location Quotient, State Comparison |      |      |
|--------------------------------------|-----------------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------------------------------|------|------|-------------------------------------|------|------|
|                                      | 2000                                          | % of Total    | 2010          | % of Total    | 2020          | % of Total    | 2000                                   | 2010 | 2020 | 2000                                | 2010 | 2020 |
| Natural Resources and Mining         | 97                                            | 0.2%          | 134           | 0.2%          | 172           | 0.3%          | 0.14                                   | 0.17 | 0.23 | 0.73                                | 0.91 | 1.17 |
| Construction                         | 3,330                                         | 5.4%          | 2,642         | 4.2%          | 2,762         | 4.4%          | 1.11                                   | 1.03 | 0.90 | 0.84                                | 0.74 | 0.72 |
| Manufacturing                        | 10,289                                        | 16.7%         | 6,497         | 10.4%         | 6,487         | 10.3%         | 1.22                                   | 1.15 | 1.20 | 2.25                                | 2.16 | 2.46 |
| Trade, Transportation, and Utilities | 13,979                                        | 22.7%         | 15,501        | 24.9%         | 16,618        | 26.5%         | 1.13                                   | 1.29 | 1.41 | 1.15                                | 1.40 | 1.52 |
| Information                          | 981                                           | 1.6%          | 888           | 1.4%          | 637           | 1.0%          | 0.58                                   | 0.65 | 0.52 | 0.66                                | 0.78 | 0.76 |
| Financial Activities                 | 6,284                                         | 10.2%         | 5,910         | 9.5%          | 3,742         | 6.0%          | 1.72                                   | 1.61 | 1.05 | 1.64                                | 1.65 | 1.19 |
| Professional and Business Service    | 4,819                                         | 7.8%          | 4,559         | 7.3%          | 5,761         | 9.2%          | 0.62                                   | 0.57 | 0.64 | 0.53                                | 0.47 | 0.54 |
| Education and Health Services        | 7,653                                         | 12.4%         | 9,939         | 15.9%         | 10,372        | 16.5%         | 1.11                                   | 1.08 | 1.04 | 0.99                                | 1.00 | 0.98 |
| Leisure and Hospitality              | 4,243                                         | 6.9%          | 5,581         | 9.0%          | 6,164         | 9.8%          | 0.78                                   | 0.91 | 0.91 | 0.85                                | 1.02 | 0.99 |
| Other Services                       | 2,220                                         | 3.6%          | 1,629         | 2.6%          | 1,724         | 2.8%          | 1.13                                   | 0.77 | 0.91 | 0.99                                | 0.73 | 0.81 |
| Public Administration                | 7,831                                         | 12.7%         | 9,099         | 14.6%         | 8,285         | 13.2%         | 0.81                                   | 0.84 | 0.88 | 0.68                                | 0.73 | 0.71 |
| <b>Industry Totals</b>               | <b>61,726</b>                                 | <b>100.0%</b> | <b>62,379</b> | <b>100.0%</b> | <b>62,724</b> | <b>100.0%</b> |                                        |      |      |                                     |      |      |

As shown in Table 9-8, employment by job sectors in Washington County is about the same as those at a State and national level. There does appear to be a slightly higher concentration of jobs in the Manufacturing, Trade, Transportation and Utilities and Financial Activities sectors at both the State and national level and a much higher concentration of Manufacturing jobs compared to the State. These trends are a bit concerning when compared to the long-term shift share analysis that show job decreases in both the Manufacturing and Financial Activities sectors. In contrast, the County seems to have a much lower density of jobs in the Professional and Business Service and Information sectors both at a State and national level.

## Capacity for Future Non-residential Development

Evaluation of land available for non-residential development is an essential component in the economic prosperity of any jurisdiction. Ensuring there is enough properly zoned land available for businesses to locate and/or expand in a community can increase opportunities for residents to have jobs closer to home thereby reducing the need to commute for work. Having enough land available for non-residential development is also essential to grow the local tax base that supports public services.

The dynamic nature of business and the advancement of technology make it difficult to estimate the amount of land needed for non-residential uses. Industrial sites are typically driven by specialized needs for infrastructure, parcel size, building configuration, and access. Commercial development is particularly difficult because it is mostly driven by changes in the market and can shift locations based upon short term needs. Table 9-9 illustrates the current capacity of non-residential zoning districts in the County.

Table 9-9: Non-Residential Capacity Analysis

| Zoning District                     | Acreage Improved | Acreage Unimproved | Total Acreage   | % of Total    | % Vacant     |
|-------------------------------------|------------------|--------------------|-----------------|---------------|--------------|
| Airport (AP)                        | 142.5            | 173.3              | 315.8           | 2.9%          | 54.9%        |
| Business General (BG)               | 330.3            | 303.7              | 633.9           | 5.9%          | 47.9%        |
| Business Local (BL)                 | 255.4            | 110.7              | 366.1           | 3.4%          | 30.2%        |
| Highway Interchange (HI)            | 2,116.4          | 2,074.7            | 4,191.1         | 39.0%         | 49.5%        |
| Industrial General (IG)             | 1,366.6          | 598.9              | 1,965.4         | 18.3%         | 30.5%        |
| Industrial Restricted (IR)          | 52.0             | 185.3              | 237.3           | 2.2%          | 78.1%        |
| Office, Research & Industry (ORI)   | 86.0             | 433.3              | 519.3           | 4.8%          | 83.4%        |
| Office, Research & Technology (ORT) | 40.7             | 0.0                | 40.7            | 0.4%          | 0.0%         |
| Planned Business (PB)               | 123.2            | 4.4                | 127.7           | 1.2%          | 3.5%         |
| Planned Industrial (PI)             | 512.4            | 1,824.5            | 2,336.9         | 21.8%         | 78.1%        |
| <b>Totals</b>                       | <b>5,025.6</b>   | <b>5,708.6</b>     | <b>10,734.2</b> | <b>100.0%</b> | <b>53.2%</b> |

In general, industrial uses are shifting away from heavy manufacturing and moving more toward computerized, high-tech manufacturing. To account for some of these variables, sites identified for industrial, commercial, or office uses should generally conform to the following parameters:

- Infrastructure and utilities should be either available or capable of being provided;
- Access to the Interstate system should be over arterial highway routes that do not require the movement of heavy traffic through residential neighborhoods;
- The ability to mitigate developmental impacts on sensitive environmental, historical or cultural features;
- Contain sufficient land area to accommodate development including buildings, parking, storm water management, buffering, and screening if required;
- Avoidance of areas where there is a high probability of incompatibility with existing residential development;
- Locate where mixed uses can provide opportunities for transitioning from heavy industrial or commercial uses to institutional or residential uses;
- Pursue adaptive reuse of existing sites or buildings as a catalyst for rehabilitation or preservation of historic or environmental resources;
- Locate retail commercial sites where they best serve the market niche being targeted whether regional, community, or neighborhood based; and
- When feasible, associate development with an approved or proposed incentive area such as Enterprise Zones or Foreign Trade Zones.

As noted previously in the chapter, it is projected that Washington County will gain about 8,800 jobs between 2020 and 2040. Currently, there are approximately 11,000 acres of land in the County zoned for commercial, industrial, and employment uses. As shown in Table 9-9, nearly 40% of the non-residential acreage in the County is located within the Highway Interchange (HI) district. This seems appropriate given our geographical location at the intersection of two major Interstates. It is apparent that the Interstates also have influence over the types of jobs are coming to the area. According to the shift-share analysis contained in the Economic Development Element, the majority of new jobs are coming to the area through regional influence in the Trade and Transportation sectors. This is supported in the location quotient analysis that shows the County has a slightly higher attraction of transportation related businesses than the State and country.

In support of the County's manufacturing industry, there is slightly over 40% of non- residential zoned land in industrial zoning districts (i.e. Industrial Restricted, Industrial General, and Planned Industrial). While there have been some decreases in employment all over the country in the manufacturing sector in recent years, Washington County has a strong workforce for manufacturing jobs. As shown in the location quotient analysis, the County is also twice as likely to attract jobs in the manufacturing sector than elsewhere in the State of Maryland.

Of the nearly 11,000 acres of non-residentially zoned land, there are approximately 5,700 acres (or 53%) still available for new development. As shown in Table 9-9, light industrial districts (IR, ORI, & PI) have higher vacancy rates. The majority of the vacant land available is in the PI district and was created by design. As part of the previous Comprehensive Plan, a distinct need for additional industrial/employment zoned land was discovered. In response to this need, the County designated several hundred acres on the western boundary of the UGA as potential land for future non-residential growth. The area was later rezoned to PI through a comprehensive rezoning process. The remainder of the non-residential zoning districts have between 30% and 50% vacancy rates; therefore, it appears that the County should have enough land to accommodate projected job growth.

## Existing Economic Strategies

Economic Development strategies need to sustain and expand existing businesses and industries, attract new firms which can diversify the industrial/commercial base, promote increased opportunities as well as economic mobility for the labor force, all while remaining sensitive to high standards of environmental quality. To accomplish these objectives, County economic development strategies have placed emphasis on:

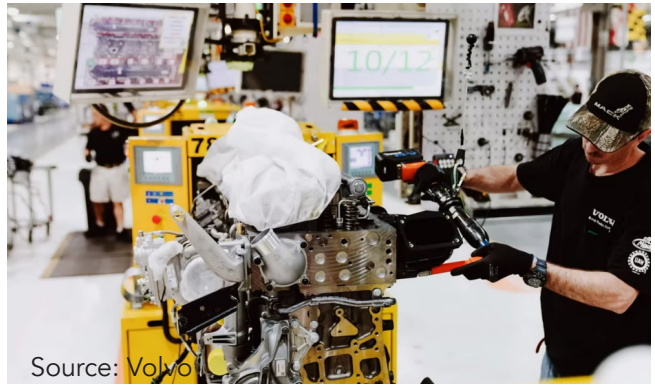
- Increasing efforts to retain and expand existing businesses
- Expanding educational opportunities to facilitate development of a prepared workforce to meet future demands
- Development and implementation of strategic marketing to attract higher technology and higher wage jobs
- Encouraging the development of new industrial parks
- Developing strategic partnerships that can foster economic growth through development of financial and regulatory incentives
- Diversifying the County's economy to insulate against cyclical economic swings
- Preserving sufficient area to promote agriculture as a viable economic industry
- Promoting recreational and heritage tourism
- Encouraging redevelopment, revitalization, or rehabilitation of existing developed areas or sites where appropriate
- Targeting specific areas for economic development and providing the needed infrastructure to support new development
- Supporting the needs, objectives and activities of the County's municipalities and their individual economic development efforts while encouraging collaboration

In the Economic Trends and Analysis section of this element, a detailed analysis was performed to determine which sectors have experienced job growth and the proportionality of specific industries locating to this area when compared to State and national trends. Below is a list of targeted economic sectors in Washington County based on these analyses.

## Targeted Economic Sectors

### Advanced Manufacturing

Washington County has had a long rich history of manufacturing industries that continues today. While manufacturing continues to thrive in today's economy, it is important to note that traditional definitions of processing and assembly line work are advancing with technology. Computers are taking the place of manual labor and we must adapt to those changes in order to continue to thrive. As of 2020, there is over 150 individual manufacturing businesses operating in Washington County. They vary from producing car parts, to plastic wares, to wood products. Manufacturing is also evolving as a global market. Improved trade routes and freight movement have made manufacturing more competitive than ever. Washington County's location along two major interstate systems that have both north/south and east/west connections makes our area prime for new investment and easy transport.



Source: Volvo

### Aerospace and Defense

Hagerstown and Washington County are historically aviation centers that have been a hub of aviation business since before World War II. Once the home of Fairchild Industries, a major manufacturer of airplane parts for Federal government contracts, the Hagerstown Regional Airport (HGR) still has infrastructure in place to support these types of businesses. With an increased demand and decreasing supply of hanger space at major east coast airports, HGR has approximately two million square feet of industrial storage facilities, aircraft hangars and associated office space on or immediately adjacent. For future development, 40 acres are available in the northwest quadrant with direct airfield/runway access and another 65 acres in the southeast quadrant may be suitable for aviation use not requiring runway access such as electric vertical take-off and landing (eVTOL) facilities, or potentially non-aeronautical usage by light industry.

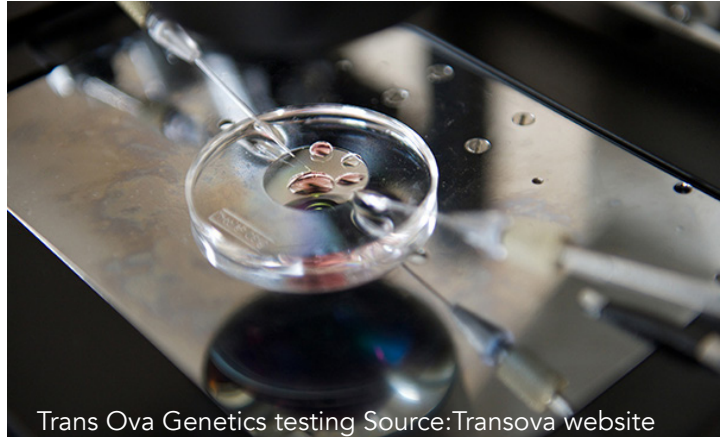


Source: SNC

The County has continued to protect airport resources primarily through zoning and land use regulation. Building height restrictions have been installed at the end of runways and in approach zones. Residential development near the airport has been limited to prevent noise complaints. Most recently, the County adopted a Hazardous Wildlife Attractant Management District. Development that occurs within this designated area receives additional review to determine if the proposed use would attract wildlife that could interfere in airport operations.

## Biotechnology

The State of Maryland has one of the highest concentrations of biotech and life science industries in the country. There are over 500 biotech companies and over 2,300 life science firms located throughout the State. Washington County is on the outer edge of this growth. It is located only an hour away from Washington DC's biotechnology corridor and less than 30 minutes from the well-known national biodefense facility at Fort Detrick in Frederick, Maryland. As the biotech industry continues to grow, it is reasonable to expect that Washington County will begin to attract more of these types of businesses.



Trans Ova Genetics testing Source: Transova website

## Healthcare and Social Assistance

According to the Bureau of Labor Statistics, the healthcare and social assistance industry was the top private employment industry in the County for 2020 with more than 9,000 jobs.<sup>1</sup> The Maryland Department of Labor has projected an average of 1.8% growth for this industry in Western Maryland through 2030. The highest projected employment gains are in Nursing and Residential Care Facilities at 4.4%. As noted in the Existing Conditions chapter of this plan, the population of the County has reached a stationary pyramid which may indicate a higher life expectancy and related higher need for a variety of healthcare and social assistance programs. The chapter also notes that the two largest groups of population are those that are currently or will reach retirement during the life of this plan. Washington County should pursue and incentivize healthcare and social services which will support this population segment and benefit the overall growing population of the County.

## David W. Fletcher Incubator + Labs

Located on the campus of Hagerstown Community College, the David W. Fletcher Incubator + Labs is Western Maryland's largest and most comprehensive technology-based business incubator. The facilities include over 40 office spaces and wet labs, virtual offices, dedicated desks, and hourly access to a commercial kitchen. In addition to providing affordable space for startup companies, the incubator provides access to services such as business counseling, interns from HCC, funding, and marketing services.



## Agriculture

While this economic sector does not have a high number of jobs associated with its operations, it remains the primary land use in Washington County. The economic benefits from agricultural businesses are not as expansive as other industries but they have wide-spread impacts on various sectors. One of the key approaches to support the agricultural industry is through the protection of farmland. Protection from both conversion and encroachment are important to protect agricultural operations. Use of



Baker Farms, LLC

land preservation programs and implementation of a County Right-to-Farm Ordinance have advanced the support and protection of this industry. A more in-depth analysis of agricultural assets and economic impact is included in the Agriculture and Forestry element.

## Economic Development Initiatives

### Commissioner Visitation

To further the County's objective of retaining and expanding existing businesses, the County started a program of County Commissioner business visitations. The purpose of these visits is to connect with local businesses on a personal level and hear directly from business owners regarding their successes and challenges. It has also been an opportunity for the County to educate businesses on services provided by the County, such as marketing, advertising, and tax incentives.

### Incentive Programs

#### Enterprise Zones

This is a coordinated County and State tax credit program that allows property tax credits for businesses that locate within a specified geographic location in return for job creation and investments. Currently, there are two identified zones in the County – the City of Hagerstown/Washington County Zone and the Town of Hancock Zone. The City/County zone contains 4,947 acres while the Hancock zone contains 1,871 acres. These areas are established based on criteria outlined by the Maryland Department of Commerce related to unemployment rates and low-income/poverty levels in the identified area. These areas are renewed every 10 years, with the City/County zone being updated in 2022 and Hancock due for renewal in 2025.

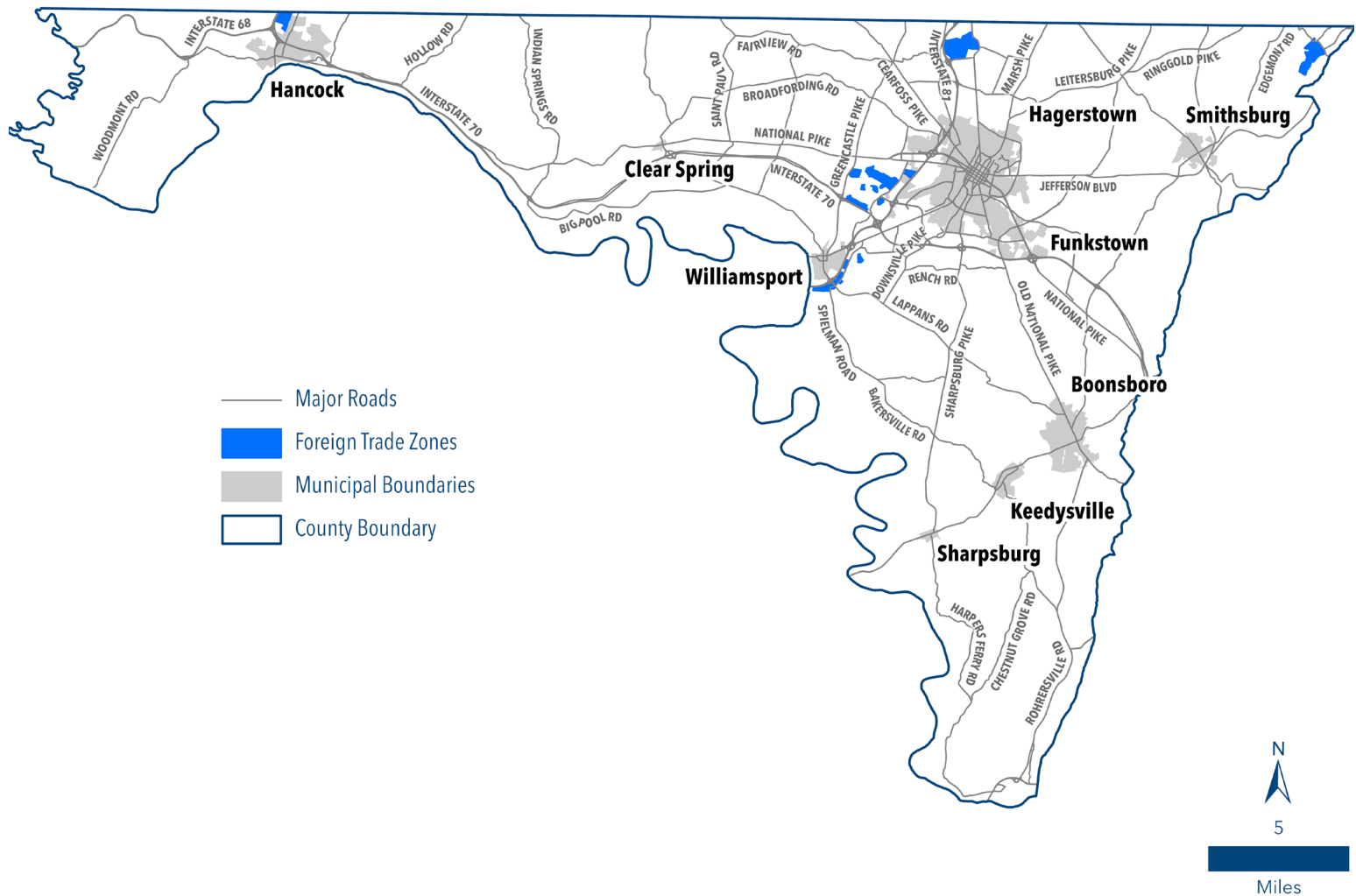
This program can provide property tax credits for up to 10 years on capital improvements. The credits are assessed on the value of increased assessment due to capital investments. The credit starts at 80% of the increase on assessed value for the first five years of the program and decreases 10% annually for the final five years of the program. There are also credits available for new job creation and hiring of "disadvantaged" employees.

## Foreign Trade Zones (FTZs)

FTZs are sites designated by the U. S. Foreign-Trade Zones Board in which special United States Customs Service procedures may be used. These procedures allow domestic activity involving foreign material to take place prior to formal Customs entry. Duty-free treatment is afforded to items that are re-exported and duty payment is deferred on items sold in the U.S. market.

Foreign Trade Zone #255 (FTZ #255), was established in 2002. Duty fees can be reduced, deferred, and, in some cases, exempt, on imported goods. FTZ #255 was originally structured under a General-Purpose Traditional Site Framework. In October of 2023, the United States Department of Commerce, Foreign-Trade Zones Board, approved Washington County, MD's application to restructure under the Alternative Site Framework (ASF). ASF designation represents one component of on-going efforts by the Washington County Department of Business and Economic Development (DBED) to encourage international commerce and increase employment and investment in the County. FTZ #255 consists of five zones and one subzone. It encompasses 2,000 acres of already existing industrial property throughout the County in Hancock, Hopewell Valley, Hagerstown Regional Airport, Williamsport and the Fort Ritchie/Cascade area.

Map 9-2: Foreign Trade Zones



### New Jobs Tax Credit/Business That Create New Jobs Credit

This program was initiated by the Washington County Board of County Commissioners to help attract companies and promote expansion of existing businesses that offer well-paying jobs. To be eligible for the program, a business must:

- Either construct or expand its operation in Washington County by a minimum of 10,000 square feet;
- Employ at least 25 persons in new permanent full-time positions located in the new or expanded premises;
- Pay at least half of those new jobs a minimum of 135% of the Average Weekly Wage of a Washington County worker (per reporting from Maryland Department of Labor, License, and Regulation); and
- Be located within a Priority Funding Area

In exchange for meeting these criteria, the County may apply a credit to the County real property tax. Credits may be claimed against County taxes imposed on the assessed value of the new or expanded premises for a period of up to six years.

In addition, if the company is eligible for the County New Jobs Tax Credit they may also be eligible for the State of Maryland Businesses that Create New Jobs Credit. The State program may apply credits against corporate income tax, personal income tax, or insurance premiums tax.

### High Performance Commercial Building Tax Incentive Program

Washington County recognizes the need to establish more energy efficient and environmentally sound development practices. To promote these efforts, the County has implemented the High Performance Commercial Building Tax Incentive Program. The intent of the Program is to incentivize more builders to achieve a Leadership in Energy and Environmental Design (LEED) certification. LEED is the most widely used green building rating system in the world. In exchange for building owners who construct new or renovate old buildings that achieve a LEED Platinum, Gold, or Silver certification, the County will apply a three-year credit against Washington County's real property tax.



### More Jobs For Marylanders Act of 2017

This Bill, passed in 2017, is the cornerstone of former Governor Hogan's Jobs Incentive. It is intended to incentivize manufacturers to create more jobs throughout the State of Maryland. Under this program, incentives are offered for up to 10 years for the creation of family supporting wages and workforce development programs. The incentives include income tax credits, property tax credits, a sales tax refund and exemption from the State of Maryland Department of Assessments and Taxation corporate filing fees.

## Workforce Training and Development

One of the reoccurring comments received as part of stakeholder and public input meetings held prior to the development of the Comprehensive Plan was the need for a better prepared workforce. Current education and experience levels in the County may be a limiting factor in the attraction and expansion of businesses. To help improve workforce development efforts, the County has begun to build meaningful collaborations with private sector businesses to define their needs; local educational institutions will provide a wider variety of educational and internship opportunities; and local workforce investment boards will support disadvantaged and dislocated employees in obtaining new and improved skills to reenter the workforce.

### Western Maryland Consortium

First established in 1974, the Western Maryland Consortium (WMC) has been a primary resource for workforce development in Allegany, Garrett and Washington Counties. They have placed an emphasis on working with individuals who have significant barriers to employment, dislocated workers, and trade-impacted workers. Services include job search assistance, resume development, interest testing and evaluation, case management, and skills training. The WMC is also a partner in the Washington County Business Resource Network. This network provides resources and support to new startup businesses and entrepreneurs. The partnership is meant to connect businesses with skilled workers in the community. Partners in the Business Resource Network include Washington County Department of Business and Economic Development, City of Hagerstown Department of Community and Economic Development, the Greater Hagerstown Committee, Hagerstown Community College Technical Innovation Center, Maryland Small Business and Technology Development Center, and the Hagerstown-Washington County Chamber of Commerce.

### Washington County Public Schools

As the business world continues to evolve, so must the educational systems. Education forms the foundation of a qualified and prepared workforce. Washington County Public Schools (WCPS) has continued its commitment to provide a “work class education” to all students through a variety of coursework and experience. Along with general studies, the WCPS has provided opportunities for specialized education including magnet programs, career readiness programs, college preparation and early college programs and advanced placement courses.



Photo: Students from Boyd J. Michael III Tech High

In addition to providing students a world class education, WCPS also recognize the need for hands-on job training. Boyd J. Michael III Technical High School provides an instructional program that offers current, relevant, industry-based curriculum in 17 different career and technology programs.

## Hagerstown Community College (HCC)

Hagerstown Community College (formerly Hagerstown Junior College) was founded in 1946 as Maryland's first community college. In its 70 plus years of existence, the college has continued to grow and expand its programs of study. Currently, there are over 100 programs of study available to individuals who want to advance their education for college credit, career preparation, or personal advancement. Accredited by the Middle States Association of Colleges and Schools, HCC can award associate degrees, certificates, and letters of recognition.

In addition to traditional post-secondary programs, local partnerships with the Washington County Public Schools have provided an opportunity for high school students to earn college credits and credentials while completing their high school diploma. STEMM (Science, Technology, Engineering, Math, and Medical) Technical Middle College allows Washington County High School students to earn at least 30 college credits and to complete requirements for certificates and associate degrees.

Another invaluable resource related to HCC is their continuing education and workforce development programs. In partnership with the Maryland Department of Commerce, HCC and other community colleges around the State are participating in Maryland's WorkSmart program. This partnership is intended to provide customized training for businesses across the State. Each college can coordinate and customize classes that meet employer's needs. An example of this coordination is the transportation and driver education program. This program provides certified driving courses for individuals seeking driving permits for automobiles, motorcycles, and Commercial Drivers Licenses.



HCC Campus; Source: HCC LinkedIn

## Technical and Trade Schools

Washington County is home to several post-secondary technical and trade schools that provide specialized education and training in various fields of study. Examples include:

**Pittsburgh Institute of Aeronautics** – In 2010, the Pittsburgh Institute of Aeronautics (PIA) located an FAA-approved Aviation Maintenance Technician education program at HGR. Ranked by Forbes as the No. 1 Top Two-Year Trade school in 2017 and 2018, PIA graduates acquire skills in aviation, mechanical systems, hydro-mechanical systems, and green technology. This opportunity provides a built-in workforce for aviation businesses looking to locate in Washington County.

Source: PIA School pia.edu



### ***Associated Builders and Contractors (ABC) of Cumberland Valley Barr Construction Institute***

The Barr Institute offers education and training for trades related to the construction industry. ABC provides both formal apprenticeship and craft training programs that are registered with the Department of Labor, Licensing, and Regulation (DLLR), the National Center for and Research (NCCER), and Maryland Apprenticeship and Training Council (MATC). Training programs include masonry, carpentry, construction, electrical, glazier, equipment operator, HVAC-R, insulation, painter, pipefitter, plumbing, roofer and many more. Currently, there are plans to combine this facility into the newly created D.M.Bowman Family Workforce Training Center.

***D.M. Bowman Family Workforce Training Center-*** This center will be located in an existing building on Northern Avenue currently under renovation. This \$14 million dollar investment will include Hagerstown Community College's off-campus training programs, including commercial truck driver training, diesel tech program, forklift instruction, GED program and English as a Second Language classes. It will also become the home of the Barr Construction Institute operated by the Cumberland Valley Chapter of the Associated Builders and Contractors. This new facility will provide better synergy of program offerings and open more opportunities for students to enroll in quick start career pathways.



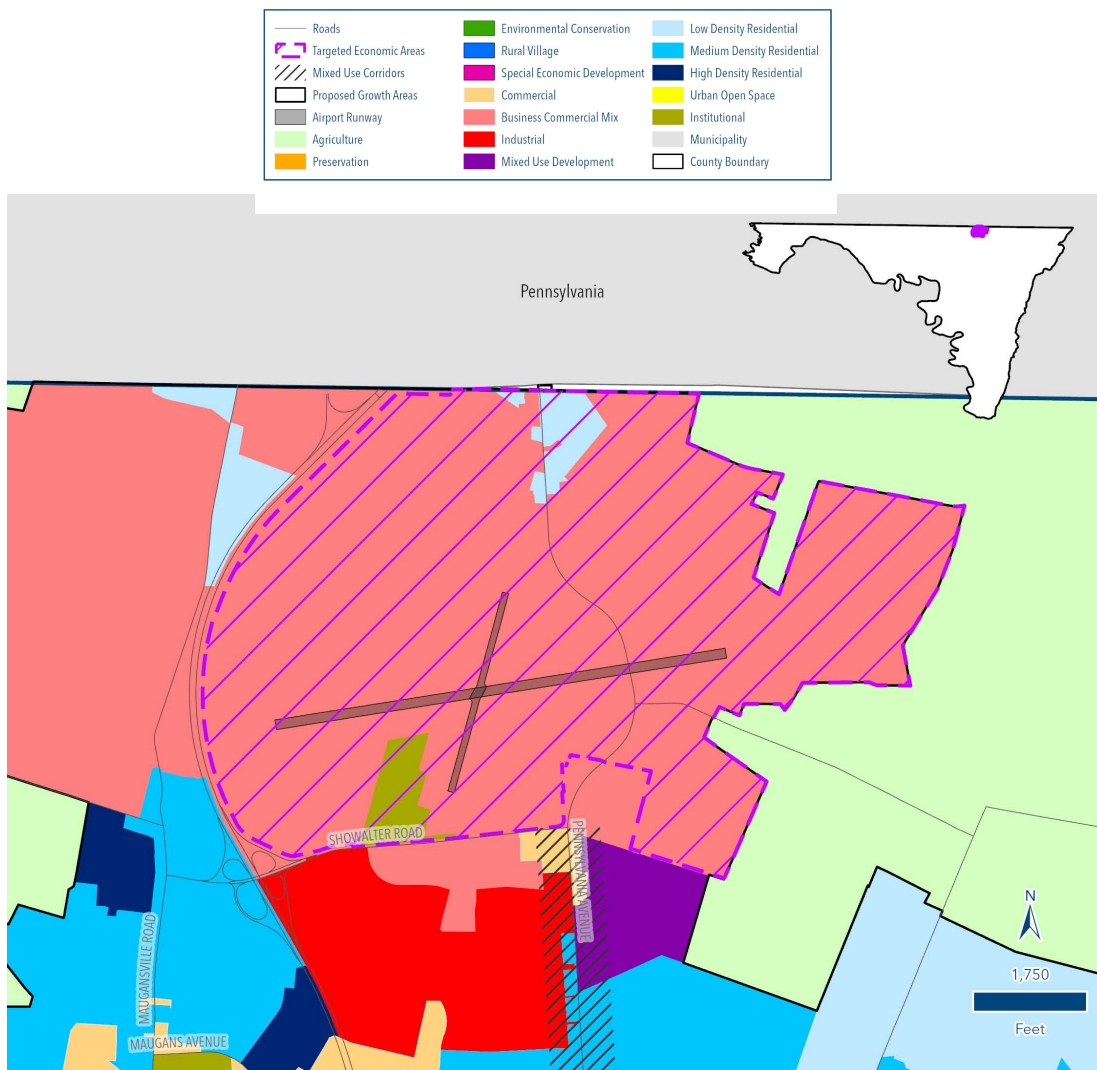
Barr Institute Student <https://www.abccvc.org/ABC/About-Us>

## **Identifying Areas For Economic Growth**

Planning for the location and expansion of business opportunities is a critical component in economic growth and development in a community. It also necessitates a careful balance between proximity to infrastructure and proximity to workforce.

## Targeted Economic Development Areas

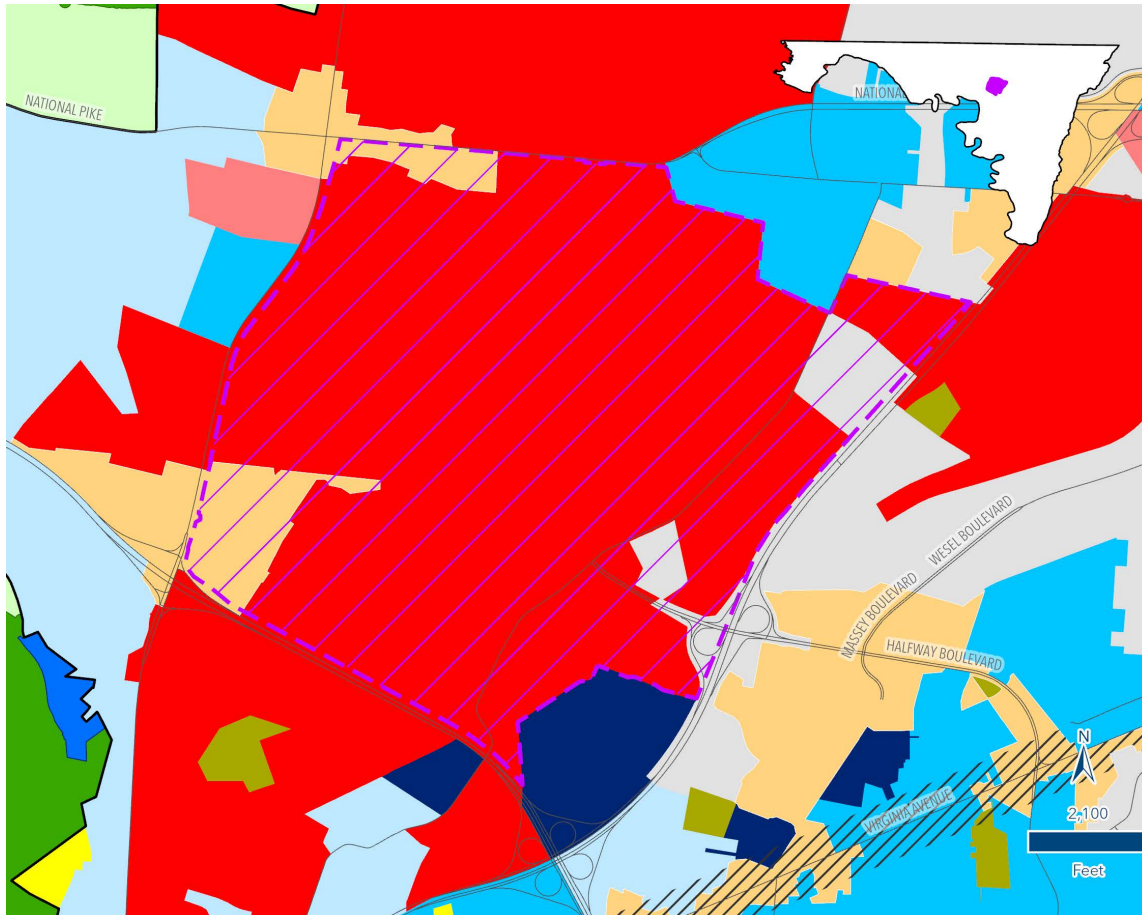
Map 9-3: Airport



The area including and surrounding the Hagerstown Regional Airport has been a long term targeted economic development area (TEA) for the County. The airport property itself includes approximately 700 acres of land with access to one of the longest runways in the State of Maryland. Since the adoption of the last Comp Plan in 2002, the airport TEA has been expanded to include the lands purchased by Washington County to extend the east/west runway 9/27.

The majority of land located within this TEA is in the proposed Business Commercial Mix land use policy area. Primarily, the area is zoned Airport District with permitted uses that are generally associated with manufacturing and support services related to the airport operation. It also contains some areas of Industrial and Highway Interchange Zoning. This area is a prime TEA based upon the abundance of infrastructure available and the amount of vacant land available for development. Infrastructure available in the area includes public water and sewer, natural gas, and broadband internet. Its location between Interstate 81 and US Route 11 also provides excellent access to local and regional transportation routes.

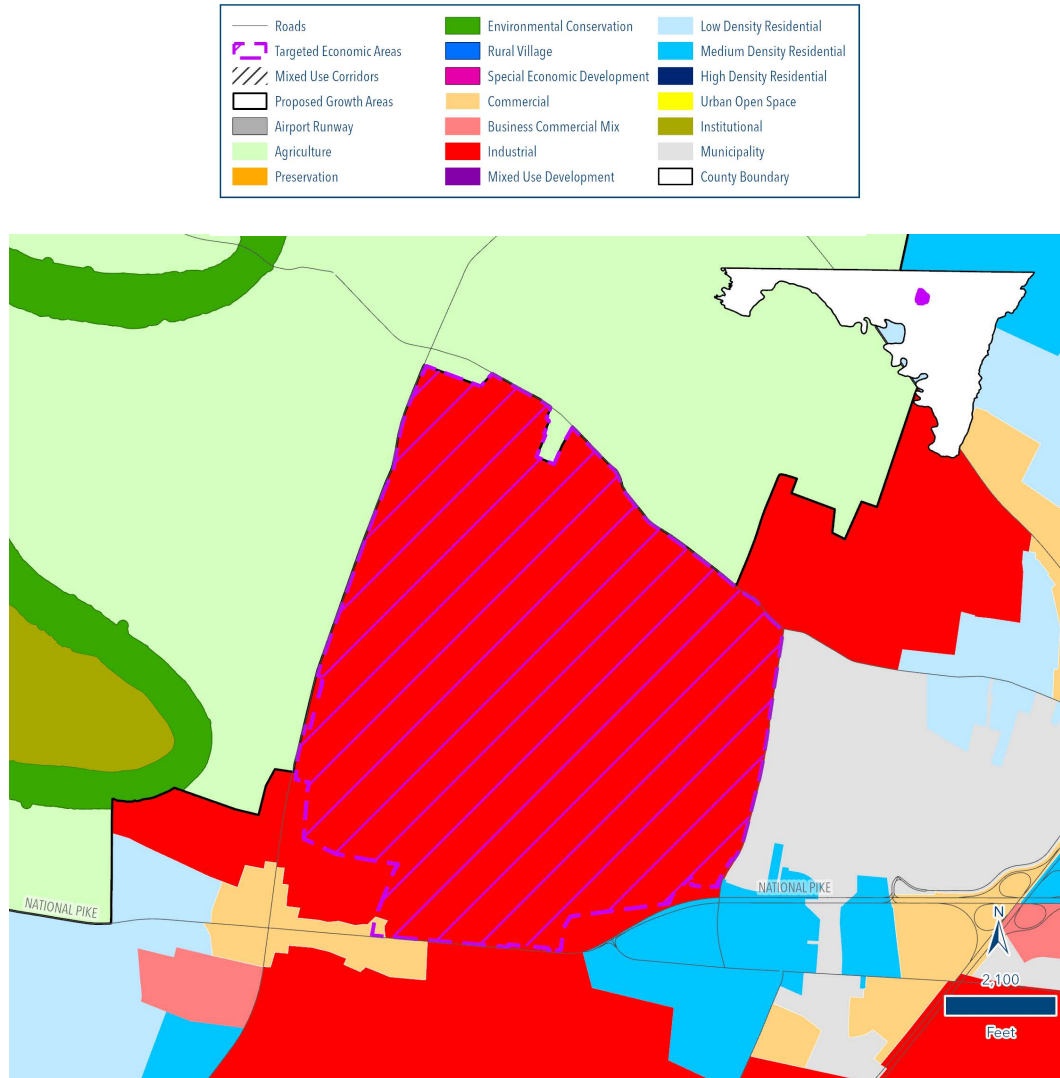
Map 9-4: Hopewell Valley



The Hopewell Valley TEA is strategically located in the northwest quadrant of the Interstate 70 and Interstate 81 interchange. It is bounded on the west by Maryland Route 63 and on the north by US Route 40/W. Washington St/National Pike.

This area was also delineated as a priority TEA in the 2002 Comprehensive Plan and is planned to provide land area for manufacturing facilities, warehouse and distribution centers, and freight transportation support facilities. Its location at the intersection of two major interstate networks provides one of the best regional transportation access points on the eastern seaboard. Most of this area is located within the Industrial land use policy area. Zoning districts in this area include Highway Interchange and Industrial General that support the establishment of uses that are associated with highway transportation needs and general manufacturing type uses. In addition to highway access, the area has numerous other forms of infrastructure including public water and sewer, natural gas, and broadband internet services.

Map 9-5: Hopewell Valley North

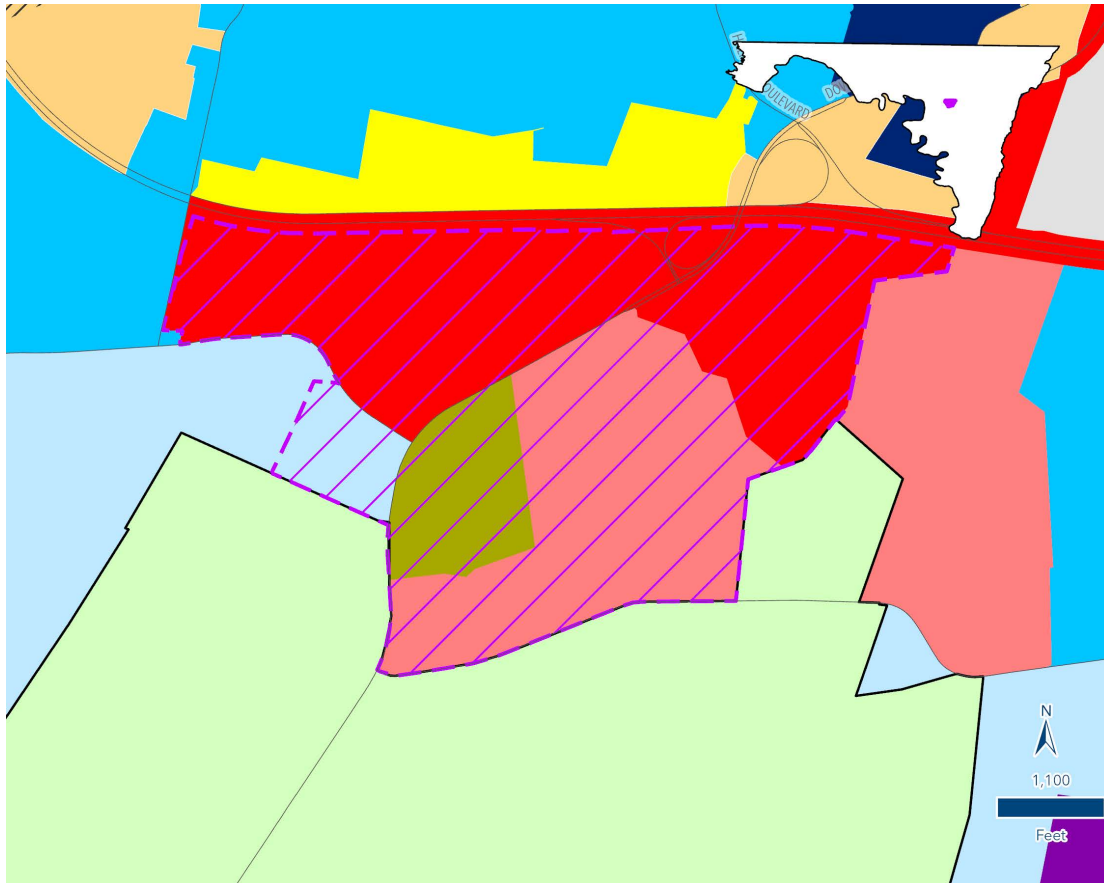


As the description implies, the Hopewell Valley North TEA is a northern extension of the original Hopewell Valley TEA. It is located in the northeast quadrant of MD 63 (Williamsport- Greencastle Pike) and US Route 40 (National Pike). It is bounded on the north by Broadfording Road and on the east by McDade Road.

This area was identified in the 2002 Comprehensive Plan as an Industrial Flex reserve area. After an analysis of available commercial and industrial land for economic development, it was found that the County lacked adequate area for this type of development. The area was included within the growth area as a potential economic development area for the future because it is near existing commercial and industrial development and has a significant availability of larger undeveloped/underdeveloped parcels. The entire designated area is located in an Industrial land use policy area and contains industrial zoning districts.

There is minimal public infrastructure currently available to the area; however it is adjacent to existing services and is a logical area for future expansion of services. The existing highway network also provides ample connection to local and regional transportation systems.

Map 9-6: Friendship Technology Park

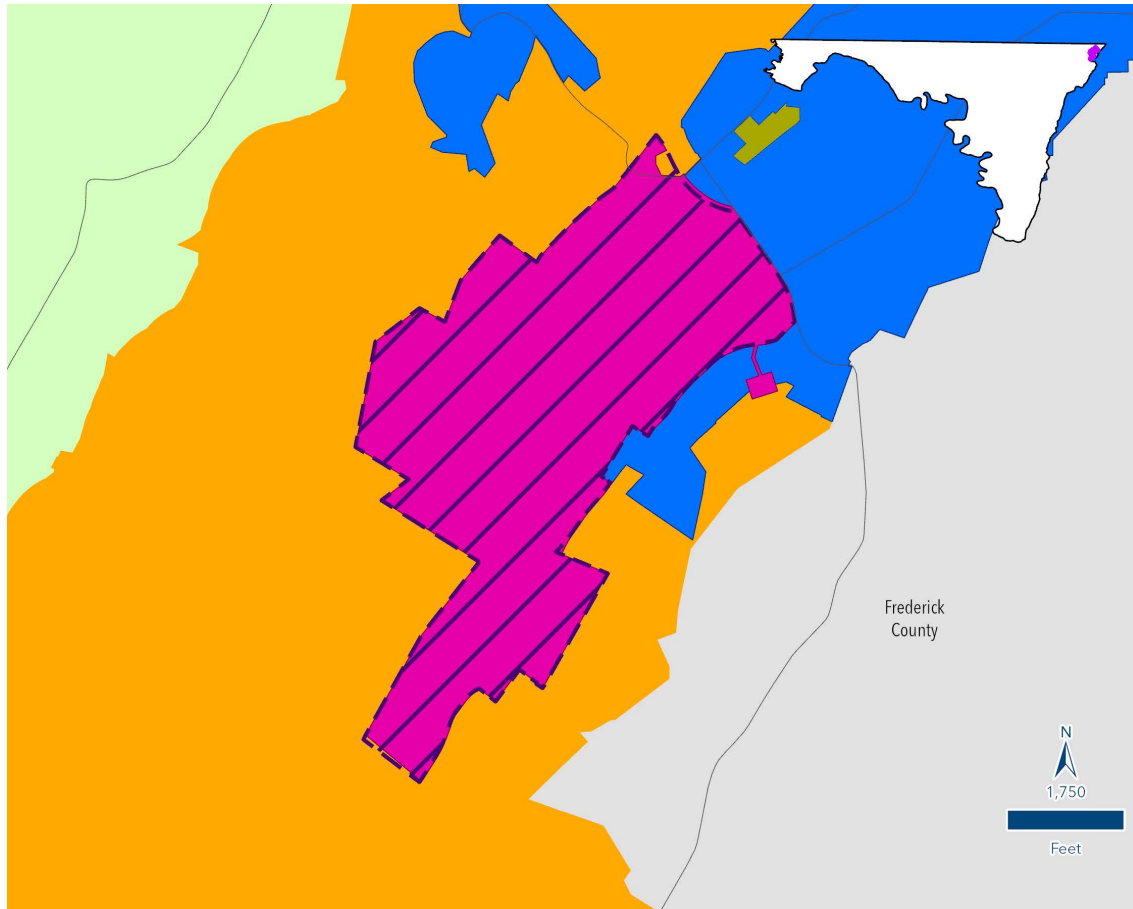


Located on the south side of Interstate 70 along the MD 632 (Downsville Pike) corridor, the Friendship Technology Park TEA is another carryover from the 2002 Comprehensive Plan. In the late 1990s, a new interchange was constructed in this area to provide better access to the southern portion of the City of Hagerstown and to promote opportunities for more hi-tech jobs in the County.

After the interchange was complete, a new zoning district was established and applied to the areas south of Interstate 70 to promote office and light industrial development. The Office, Research and Technology (ORT) zoning district was written with the intent to attract businesses with higher paying jobs and to promote these businesses to develop in campus like settings so that retail and support services could also be established and create a more well-rounded and sustainable business community. Office and light industrial development is still the preferred land use for this area and is therefore delineated as Industrial and Business Mix land use policy areas.

Public infrastructure in this area includes public water, public sewer, access to high speed broadband, and an existing highway network that allows easy connections to local and regional transportation. There are also several parcels directly adjacent to Interstate 70 that provide excellent business visibility.

Map 9-7: Former Ft. Ritchie Military Base

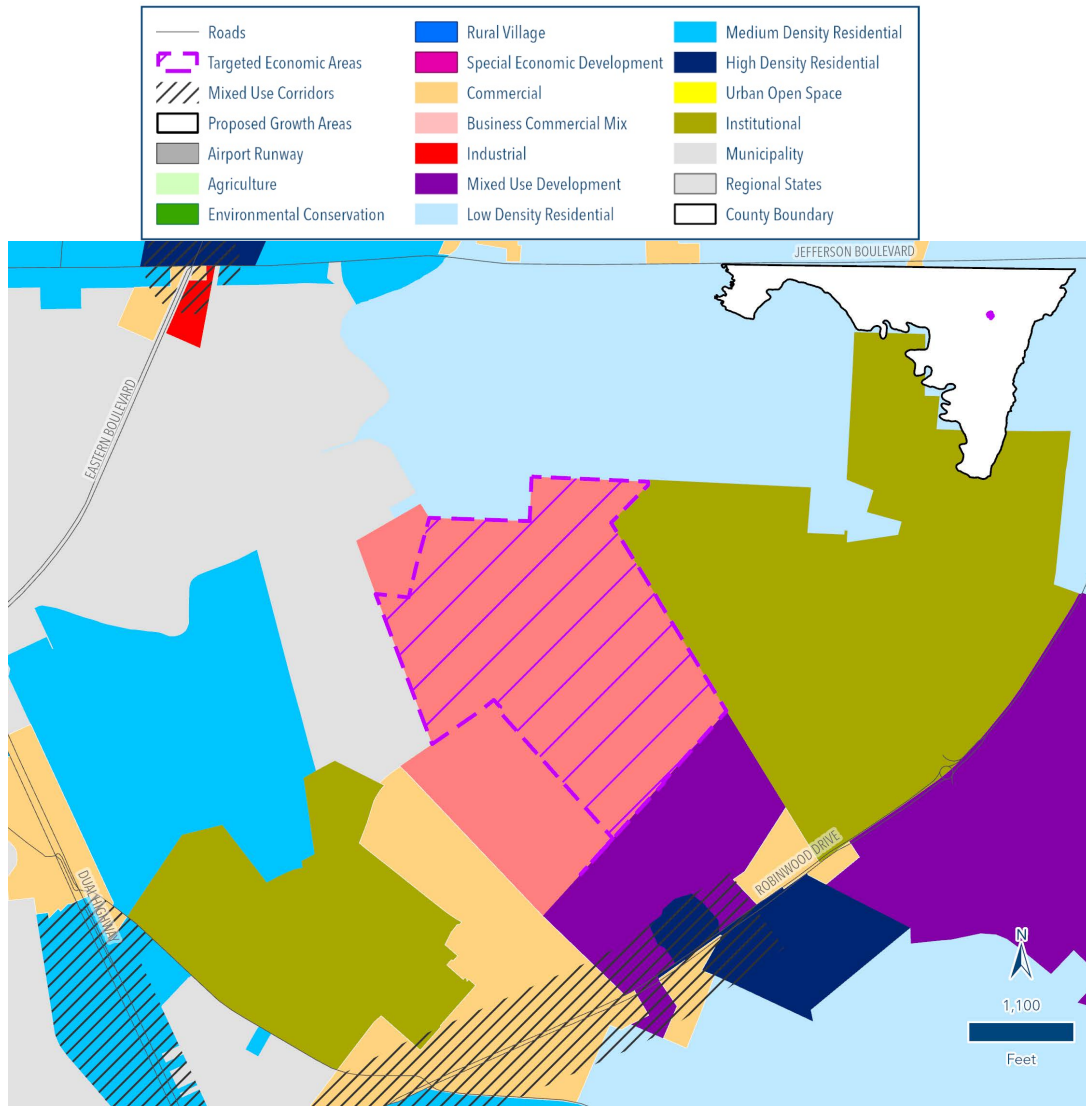


In 1998, Fort Ritchie military base in Cascade was closed as part of the 1995 Base Realignment and Closure Commission (BRAC) recommendations. To help facilitate the redevelopment of the site, the County rezoned the land encompassing the former Fort with a Special Economic Development district. It is also located in part of Foreign Trade Zone #255.

Since its closure, the former base has had a variety of groups interested in redevelopment of the site. Currently, the property is privately owned and being redeveloped through public and private investment.

This area mimics that of a small town because of its previous use as a military base. Available infrastructure in the area includes public water, public sewer, natural gas, and a private internal road network. There are also numerous structures left on the site that are currently being renovated and put back into use such as Lakeside Hall (former officers club), the Castle (former Colonel's headquarters), the former youth center, dining hall, post exchange, and commissary.

Map 9-8: Mount Aetna Technology Park (MATH)



The property was purchased in 2011 and is currently owned by the Hagerstown-Washington County Industrial Foundation (CHIEF). Created in 1960, CHIEF was launched after employment at Fairchild airplane manufacturing was drastically reduced in the County. The goal was to purchase land and ensure it was available for new industrial businesses that wanted to move to the County. The non-profit organization works with companies wishing to invest by negotiating sales terms which promote the creation of jobs over market value of the land.

Located to the West of Hagerstown Community College (HCC), Mt. Aetna Technology Park (MATH) has had significant local government investment in infrastructure in the form of connecting existing roadways of Eastern Blvd. and Robinwood Drive via Professional Blvd. and Mt. Aetna Drive and HCC via an extension of Yale Drive. There is approximately 157 acres of land naturally subdivided into four properties ranging from 18 to 77 acres and zoned Office, Research and Industry (ORI) to support the development of advanced technological or biological industries in the community.

The vision is to create partnerships with the park's neighbors, HCC and Meritus Health. The property has had previous interest of warehousing, however, CHIEF is seeking companies offering higher salaries and more skilled jobs such as companies related to health care, biotechnology, information technology and cybersecurity.

## Other Economic Development Priorities

### Urban Revitalization/ Municipalities

Urban revitalization generally refers to a set of policies aimed at redevelopment of previously developed areas that have fallen into decline for economic or social reasons. Most often these policies are directed at portions of cities and towns that have deteriorated over time but still have infrastructure and resources available to restore its economic vitality.

The City of Hagerstown being the largest municipality in the County, as well as being the County seat, has drawn the most attention to these types of initiatives. Hagerstown was once the central location for sales, services, and business opportunities. Similar to other communities all over the country, the popularity of the automobile, coupled with a desire for a more suburban lifestyle, pushed development away from central urbanized areas. The development of the Valley Mall in the mid-1970s was the first major setback in downtown retail businesses. This downturn continued as automobiles became more affordable and citizens continued their suburban sprawl.

In 2013, the City hired an economic and planning consultant to conduct an economic analysis and identify projects to help spur downtown redevelopment. The plan endorsed eight catalytic projects and action steps to implement the projects over a 10-year period. The County has helped support several of these initiative through funding and staff cooperation including financial support for the expansion of the Maryland Theater, expansion of the University of Maryland Systems-Hagerstown campus, and staff coordination with the Department of Business Development to expand operations of the City Farmers Market. Meritus Park multipurpose stadium opened in 2024 with an accompanying added parking deck in downtown Hagerstown. The City of Hagerstown has also begun construction of a 114,000 sq.ft. indoor recreation facility that will include two turf fields and four hard courts as well as other amenities projected to open in the Fall of 2024 at the location of the former Hagerstown Suns baseball stadium. As these projects continue to progress, the City has experienced some revitalization of the downtown with new restaurants and retail businesses locating in the area.

In 2022 the Town of Williamsport became the home of the C&O Canal Park Headquarters. This \$15 million new construction investment was built by the Maryland Economic Development Corporation and will be leased by the National Park Service. The Town and Visit Hagerstown Convention and Visitor's Bureau were also involved in ensuring the project came to fruition. Williamsport has also seen additional downtown private investment and participates in the Main Street Maryland program.

Other municipalities are also working on economic plans and projects to help revitalize downtown/main street areas of their communities. The Town of Smithsburg recently completed an economic development study of its Main Street areas to identify projects and policies that will help revitalize their Town center.

## Brownfields

The Environmental Protection Agency defines a brownfield as "...a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant". Currently, there is no definitive accounting of the number of brownfield sites in Washington County. Often the judgements are made on a case-by-case basis and are not fully evaluated until there is a pending development plan for the property.

Many environmental regulations have been adopted over the last several decades to help reduce the occurrence of land pollution and contamination. Therefore, most of the remediation efforts being conducted today are a result of previous development. Examples of brownfield areas include former gas stations or auto repair facilities that still have leaking fuel tanks or improperly disposed of oil. Superfund sites, such as the Central Chemical site in Hagerstown, are also considered brownfields.

Because of the breadth of public safety issues pollution and contamination cause, regulations pertaining to remediation are often dictated by State or Federal agencies rather than local authority. While the County may not necessarily regulate the remediation process, efforts are made by County staff to help property owners navigate through the regulatory process and promote the redevelopment of these areas.

## Zoning and Land Use

Locating appropriate areas to zone for non-residential land uses requires a careful balance between availability to infrastructure, availability to workforce, and analysis of potential incompatibilities between land uses. The County has made a concerted effort to achieve this delicate balance. Most recently, the County completed a comprehensive rezoning of the Urban and Town Growth Areas. As part of the rezoning process, efforts were made to update land use categories and zoning districts that better reflect the new technologies and business models of the 21st Century. Bulk requirements were reviewed to ensure proper setbacks and buffering requirements between incompatible land uses. New sections were also added to the zoning Ordinance to provide guidance on screening, landscaping, and lighting requirements to reduce nuisance complaints between incompatible uses.

## Targeted Growth Near Infrastructure/ Priority Funding Areas

As a complement to the landmark Economic Growth, Resource Protection and Planning Act legislation passed by the Maryland General Assembly in 1992, the Priority Funding Areas (PFA) Act was enacted in 1997 to help reinforce basic Smart Growth principles. The purpose of the PFA Act is to ensure that State funding provided to local jurisdictions for growth related infrastructure is directed to areas where there is existing growth or in areas where logical expansion of services should occur. PFAs were established by local jurisdictions and are periodically updated to delineate updates or expansions in services.

To take advantage of State funding, the County has designated nearly 55,120 acres of PFAs in the Urban and Town Growth Areas as well as specifically designated rural villages. Municipalities were automatically designated as PFAs as part of the initial legislation.

## Reinvest Maryland

One key component in Maryland smart and sustainable growth efforts is to promote the infill, redevelopment and revitalization of older urban and suburban communities throughout the State. These policies put additional focus on locating development to areas where infrastructure is available instead of expanding into currently undeveloped areas. Similar to many communities all over the country, long established urbanized cores have been abandoned for vacant greenfields, causing sprawl and suburbanization. Reinvest Maryland is a targeted approach to encourage development back into these underutilized areas.

The shining example of reinvestment efforts in Washington County is occurring in the City of Hagerstown City Center. This is the result of a coordinated effort between the County and the City of Hagerstown to revitalize the downtown area. Primary efforts have been centered around a two-block radius from the intersection of Washington Street and Potomac Street. This intersection has been the nucleus of the City from its inception. Similar to many other rural communities in the region, this area is known as “The Public Square”. Aptly named for the layout of the intersection, with larger building setbacks that open up the intersection, allowing for more space for pedestrian interaction. Investments already made in this area include the Barbara Ingram School for the Arts, the remodel of the Washington County Free Library (Central Library), the remodel and expansion of the Maryland Theater, the Meritus Park multiuse stadium and the Hagerstown Field House (currently under construction).

There are many numerous overlapping incentive programs that are assigned to this area. The incentive programs are mostly City driven; however, there are also State incentive programs associated with the area as well. Some of the programs include an Arts and Entertainment District, a Partners in Economic Progress District, the City/County Enterprise Zone, and a specialized City Center Mixed Use zoning district.



## ECONOMIC DEVELOPMENT RECOMMENDATIONS

- ★ Continually monitor business needs in relationship to land use to ensure enough available resources for the expansion of existing and the establishment of new businesses.
- ★ Review, and where appropriate, amend permitted land uses in non-residential zoning districts along with the locations of said districts to better match infrastructure needs of particular businesses to ensure appropriate location and use of limited infrastructure resources such as railroad sidings, interstate access, and airport access.
- ★ Maintain and update, as needed, the “Infrastructure Assessment for Washington County and the City of Hagerstown” as a vital resource for attracting and retaining businesses.
- ★ Support and expand land preservation programs in the County by maximizing local match funding and support agricultural marketing efforts.
- ★ Review and where necessary amend local ordinances to support new agricultural business opportunities.

- ★ Ensure that the annual Capital Improvement Program (CIP) for the County furthers efforts to maintain and expand necessary infrastructure to attract and retain business.
- ★ Continue to partner with municipalities to help support downtown and main street revitalization efforts and help bolster the overall County economy.
- ★ Consider financial incentives for remediation and redevelopment of brownfield sites such as tax incentives or fee waivers.
- ★ Explore public-private partnerships as a method to create reinvestment and infill opportunities in the growth areas and targeted economic development areas.
- ★ Align transportation expenditures and community facility siting to maximize the impact of County spending in order to promote economic growth.
- ★ Ensure Hagerstown Regional Airport has sufficient lands to support continued airport operations to FAA standards, compatible adjacent land uses and identified areas for expansion through updated studies.