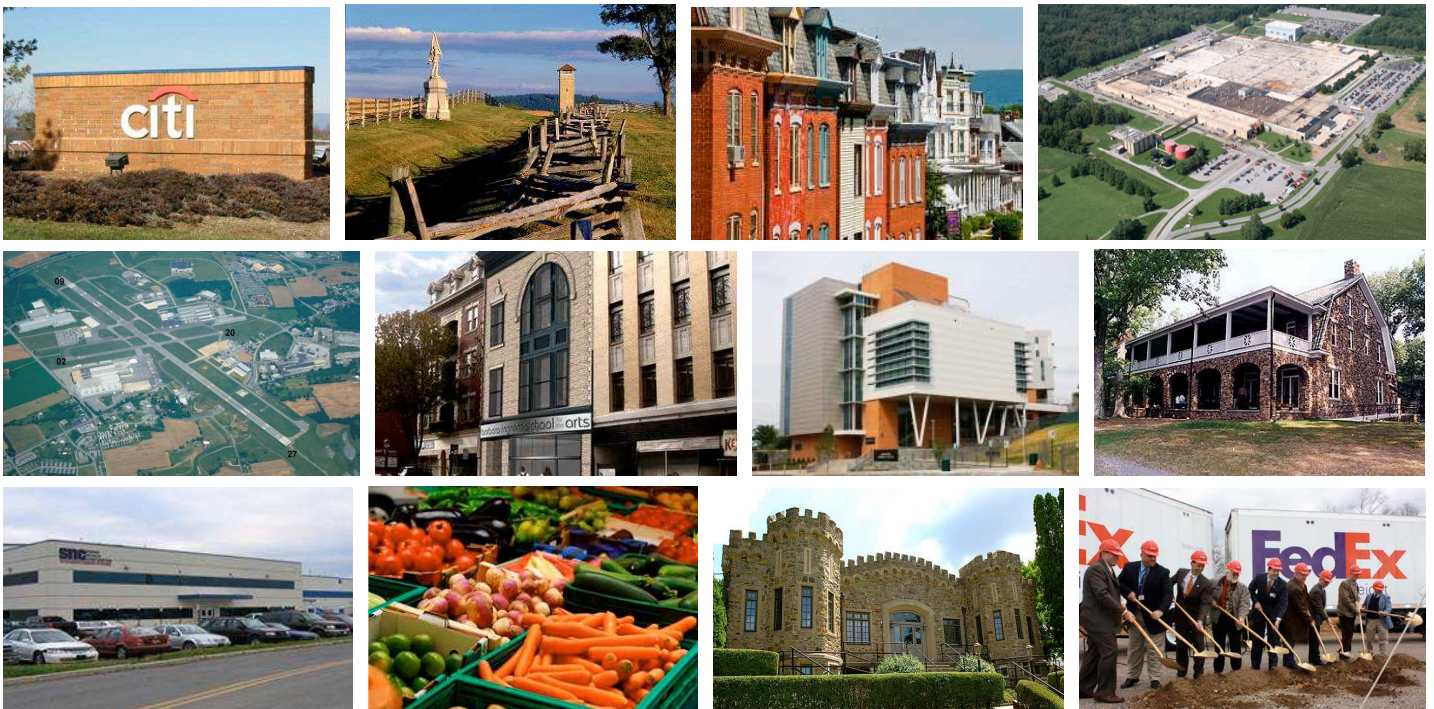




*Economic Development Strategic Plan
Hagerstown-Washington County, Maryland*

Final Report





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*Prepared for the
Hagerstown-Washington County Economic Development Commission
Economic Development Strategic Planning Task Force
Hagerstown-Washington County Industrial Foundation, Inc.
January 2013*

*By
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Section 1. Foundation for Strategic Planning

STAKEHOLDER INTERVIEWS

Many stakeholders are involved in how an area develops and grows, including local elected officials, public agencies and departments, community service organizations, businesses that create jobs and generate income, and the general public. An essential part of the economic development strategic planning process is to interview key stakeholders to identify and discuss social, economic, political, and other issues that affect the economic future of the area and to identify and discuss economic strengths and weaknesses in the area economic growth opportunities, and barriers to growth, both real and perceived.

One-on-one and small group interviews were held with a large number of key stakeholders primarily in July and August 2012, covering a wide range of subjects, including perceptions of Hagerstown-Washington County, economic strengths (assets/advantages) and weaknesses (disadvantages), attitudes toward business and growth, city-county relationships, education and workforce preparation, adequacy of infrastructure, desired types of business and industry, permitting issues, economic development priorities and operations, and quality of life factors.

The following boards, agencies, organizations, businesses, and interests were represented in these interviews:

- Washington County Board of County Commissioners (all interviewed individually)
- Washington County Administrator
- Washington County Division of Public Works, including Highway Department and Hagerstown Regional Airport
- Washington County Division of Planning and Zoning
- Washington County Division of Environmental Management
- Washington County Division of Plan Review and Permitting
- City of Hagerstown Mayor and City Council (all interviewed individually)
- City of Hagerstown Administrator
- City of Hagerstown Department Community and Economic Development, including Economic Development and Planning and Zoning Offices
- Hagerstown-Washington County Economic Development Commission (EDC) (Board interviewed as a group)
- Hagerstown-Washington County EDC staff (interviewed as a group)
- Hagerstown-Washington County Chamber of Commerce
- Hagerstown Washington County Convention and Visitors Bureau

- Hagerstown-Washington Industrial Foundation, Inc. (CHIEF)
- Greater Hagerstown Committee (Executive Director and several Board Members)
- PenMar Development Corporation – Fort Ritchie (multiple representatives)
- Maryland Department of Business and Economic Development
- Businesses, including Citigroup, Volvo Powertrain, Bowman Group, Staples Distribution Center, Sierra Nevada Corp, Meritus Hospital, Blue Ridge Bank, and HBC, Inc.
- Educators, including Washington County Public Schools, Hagerstown Community College, and University System of Maryland Hagerstown (multiple representatives)
- Small business interests, including the Small Business Development, TEDCO, and Entrepreneur Resource Group
- Workforce development interests, including Manpower Temporary Services
- Agricultural interests, including farm owners and the EDC’s agricultural marketing specialist
- Small town representatives, including Hancock and Clear Spring (others town were invited to participate)

ECONOMIC AND COMMUNITY ASSESSMENT

An analysis of economic characteristics, conditions, and trends in Hagerstown-Washington County by URBANOMICS and Leak-Goforth is subject of a stand-alone report completed in October 2012. The report included an assessment of competitive economic strengths and weaknesses in Hagerstown-Washington based on stakeholder interviews and consultant team observations. These strengths and weaknesses are outlined and described below.

Competitive Economic Strengths

Economic strengths are particular advantages, assets, attributes, characteristics, and/or factors that make an area competitive with others or provide a marketing edge in attracting and sustaining business and industry. Hagerstown-Washington County has a number of economic strengths that allow the area to compete successfully in economic development, provided that these strengths are conveyed effectively to state economic developers, site location consultants, and industry end users. These strengths are:

- Regional Location and Transportation
- Hagerstown Regional Airport
- Existing Industries
- Education, Health Care, and Social Services
- National and State Parks, Historic Sites, and the Outdoors
- Arts, Culture, and Entertainment
- Volunteerism and Community Involvement

- Pro-Business Climate
- Favorable Cost Environment

Regional Location and Transportation. Hagerstown, the “Hub City,” has been a crossroads of transportation since its founding more than two centuries ago. As a center of north-south and east-west highways and railroads, the City and surrounding countryside later found themselves as a “Crossroads of the Civil War.” Hagerstown has long been the leading trade and services center in a tri-state region extending from the Greencastle-Chambersburg area, PA, to the Martinsburg area, WV, a role reinforced by development of Interstate Highways 70 and 81, which cross in the Hagerstown area.

The area has an enviable transportation system with two Interstate Highways, two national railroads – CSX and Norfolk-Southern – and a regional airport with scheduled air service. I-81 in combination with I-75 to the south has become a north-south alternative to I-95 for long-distance trucking and distribution. As a result, the Hagerstown area has emerged as a major Middle Atlantic region motor freight distribution center.

I-70 and I-270 bring the Hagerstown-Washington County area within easy 70-mile, 90-minute drive from the Baltimore and Washington DC metropolitan markets, with their combined eight million consumers and potential visitors. At the same time, Washington County is outside the “Blast Zone” or “Terror Zone,” or a safe distance from the District of Columbia, should it be attacked again as it was on September 11, 2001. Since then, the Federal government has located a number of critical or sensitive facilities in the I-81 corridor, including Martinsburg, WV, and Winchester, VA, as insurance against another attack.

Hagerstown Regional Airport. For 50 years through the mid-1980s, what is now Hagerstown Regional Airport (HGR) served as a flight testing and training field for the Fairchild Aircraft Company, which moved from Long Island, NY, to Hagerstown in the 1930s, and at one time employed as many as 10,000 workers building military aircraft. Fairchild left some 25 years ago, but its one million square foot mostly vacant facility remains available for other tenants.

At 7,000 feet, HGR has the second longest public use airport runway in Maryland, behind BWI Airport in Baltimore, and has all weather instrumented landing capabilities. HGR has a modern passenger terminal, which is planned for expansion in the gate area, and has twice-weekly scheduled air service to/from the Orlando area, Florida, via Allegiant Airlines. Daily commuter service to/from Dulles Airport in Northern Virginia is provided by SunAir.

HGR is already an economic development hub, with a number of aircraft and aviation-related firms located on and adjacent to airport property. Largest of these is Sierra Nevada Corp. (SNC), a manufacturer of air-to-ground surveillance and communications systems and retrofitter of

aircraft used for national defense and homeland security. HGR is in a 693-acre Enterprise Zone that makes tax incentives available to qualified firms locating in the airport area.

Existing Industries. Washington County has a diversified mix of economic activities in advanced manufacturing, construction, distribution, business and financial services, information and technical services, health care, state government, agribusiness, and tourism. Three major employers – Volvo Powertrain, Citigroup, and First Data – are among the largest of their types in Maryland and most recognized companies in national and global markets.

These and many smaller companies employ large numbers of skilled craftsmen and production workers, computer technicians and IT specialists, inventory control and materials handling personnel, supervisors and managers, and business and engineering professionals. Existing industries and their skilled workers are major selling points in economic development, as they make the County an attractive and credible place for others to locate and grow their businesses.

Education, Health Care, and Social Services. Most leaders interviewed have very favorable opinions on the quality of education and health care in the County, including the condition and performance of Washington County Public Schools (WCPS), facilities and programs at Hagerstown Community College (HCC), the impact of the University System of Maryland Hagerstown (USMH) on downtown Hagerstown, and health care services provided by the local medical community. The WCPS downtown Barbara Ingram School for the Arts and HCC's new 65,000 square foot STEM (science, technology, engineering, and math) facility and programming in cyber-security, biotechnology, and other emerging technical fields get particularly high marks.

Some interviewees also view as a strength the range and scale of social services provided to large low income and needy populations by the State of Maryland, local housing agencies, and many non-profit organizations. Most agencies and organizations are concentrated in downtown Hagerstown and employ several hundred workers. A downside to this concentration downtown is also recognized, in that these agencies and organizations serve as magnets for those they serve and have promoted greatly increased low income rental housing, a large population without disposable incomes needed to support downtown businesses.

National and State Parks, Historic Sites, and the Outdoors. Beyond the Hagerstown urbanized area, Washington County presents a very picturesque rural environment of rolling farmlands and small towns framed by mountain ridges along eastern and western borders and the scenic Potomac River on its southern boundary. The County contains all or parts of three national parks and historic sites, five state parks, three wildlife management areas, and the South Mountain Natural Environmental Area. Abundant natural, historical, and outdoor recreation resources help provide a high quality of life for Washington County residents. They also are very positive

factors in marketing the area to tourists and to businesses, whose management and employees would seek and benefit from quality of life amenities such as these.

Arts, Culture, and Entertainment. The type and wide range of arts, cultural, and entertainment activities and facilities available in Washington County were also cited by many interviewees as important economic strengths of the area. They contribute meaningfully to local quality of life and the ability to market the area to visitors and new businesses.

Volunteerism and Community Involvement. Hagerstown-Washington County has what seems to be a disproportionately large number of community organizations and initiatives and annual and on-going civic and charitable activities that rely on unpaid volunteers and board members, and financial contributors. This speaks highly about the level of public interest and commitment to sustaining and improving of the general quality of life and economic well being in the area.

Pro-Business Climate. Both Washington County and City of Hagerstown governments are pro-business, in that they openly support and are receptive to attracting new and expanding industries and other economic activities and providing incentives that help bring opportunities to fruition. An example of this pro-business attitude is a practice instituted by the Economic Development Commission and County Commission to visit two existing industries each week to express appreciation for locating in Washington County, learn about the company, discuss their needs and concerns, and identify leads with parent firms, vendors, and customers. Results are included in a matrix for trending and follow-up.

Another excellent example is County-City cooperation on initiatives and projects designed to help energize downtown Hagerstown, including joint funding support for a proposed multi-use sports and events center in the heart of downtown. As planned, the facility would be the new home for Hagerstown Suns minor league baseball, replacing the existing municipal stadium, which is more than 80 years old.

The project, subject of a 2012 economic feasibility and impact study by Baltimore-based Ripken Design ([Feasibility Study, Downtown Multi-Use Outdoor Sports and Events Center, Hagerstown, MD](#), April 2012), is viewed as a catalyst for generating investor interest and commerce and trade in the city center.

Favorable Cost Environment. Washington County has substantially less expensive housing, commercial/industrial land and rents, plus a lower cost labor and a lower overall cost of living than suburban Maryland counties to the east. This favorable cost environment makes the County a very attractive yet convenient place to live and for businesses to locate, particularly as an alternative to more densely populated I-70 and I-270 corridor communities to the east in the Baltimore and Washington DC metro areas.

This favorable cost environment, however, does not apply particularly to I-81 corridor communities in Pennsylvania to the north and Virginia and West Virginia to the south. Most personal and business costs in the adjacent and nearby states are similar to those in Washington County. Lower taxes also may be an advantage in these adjacent states.

Competitive Economic Weaknesses

Economic weaknesses are disadvantages, liabilities, and/or shortcomings, real and perceived, that tend to inhibit the ability of an area to compete successfully in attracting and sustaining business and industry. Despite having the competitive economic strengths outlined above, Hagerstown and Washington County also have certain competitive weaknesses that need to be minimized or overcome in order to continue to be successful in economic development. In no particular order of importance, principal weaknesses, all requiring attention, are:

- Inadequate Supply of Skilled Labor
- Downtown Poverty, Low Income Housing, and Vacancies
- Perceived Economic Separation from Baltimore/Washington
- Competition from Adjacent and Nearby States
- Water Service and Annexation Issues
- Over-Regulation of Land Development
- Difficulty Reaching Consensus and Acting on Important Issues

Inadequate Supply of Skilled Labor. Availability of skilled labor is ranked by corporations and site consultants among the top three factors involved in locating and siting a new business or industry. Leading and emerging manufacturing industries rely increasingly on labor saving automation that requires skilled technicians to operate and service computer-controlled equipment. Many local leaders interviewed expressed concern over difficulties in recruiting qualified workers with the skills necessary to meet the needs of local business, not just in manufacturing, but also in the distribution and financial services industries.

The Economic Development Commission (EDC), working on behalf of the Board of County Commissioners and citizens of Washington County, is in the best position to provide ongoing leadership, as part of an existing industry program. By bringing together business, Washington County Public Schools, Hagerstown Community College, and others involved in local workforce training and placement, the EDC can identify labor needs, establish priorities, assign agreed upon responsibilities, and monitor progress.

Downtown Poverty, Low Income Housing, and Vacancies. Heavy concentrations of poverty-level residents, indigents, and low-income housing have developed in downtown Hagerstown in recent decades. As a result, many properties have fallen into disrepair for lack of maintenance, numerous retail stores and offices have closed, vacancies have risen, the tax base has been

eroded, and downtown is generally perceived to have safety issues that need to be addressed. Public and assisted housing providers in the Hagerstown area have promoted this concentration and downtown has become populated by social services agencies and organizations on which needy populations depend. The presence of these agencies and organizations is considered by some as a magnet for more needy residents to move to Hagerstown and live downtown.

Code enforcement and increased policing help improve conditions and safety concerns, and the continued presence of City and County government offices in the heart of downtown promotes pedestrian traffic and constantly exposes local officials to the issues they must confront. Public initiatives and investments are necessary to help stimulate private investments and stem the deterioration of downtown Hagerstown. It is also essential that low-income housing and social service providers recognize the problems and become working partners in finding solutions.

Perceived Economic Separation from Baltimore/Washington. The general view of local leaders is that people in the Baltimore and Washington DC metro areas think of Washington County and Western Maryland, in general, as a rural unsophisticated area and a long drive. As businesses and people continue to expand outward from the two large urban centers and inner rings of suburbs, Washington County has the opportunity to market its many advantages to business, its urban amenities and services, and its less expensive and more relaxed lifestyle.

Competition from Adjacent and Nearby States. Hagerstown-Washington County has done extraordinarily well in attracting new business and industry in recent years and will continue to do so largely because of its superior transportation system and crossroads location in the tri-state Cumberland Valley region. Nevertheless, many leaders interviewed are of the opinion that the County is at a competitive disadvantage to neighboring counties in Pennsylvania and West Virginia. Housing and land costs, building rents, and general costs of living are about equal, but differences in state and local business taxes and costs of permitting and environmental mitigation could affect decisions on where to locate a business.

The biggest competitive concern is types and amounts of financial assistance and incentives available from states to acquire sites, develop infrastructure, provide capital, and train skilled labor. Pennsylvania and West Virginia are considered much more aggressive and generous than Maryland in leveraging new investments and jobs.

Water Service and Annexation Issues. Washington County and the City of Hagerstown have been at odds for years on providing City water service to unincorporated areas of the County. The position of the City is to extend water service to new developments in the County, provided that developers agree to have their properties annexed into the City in the future. The County contends that these pre-annexation agreements could drive potential new business away when they realize that their property taxes could increase significantly when annexed. The City argues that annexation is needed to expand revenues needed to fund services and operations.

Both have legitimate arguments, but common ground should not be difficult to find. Potential solutions include deferred annexation, higher pre-annexation water service fees, water system impact fees in unincorporated areas, partial property tax rebates from the City after annexation, and offset funding provided by the County to the City from County tax proceeds on the property.

Over-Regulation of Land Development. Burdensome land development regulations, including time required to obtain final approvals and onerous environmental mitigation requirements, can readily de-rail economic development projects. The State of Maryland is difficult enough with its Chesapeake Bay protection regulations and others. Washington County is at a competitive disadvantage to adjacent counties in PA and WV, that do not have environmental regulations as rigorous as those in Maryland.

There is general agreement among many leaders interviewed that Washington County has a more burdensome permitting process than the City of Hagerstown. Several expressed the opinion that County requirements exceed the State's. Local permitting procedures and land development regulations should be clarified and revised as needed. The best approach is require what is necessary but not more than necessary in the shortest time possible.

Difficulty Reaching Consensus and Acting on Important Issues. An article in a recent issue of Hagerstown Magazine titled "The Downtown Dilemma: Rebuilding Downtown Hagerstown" noted that "the path forward has yet to be clearly articulated by any one organization." This suggests that many well-intentioned agencies and organizations are not able to come to consensus on the best way to proceed.

The presence of so many involved civic leaders, agencies, and organizations in the Hagerstown area, each with their own opinion and agenda, plus an often confused public, appears to inhibit reaching agreement on many important issues. Economic development has also been an area where reaching consensus and agreeing on priorities has been inconsistent and difficult.

COMPETITIVE ECONOMIC SCORECARD

The Competitive Economic Scorecard is a tool developed by URBANOMICS to compare an area (Washington County and Hagerstown in this case) with its competitors and similar areas and communities in the region, state, and other states, based on a number of economic factors and indicators presented in a straightforward statistical and tabular format. The Scorecard was presented as a stand-alone report in November 2012. Its purposes are to:

- Identify economic conditions, factors, strengths, and weaknesses in Washington County in relation to adjacent and nearby counties and others having similar characteristics.
- Identify where improvements are needed in Washington County to increase its competitiveness.

- Identify potential economic growth opportunities for the County based on successes in competitive and similar communities.

Communities Evaluated and Compared

Washington County and 12 other counties (and their central cities) with which it is compared in the Scorecard report are as follows:

- ***Maryland Counties***
 - Washington County (Hagerstown)
 - Frederick County (Frederick)
- ***Adjacent and Nearby I-81 Corridor Counties***
 - Berkeley County, West Virginia (Martinsburg)
 - Frederick County, Virginia (Winchester)
 - Franklin County, Pennsylvania (Chambersburg)
 - Cumberland County, Pennsylvania (Carlisle)
- ***Other Counties***
 - Spotsylvania County, Virginia (Fredericksburg)
 - Buncombe County, North Carolina (Asheville)
 - Catawba County, North Carolina (Hickory)
 - Florence County, South Carolina (Florence)
 - Spartanburg County, South Carolina (Spartanburg)
 - Washington County, Tennessee (Johnson City)
 - Warren County, Kentucky (Bowling Green)

The 12 competitive and similar counties were selected for analysis based on the following considerations:

- Counties adjacent to Washington County -- Frederick, Maryland; Berkeley, West Virginia; and Franklin, Pennsylvania.
- Other nearby counties in the I-81 corridor -- Frederick, Virginia, and Cumberland, Pennsylvania.
- Other counties and center cities that are of comparable size, are served by Interstate highways (including two intersecting Interstate highways in a several cases), are located similar distances from large urban areas, and/or are otherwise representative of areas having other characteristics similar to those of Washington County.

There are a number of similarities between Hagerstown-Washington County and the other counties and their central cities. The Civil War touched all or most of the counties, one of which, Spotsylvania County, VA, is also called “Crossroads of the Civil War.” The City of Spartanburg, SC, is also known as the “Hub City.”

Bowling Green, KY, opened a 4,500-seat Minor League baseball park in 2009, as part of a \$200 million package of downtown redevelopment projects. Bowling Green (GM Chevy Corvette) and Spartanburg (BMW) have significant presence in the automotive industry, as does Hagerstown with Volvo Powertrain.

Asheville, Florence, Johnson City, and Spartanburg have two intersecting Interstate highways. The distribution/logistics and business/financial services industries are prominent in many of the counties.

Economic Factors and Indicators

The following economic indicators and factors provide the basis for evaluating and comparing Washington County and 12 competitive and peer counties:

- Population Growth Trends
- Median Household Income, Per Capita Income, and Poverty
- Housing Construction Trends
- Labor Force Growth Trends and Unemployment
- Educational Attainment and Facilities
- Occupational Profile and Mix
- Employment and Business Growth Trends
- Ratios of Jobs to Population
- Average Annual Wages
- Major Employers
- Agriculture and Tourism Indicators
- Small Business and Entrepreneurism Indicators
- State and Local Taxes
- State Business Climate Indicators
- Cost of Living and Quality of Life Indicators
- Economic Development – Lead Organizations and Allies
- Target Industries
- Small Business and Workforce Development Resources
- Industrial and Office Site and Building Inventory
- Transportation Infrastructure
- Special Business Incentive Zones

Summary of Key Findings

Much of the information and findings presented in the Competitive Economic Scorecard are per capita comparisons of Washington County to the other 12 counties. ***Special Note:*** Per capita indicators for Washington County reflect a sizeable institutionalized (prison) segment of the total population. Most if not all counties have some level of this institutional population. Washington County has proportionally more than average, perhaps in the order 6,000-6,500 more, which distorts equivalent per capita data by approximately 4.5 percent. Equivalent per capita indicators will be higher in Washington County by this approximate percentage. For example, 10.0 per capita would be 10.45.

- ***Population Growth and Income.*** The Washington County population has been growing at a slower rate than most of its regional competitors and other peers. Median household and per capita incomes are generally on par with its regional competitors, except Frederick County, MD, and are higher than other peer counties included in the analysis. The Washington County poverty rate is higher than its regional peers, except Berkeley County (WV), largely due to the high incidence of poverty in the City of Hagerstown, but is lower than most of the other counties included in this analysis.
- ***Housing Trends.*** The Washington County housing market benefited in the first half of the past decade from spillover growth from the DC metro area, peaking at nearly 2,000 housing units permitted in 2005, but has been slowest of the 13 counties profiled to recover from national economic slump beginning in 2008. Average annual new units permitted in the County in the past four years (2008-2011) dropped by 81 percent from the average in the preceding six years (2002-2007), while the average decline for all 13 counties was only 57 percent. By comparison, Cumberland County (PA) was down only 32 percent, and Frederick County (MD) was down 53 percent. Neighboring Berkeley County (WV) and Franklin County (PA), also fared better than Washington County.
- ***Labor Force.*** The Washington County labor force has been growing at a slower rate than most of its regional competitors and other peers and its labor force participation rate is among the lowest. A positive is that the ratio of local jobs to the size of the labor force is among the highest, indicating that the County is less of a “bedroom community” and is more self-sufficient economically than many others.
- ***Educational Attainment.*** Washington County is at the lower end of the educational attainment spectrum in terms of percentages of its residents 25 years of age and older having four-year college degrees and graduate and professional degrees. This may be explained by the County’s “blue collar” roots and also by the growing lower income populations attracted to the Hagerstown area by a concentration of social service agencies

and organizations and correctional facilities. Whatever the reason, statistics that show competitively low educational attainment levels pose a daunting challenge to both educators and economic developers that seek to raise educational achievement levels and promote Washington County as a viable place to live for an educated workforce and a location for high-wage jobs.

- ***Mix of Occupations.*** The County has comparatively high percentages of its workforce in service, sales/office, construction/maintenance, and production/transportation/materials movement occupations, but is at the lower end in generally higher-wage white-collar management/business/financial and professional/technical occupations.
- ***Job and Business Growth.*** Washington County experienced sluggish job and business growth from 2001 to 2011, compared to other counties in the immediate region and the majority of counties studied. Four counties, however, experienced negative job growth during the period. Job growth rates were strongest in two neighboring counties -- Frederick (MD) and Franklin (PA) -- plus Spotsylvania (VA), an outer county in the Washington DC metro area, and Warren County (Bowling Green area, KY). Frederick County (MD), Frederick and Spotsylvania Counties (VA) and Buncombe County (NC) had the highest growth rates in new establishments.
- ***Employment Concentrations.*** Washington County has higher ratios of total jobs and total private sector jobs per 1,000 population than its neighbors, Frederick Co (MD), Berkeley Co (WV), and Franklin Co (PA). Comparatively high jobs-to-population ratios are in state government, manufacturing, wholesale trade, retail trade, transportation and warehousing, finance and insurance, and health and social services. Comparatively weaker sectors are federal government, construction, information, professional and technical services, and accommodations and food services.
- ***Average Wages.*** Washington County wages in most sectors generally are competitive with those in all but Frederick County (MD), with its concentrations of high-salaried Federal workers, government contractors, and other professionals and technicians who work locally and in the Washington DC area. Cumberland County (PA) also benefits from its proximity to Harrisburg, the State Capitol, and presence of Federal military facilities in the County. A comparatively weak sector in Washington County is Arts, Entertainment, and Recreation, where local average wages are lowest of all 13 counties.
- ***Major Employers.*** Types and sizes of employers vary widely, as does reporting of data. Most sources tend to stress manufacturing employers. The range of industries in the 13 counties illustrates opportunities in other areas having similar location characteristics, particularly in the distribution and business and financial services industries.

Of particular note is the emergence of the Hickory (NC) area (Catawba County), long known for its still large furniture industry, as a data center location. Apple Corp. is building a \$1 billion Apple iCloud data center and solar farm in the area, made possible by State of North Carolina incentives and favorable energy rates from Duke Energy.

- **Agriculture.** Agriculture varies widely in importance among the 13 counties. In terms of value of farm products sold per farm, Washington County is second only to Franklin County, PA, where the average value per farm is twice that of Washington County. Frederick County (MD) has more farms, more land area in farms, and a higher total value of products sold than Washington County, but a smaller value of sales per farm.
- **Tourism.** Tourism, as measured by retail sales and accommodations and food services sales per capita, appears to be oriented largely to day visitors in most counties. Only Spotsylvania County (Fredericksburg area, VA), and Buncombe County (Asheville area, NC) stand out as overnight leisure travel destinations. Asheville is a well-known mountain resort area and the Fredericksburg area is a popular Civil War history destination and is the site of one of the largest shopping centers on the East Coast. Comparatively high retail sales per capita in Washington County, MD, is due in part to the attraction of Hagerstown Premium Outlets, but is also explained by the historical role of Hagerstown as the leading trade center in the surrounding tri-state region.
- **Tax Climate.** The Tax Foundation ranks Maryland 42nd overall in its Business Tax Climate Index, but Maryland compares very favorably in corporate and sales taxes. Three adjacent states, PA, VA, and WV, rank higher overall, but Maryland ranks higher than PA and WV in corporate and sales taxes and slightly higher than PA in property taxes. Pennsylvania, however, enjoys a significant competitive advantage in personal income taxes. Costs of gasoline, including gasoline taxes, in Maryland are comparable to those in adjacent states, but other eastern states, including SC and TN, have a competitive advantage in this important business cost factor.
- **Cost of living and Quality of Life.** Washington County has generally favorable and competitive cost of living and quality of life indicators, particularly in relation to adjacent and nearby I-81 corridor counties, including comparatively low cost of living index, low cost of housing, low crime rate, high school district rating, and high health care index.
- **Site and Building Inventory.** According to the Maryland DBED site and building database, Washington County has listings for 18 available industrial sites totaling 1,543 acres and nine available industrial buildings with a total of only 515,000 square feet, which seems very low. The County is competitive in available sites, but available building space is much greater in the other 12 counties. Content, consistency, and

accuracy of state databases appear to vary widely. Many state databases include office buildings while others do not. In addition, data on available office space is more than likely to be suburban and business park office space, not necessarily including urban/downtown space. It is important that the EDC monitor and provide regular updates to the Maryland DBED database to ensure its completeness and accuracy.

- ***Small Business and Workforce Development.*** A number of interesting small business development initiatives and programs were found among the 13 counties profiled. These include small business loan programs in Franklin and Cumberland Counties (PA); the Small Business Toolbox in Buncombe County (NC); and the “Will This Float” competition in Washington County/Johnson City (TN). A number of areas have technology centers for small business and workforce development, but only in a few areas, including Washington County (MD), were business incubator facilities found.
- ***Economic Development Organizations.*** Lead organizations include county departments (e.g., Frederick, MD), county departments overseen by public-private Boards of Directors (e.g., Washington, MD, and Frederick/Winchester, VA), non-profit public-private partnership organizations (e.g., Berkeley, WV, and Franklin and Cumberland, PA), and chambers of commerce having economic development responsibilities (e.g., Buncombe, NC, and Warren, KY). The largest number of lead organizations among the 13 counties are 501(c)(3) or 501(c)(6) not-for-profit public-private partnerships. Some organizations also have responsibility for tourism and have prominent roles in downtown development.

OTHER STRATEGIC PLANNING PROGRAMS

Community Foundation of Washington County

The Community Foundation and United Way of Washington County recently completed a Strategic Community Impact Plan, 2012-2016, “A Long Range Strategic Plan to Improve the Quality of Life in Washington County.” The Plan establishes visions, goals, and strategies for all aspects of County life, including education, arts and culture, transportation, health, and jobs and economic development. The vision, goal, and strategy for jobs and economic development are:

- ***Vision:*** All private, public, and non-profit entities are working together to promote and support coordinated, small-business development resources in Washington County for job creation.
- ***Goal:*** Create Jobs in Washington County Through Small Business Creation and Expansion.
- ***Strategy:*** Create a Small Business and Entrepreneurial Resource Center.

Washington County Arts Council

The Art Council retained the Sage Policy Group to assess and make recommendations to promote the “cultural richness” of Washington County. The recently completed report, Developing an Arts, Entertainment, and Education Cluster in Washington County, Maryland, includes the following key assessments and recommendations:

- ***Recommendation:*** Art promotion should initially focus on downtown Hagerstown. ***Assessment:*** Very few similarly sized communities in the U.S. have the concentration of cultural infrastructure found in Washington County, particularly downtown Hagerstown.
- ***Recommendation:*** De-concentrate poverty in downtown Hagerstown. ***Assessment:*** The concentration of low-income housing and poverty is a barrier to forming an arts, entertainment, and education cluster. The demographics of downtown Hagerstown are presently incompatible with formation of a vibrant cluster.
- ***Recommendation:*** Create a Community Arts Commission/Downtown Partnership. ***Assessment:*** Coordination among the various cultural assets in downtown Hagerstown and throughout the County presently is inadequate
- ***Recommendation:*** Create an arts incubator in downtown Hagerstown (with studio space, shared facilities, and housing). ***Assessment:*** Current housing and studio space in downtown Hagerstown is not the type needed to attract a critical mass of artists.

Tri-County Council for Western Maryland / CEDS

The Tri-County Council is designated by the U.S. Economic Development Administration (EDA) as the Economic Development District (EDD) for Western Maryland. As an EDD, the Council is charged with preparing and updating a Comprehensive Economic Development Strategy (CEDS) for the region, which identifies economic development needs and opportunities and serves as a basis for funding by EDA and other sources of various economic development projects.

The current 2012-2017 CEDS lists 26 priority projects in the three Western Maryland counties totaling \$15.3 million. Of these, Washington County, with well more than half of the regional population, has only six projects listed totaling \$3.7 million, or less than 25 percent of the total number and dollar volume. One of two conclusions can be drawn. Needs are proportionately greater in Allegany and Garrett Counties, or Washington County needs are under represented.

While growth of traffic and business in the I-81 corridor has made Washington County much less a part of the traditional Western Maryland economy, the Tri-County Council remains an

important conduit for Federal funding. The Council also has a small business revolving loan fund. It is therefore an advantage to Washington County to see that its needs are represented adequately in CEDS project lists.

Sustainable Transformation of the Appalachian Region (STAR)

A new statewide strategic planning initiative, PlanMaryland, was begun in 2011 to promote and guide smart growth and sustainable development throughout Maryland. At about the same time, the National Center for Smart Growth, University of Maryland, and Greater Cumberland Committee joined together to undertake a coordinated strategic planning project for Western Maryland called the Sustainable Transformation of the Appalachian Region (STAR).

The purpose of STAR is “to identify the economic goals and aspirations of Western Maryland residents and to insure that these goals and aspirations are specifically incorporated in the economic development element of PlanMaryland.” Progress to date includes an inventory and assessment of existing regional and local economic development plans, goals, and actions for Western Maryland, under the following headings:

- Direct Economic Development
 - Business Retention and Startup Support
 - Workforce Training

- Laying the Groundwork for Growth
 - Industrial/Commercial Sites
 - Transportation Infrastructure
 - CBD Redevelopment, particularly Cumberland and Hagerstown
 - Economic Development Planning Capacity
 - Broadband Infrastructure

- Key Industries
 - Agriculture and Natural Resources
 - Manufacturing
 - Retirement Destination
 - Technology
 - Telecommuting/Call Center Business
 - Tourism/Culture and Heritage/Recreation Destination

Goals and actions listed in the STAR inventory report (February 2012) appear to be skewed heavily to Allegany County. Those specific to Washington County include the following:

- Work with the State to expand Enterprise Zones in the Airport area and to designate a new Enterprise Zone in the Friendship Technology Park area. (reference: Washington County Comprehensive Plan, 2002).
- Assist in the development/redevelopment of key projects such as Mt. Aetna Technology Park at Hagerstown (MATH), former Washington County Hospital site, Fort Ritchie, and others. (reference: 2011 Strategic Priorities and Action Plans, City of Hagerstown/ Washington County).
- Ensure that Hagerstown Regional Airport remains an economic engine in the future by restricting non-compatible development around the perimeter of the airport. (reference: Washington County Comprehensive Plan, 2002).
- Channel future growth in a way that strengthens the City of Hagerstown's role as the provider of urban services to the Hagerstown Urban Growth Area, and as the economic, cultural, and institutional center of Washington County. (reference: City of Hagerstown Comprehensive Plan, 2008).
- Promote development and redevelopment of vacant and underutilized land in a way that contributes to the City of Hagerstown fiscal base. (reference: City of Hagerstown Comprehensive Plan, 2008).
- Develop a marketing and business development plan for Hagerstown Regional Airport. (reference: 2011 Strategic Priorities and Action Plan, Washington County).
- Facilitate land-based broadband access for all parts of Washington County from a minimum of two providers at speeds and prices similar to urban areas of the state. (reference: Strategic Community Impact Plan, 2012-2016, Washington County).
- Create an organization to bring together representation from arts, culture & tourism organizations, to develop a marketing and networking plan, and to establish a database of arts, culture and tourism organizations and artisans. (reference: Strategic Community Impact Plan, 2012-2016, Washington County).
- Channel future growth in a way that strengthens the City of Hagerstown's role as the provider of urban services to the Hagerstown Urban Growth Area, and as the economic, cultural, and institutional center of Washington County. (reference: City of Hagerstown Comprehensive Plan, 2008).

Section 2. Guiding Principles

The over-arching goal of the Economic Development Strategic Plan for Washington County and the City of Hagerstown is to position and prepare the County and City for a future of sustainable economic growth and prosperity. The following strategic plan principles will guide pursuit and achievement of this goal:

- A More Diversified and Recession Proof Economic Base
- A Business Environment Compatible with the Natural Environment and Quality of Life
- An Educated and Skilled Workforce Prepared for Contemporary and Emerging Businesses and Industries
- A Business Environment Providing Opportunities for Entrepreneurs and Small Business
- An Attractive, Inviting, and Vibrant Hagerstown City Center
- A Business Environment Providing Opportunities in Small Towns and Rural/Agricultural Areas

A More Diversified and Recession Proof Economic Base

Hagerstown-Washington County has a long history of attracting large private employers, including Fairchild Aircraft and Mack Trucks more than 50 years ago, collectively employing more than 15,000 workers at their peaks. Fairchild ceased operations in the 1980s, and many other prominent manufacturers left the scene as well. Mack was acquired by Swedish-based Volvo in the 1990s, and has evolved to the existing Volvo Powertrain, which today employs over 1,500 workers.

Volvo is one of a number of manufacturing, distribution, and/or service firms that today employ 500 or more workers, most of which are headquartered elsewhere. The two largest, Citigroup and First Data, both have over 2,000 employees. It is noteworthy and significant that the Hagerstown-Washington County area has attracted and supports such large national and globally-oriented firms, as it demonstrates the merits of the area as a competitive regional location for business and industry and the confidence these firms have in their decisions to locate here. At the same time, their large presence makes the area more vulnerable to corporate mergers, realignments, consolidation, and downsizing, particularly in difficult economic times.

Attainment of a more diversified and recession-proof economic base will require pro-active marketing focused on attracting smaller firms primarily in the range of 100 to 250 workers in desired and targeted business and industry sectors. An economic base made up of many smaller

firms tends to be much more recession proof than a local economy dominated by a few large firms, for several reasons:

- Smaller firms are more likely to be headquartered locally.
- Smaller firms are less likely to be subject to off-site corporate restructuring.
- Smaller firms are less likely to seek levels of financial incentives sought by larger firms.
- Smaller firms are more likely to purchase greater shares of goods and services from the local market.

At the same time it is necessary to recognize, appreciate, and work with existing employers, large and small. Commonly referred to as “business retention,” it is essential to make sure that the interests and needs of existing businesses and industries in the community are recognized and dealt with in a prompt effective and priority manner. These business retention efforts may help convince off-site corporate management of the wisdom of continuing and even expanding operations in the Hagerstown area.

Implicit in the diversification of the economic base and retention of existing business and industry are initiatives that increase jobs, earnings, and incomes in the County, and by so doing enhances the standard of living and quality of life of residents.

A Business Environment Compatible with the Natural Environment and Quality of Life

Types of business and industry sought after by most communities today include research and clean manufacturing, distribution and logistics, and office-based services (financial, information, technical, and professional services). Economic activities that are unsightly or generate excessive noise, dust, vibration, electrical interference, heavy truck traffic, and waste products of any type generally are unwelcome today in most communities.

Attracting and retaining good-paying jobs and tax-generating capital investments remain the hallmarks of economic development, but not at the expense of the local environment and quality of life. Indeed, attraction and retention of jobs and capital investments while protecting the environment and safeguarding and enhancing quality of life are inherent in contemporary economic development thinking and practice.

An Educated and Skilled Workforce Prepared for Contemporary and Emerging Businesses and Industries.

A skilled workforce is among the most important factors that corporations and site consultants list as requirements for deciding where to locate to and expand a business or industry. Skills

vary widely by type of business or industry and may include craftsmen, machine operators, aircraft and automotive mechanics, computer programmers, electronics technicians, engineers, scientists, and many others.

Success in attracting and retaining businesses and industries in advanced manufacturing, logistics, information technology, biotechnology, professional and technical services, and other tech-oriented sectors as may be desired in Washington County will depend on the availability and skills of the local and regional labor force. Given a long history in many of these economic sectors, Washington County is positioned for continued success, to the extent that secondary and higher education facilities and workforce training providers in the County and region adapt and expand to meet the needs of new business and industry.

Hagerstown Community College (HCC) is taking the lead in educating the future workforce in several leading edge technologies, including biotechnology, cyber-security, and alternative energy technology. These and other technology-oriented programs are available through the new 65,000 square foot Science, Technology, Engineering, and Math (STEM) center at HCC. Hagerstown-based Western Maryland Consortium also has a key role in workforce training and matching companies with the workers they seek.

A Business Environment Providing Opportunities for Entrepreneurs and Small Business

How small business is defined varies widely. The Federal government defines small business as having less than 500 employees. Under this definition, all but comparatively few employers in Washington County would be considered small businesses. Most people tend to think of small businesses as having up to five or ten employees. Approximately 87 percent of employers in the Hagerstown Metropolitan Statistical Area (MSA) have fewer than 20 employees, and 71 percent have fewer than 10. This does not include self-employed individuals. Small businesses comprise the vast majority of employers in the Hagerstown region, as is the case in all regions.

An important goal of the Economic Development Strategic Plan for Hagerstown-Washington County is to help guide and promote creation of an economic environment that stimulates the establishment of small home-grown businesses of many types. The “economic gardening” concept (i.e., growing your own businesses) is gaining in popularity as a viable and vital component of a comprehensive economic development effort and program. Steps necessary to create this economic environment include:

- Attraction and retention of larger businesses and industries that “lift all boats,” by increasing employment, disposable incomes, and the purchase of local goods and services.

- Improvement of the economic and social environment and private investment and business opportunities in downtown Hagerstown (see below).
- Providing financial and technical assistance to business start-ups and entrepreneurs, including incubator space for technology-oriented start-ups.

Towards these ends, several initiatives and programs are already under way, including the Technical Innovation Center at HCC, a 34,000 square foot business incubator that includes 4,000 square feet of laboratory facilities for lease to start-up biotech and life science firms.

An Attractive, Inviting, and Vibrant Hagerstown City Center

The character and vitality of the downtown area of the central city in a county or metro region are important quality of life factors in marketing the area to new business and industry, and are particularly critical in attracting high-wage knowledge-based firms and professionals. The look and feel of downtown and cultural and entertainment amenities offered in downtown are reflections of the self-image of the broader community. A rundown look and attitudes that downtown is unsafe, not user friendly, and/or lacking in things to do present clear indications to business and leisure visitors that the whole community or area may suffer from less visible problems and general malaise.

Downtown Hagerstown has its share of economic, physical, and social problems, as older cities do. Years of suburban commercial development ensures that downtown is unlikely to return to the days when it functioned as the trade and services center for a multi-state region extending beyond Washington County. Many retailers, service establishments, business and professional offices, banks, hotels, and have closed or moved to the suburbs. Most downtown residents who once frequented these stores and services moved out as well.

Many commercial and residential buildings since have been re-occupied by low income and indigent populations, including a sizeable senior population, and a plethora of social service firms and organizations on which these poor and needy residents depend. Many vacant storefronts remain and upper floors of many multi-story buildings are mostly vacant.

Despite present difficulties, downtown Hagerstown retains much of the rich architectural heritage and urban character and flavor present in its heyday. Downtown has shortcomings, but is far from rundown and inhospitable. City officials and business leaders, in partnership with Washington County, are making the public investments and taking other initiatives necessary to transition downtown Hagerstown from a regional trade and services center into a center for government, education, the arts, and entertainment. These initiatives include:

Completed and Substantially Completed:

- Establishment of a downtown Arts and Entertainment District.
- Location of the Barbara Ingram School of the Arts in downtown
- Location of the University System of Maryland at Hagerstown (USMH) in downtown.
- Construction of a major new downtown library.

Projects in Progress:

- Potential relocation of Washington County School Board offices to downtown.
- Development of a new multi-purpose entertainment, civic, and special events complex in downtown.

The expectation is that with greater cooperation and coordination between county and city governments on these and other investments/initiatives, downtown Hagerstown will attract business by recapturing some of its lost retail trade and service firms. The ultimate goal is to attract middle and upper income residents, resulting in upgrading existing properties and elimination of blight factors over time.

A Business Environment Providing Opportunities in Small Towns and Rural/Agricultural Areas

In addition to Hagerstown, Washington County has eight incorporated small municipalities, ranging in size from approximately 400 to 3,400 residents. All are integral to a vibrant economic development effort and program. From largest to smallest, these towns are Boonsboro, Smithsburg, Williamsport, Hancock, Keedysville, Funkstown, Sharpsburg, and Clear Spring. Williamsport and Funkstown are in the Hagerstown urbanized area. The others are in rural areas of the County. Williamsport, Hancock, and Clear Spring have Interstate highway access.

Small to medium-sized firms in the construction, manufacturing, distribution, and/or service industries are located in and around most towns. Williamsport has a comparatively large number of firms in these industries, and is headquarters to Potomac Edison and the Bowman Group, one of the largest employers in Washington County. Several firms are located in the Smithsburg and Boonsboro areas, the two most populated towns, including small technology-oriented firms.

The rural towns serve as centers for surrounding farming areas. Tourism is also prominent in several towns. Hancock and Williamsport attract tourists because of their location on the C&O Canal National Historic Park. Boonsboro is becoming a regional tourist attraction because of the impact that popular novelist, Nora Roberts, is having with her investments and presence in the community. All small towns are part of the history of the Civil War. Civil War battles were waged throughout the County, most notably the Battle of Antietam. Sharpsburg and Keedysville

are short distances from the heavily visited Antietam National Battlefield. Funkstown has become a visitor attraction with its “funky” collection of antique, collectibles, and artist shops.

These small towns contribute to the economy of Washington County in various ways. They will continue to be important factors in the County economy as places to locate small and medium-size businesses and industries in construction, manufacturing, distribution, various services, agribusiness, and tourism. An 1,850-acre state Enterprise Zone provides additional benefits for locating businesses in the Hancock area.

Washington County is predominantly a rural and agricultural with an estimated 114,000 acres of land actively farmed, representing 40 percent of the land area in the County. The County ranks at or near the top in Maryland in milk and other dairy products, livestock sales, fruit orchards (apples and peaches), honey production, and silage corn. Farming and agribusiness will continue to be important to the ambiance and economy of the County.

Most existing and potential new farm operations and agribusiness facilities -- creameries, roadside markets, wineries, etc. -- and a great many travel and tourism-related facilities and support services in Washington County are “small businesses.” These farms should be recognized as small businesses and included in programs that benefit small business interests in the County.

Section 3. Economic Clusters and Target Industries

SELECTION CRITERIA

Selection of economic clusters and specific types of business, industry, and institutional employers that can be attracted to and supported in Hagerstown-Washington County is based on a combination of considerations and factors. These include:

- Economic clusters and industries targeted for the state by the Maryland Department of Business and Economic Development (DBED)
- Clusters and industries presently targeted for the local area by the Hagerstown-Washington County Economic Development Commission (EDC)
- Prominent clusters of existing business and industry found in Hagerstown-Washington County
- Strategic planning efforts by state, regional, and local agencies and organizations that affect economic development in Hagerstown-Washington County.

Existing Clusters and Industries

Maryland Department of Business and Economic Development (DBED) Targets. The following economic clusters are currently targeted by DBED for the State of Maryland:

- Aerospace & Defense
- Education & Research
- Energy & Sustainability
- Finance & Professional Services
- Health & Life Sciences
- Hospitality & Recreation
- Information & Technology
- Manufacturing & Production

Some or all of these economic clusters are important for all Maryland communities to embrace, in that they are areas with economic growth potential. Moreover, DBED generally is the first point of contact for site seekers and can devote much greater marketing resources needed to recruit new business. Hagerstown-Washington County has a presence and opportunities in most of these clusters.

It is interesting to note that two Hagerstown-Washington County firms – Volvo Powertrain and Sierra Nevada -- are listed among those used to illustrate the Manufacturing & Production and Aerospace & Defense clusters on the DBED web site.

Hagerstown-Washington County Economic Development Commission (EDC) Targets. The following economic clusters are currently targeted by the EDC for Hagerstown-Washington County:

- Aero Defense
- Advanced Manufacturing
- Biotechnology

Existing Local Industries

Hagerstown-Washington County has a diversified mix of industries, including advanced manufacturing, distribution and logistics, business and financial services, information services and technologies, health services, agribusiness, and tourism. Three major employers – Volvo Powertrain, Citigroup, and First Data – are among the largest of their types in Maryland and the most recognized companies in national and global markets. The three firms provide jobs for more than 6,000 workers.

These and many smaller companies in the County employ large numbers of skilled craftsmen and production workers, computer technicians and IT specialists, inventory control and materials handling personnel, supervisors and managers, and business and engineering professionals. Existing industries and their skilled workers are major selling points in economic development, as they make the County an attractive and credible place for others to locate their businesses.

RECOMMENDED ECONOMIC CLUSTERS AND INDUSTRIES

Washington County has the history, location, and resources to compete effectively and grow its economy in several key sectors, including various types of manufacturing, distribution, information services and technology, US government branch offices and support facilities, agribusiness, and tourism. Most promising economic clusters for Hagerstown-Washington County are:

- Aircraft and Aviation Technology and Services
- Product Development and Advanced Manufacturing
- Distribution and Logistics
- Business and Financial Services
- Information Technology and Security
- Agriculture and Agribusiness
- Arts, Culture, and Tourism

Aircraft and Aviation Technologies and Services

The Hagerstown area has a rich history in the aircraft and aviation industry dating to the 1930s with the arrival of the Fairchild Aircraft Co, a leading manufacturer of World War II military aircraft. The area is also the birthplace of Piedmont Airlines, which is part of US Airways. Hagerstown Regional Airport (HGR), today, is Maryland's second largest public use airport in terms of runway length (7,000 feet), is served by two commercial airlines, Allegiant Air and Sun Air, and is host to a number of aircraft and aviation technology and service firms, including:

- Sierra Nevada Corporation – aircraft modification/aerial surveillance and communications systems for defense and homeland security
- Agusta Westland, Inc – helicopter maintenance, repair, and overhaul
- Pittsburgh Institute of Aeronautics – aircraft maintenance training
- Fugro EarthData – aerial mapping and GIS services
- Rider Jet Center – general aviation services/flight training
- Hagerstown Aircraft Services, Inc – aircraft maintenance and repair
- DST, LLC – aerial reconnaissance services
- Royal Aircraft Services, LLC – aircraft and engine repair and maintenance
- Telford Aviation, Inc – aircraft maintenance

Significant economic development opportunities remain for firms in the following target industries (NAICS industry codes are in parentheses):

- Manufacture of aircraft equipment, parts, and subassemblies (33451, 33641)
- MRO services (maintenance, repair, and overhaul) (33641, 44819)
- Aerial reconnaissance and detection equipment and services (33451, 54136)
- Training of aircraft mechanics and avionics technicians (61151, 61157)

Product Development and Advanced Manufacturing

The Hagerstown area has a long and distinguished history area in developing and producing high quality brand name products, including Mack Trucks, Moller Organs, and Statton Furniture. Manufacturing remains a prominent industry in the area, represented by these firms:

- Volvo Powertrain – truck engines and transmissions (1,650 Emp)
- Lehigh Phoenix – custom designed book components
- Fil-Tec, Inc. – technical industrial fibers
- Crist Instrument Co – custom medical equipment/instruments
- Electromet Corp. – metal fabrication/machining for technology/defense ind
- Action Products – synthetic rubber medical products

- Cinetic Landis – precision grinding tools
- Review and Herald Publishing Assn – religious books/periodicals
- Zeltex, Inc. – analytical equipment
- HBP, Inc. – digital printing/graphic design
- Emerging Science & Technologies, Inc. – bomb detection/mitigation equip
- Maccaferri, Inc. – wire mesh baskets

Significant economic development opportunities remain for firms in the following target industries (NAICS industry codes are shown in parentheses):

- Automotive industries, including engines and transmissions, subassemblies, parts and supplies (33361, 33631, 33632, 33635, 33637, 33639)
- Metalworking equipment, precision machining, and metal fabrication (33,231, 33232, 33269, 33271, 33299, 33351)
- Specialty plastic and rubber products for commercial, industrial, and medical uses (32612, 32613, 32616, 32619, 32629, 33911)
- Printing, graphic design, and publishing (32311, 51112, 51113)
- Analytical, detection, and testing devices, instruments, equipment, and services for agricultural, defense, industrial, and medical uses (33451, 33911, 54138, 54169, 54171)

Distribution and Logistics

Hagerstown-Washington County has become well-established crossroads and hub location for the distribution and logistics because of the intersection of I-70 and I-81. Distribution centers and motor freight trucking firms already located in the area to take advantage of the regional location and transportation infrastructure in the area include:

- Federal Express Distribution Centers – FedEx Ground, FedEx Freight
- Staples Distribution Center
- Home Depot Distribution Center
- Radio Shack Distribution Center
- Tractor Supply Distribution Center
- Lenox Distribution Center
- DOT Foods – refrigerated and frozen foods distributor
- Kane Logistics, Inc – distributor for Sam’s Clubs
- Bowman Trucking
- Marketing Logistics International – management consultants

Significant economic development opportunities remain for firms in the following target industries (NAICS industry codes are shown in parentheses):

- Distribution centers for chain retailers and manufacturers of consumer and industrial goods (NAICS industry code depends on specific type of retailer and manufacturer)
- Distribution centers for package delivery service firms, e.g., FedEx (49211)
- Motor freight transportation, long distance (48412, 48851)
- Wholesalers of durable and non-durable goods (423, 424)
- Third-party logistics and warehousing firms (49311)
- E-commerce and telemarketing fulfillment centers (45411)
- Logistics and supply chain management consultants (54161)
- Packaging materials and packing services (32192, 32221, 48899, 56191)

Business and Financial Services

Hagerstown-Washington has enjoyed great success in attracting large business and financial services firms, including customer service centers, credit card and loan servicing centers and order processing and fulfillment centers. The presence of the following firms illustrates the attractiveness of the area for firm providing these types of back office and call center services:

- Citigroup – credit card and mortgage processing services (2,500 Emp)
- First Data Corp – commercial transaction processing services (2,100 Emp)
- Merkle Response Management Group – order processing for government and non-profit groups
- Wolters Kluwer Health – order processing/subscription services for medical books and journals
- Susquehanna Bank Loan Servicing Center
- Brethren Mutual Insurance Company – multi-line insurance carrier
- Antietam Call Center – order processing and telemarketing

Significant economic development opportunities remain for firms in the following target industries (NAICS industry codes are shown in parentheses):

- Back office and out-sourced account, credit card, claims, and loan service centers (51421, 52232, 52239, 54162, 56111, plus NAICS codes for specific types of financial service firms, including commercial banks, insurance carriers, credit unions, pension funds, and investments and securities firms)
- Corporate, subsidiary, division, and regional offices (55111)
- Travel reservations and order processing centers (56142, 56159)
- Records systems and management services for the health care industry (51421, 56111)

Information Technology and Security

Hagerstown-Washington County has a growing list of information and communications technology and service firms with capabilities in computer systems design, web design and development, wireless communications technologies, software development, advanced data processing, records management, and cyber-security, including:

- Intelsat Mountainside Teleport (Mid Atlantic Hub) – satellite communications
- General Dynamics Information Technology – information security/data recovery
- d’Vinci Interactive – web design and development
- T. Rowe Price – secure backup data center
- On Going Operations – IT business recovery/continuity solutions
- High Rock Studios – web design/development
- DocuTrac, Inc – medical records/practice management software
- Innovative, Inc – IT/computer services
- B&D Consulting – IT services/systems engineering/cyber-security services
- Global Data Consultants – IT services
- New Frontier Solutions – Internet services/security solutions

Significant economic development opportunities remain for firms in the following target industries (NAICS industry codes are shown in parentheses):

- Computer systems integration and network design (54151)
- Software development for records management and cyber-security (54151)
- Web design, development, and hosting; Internet services (51419, 51821, 54151)
- Bioinformatics software, data processing, records management and storage (51421, 51821, 54151)
- Secured data processing and record storage and remote operations centers for industry and government (51421, 51821, 54151)
- Satellite and wireless communications systems and services (51721, 51741, 51791)

Agriculture and Agribusiness

Agriculture and agribusiness are important to Washington County, as farming accounts for 40 percent of the County land area is the essence of small business. Farming provides the County with an old country ambiance and lifestyle that differentiates it from more highly developed suburban communities closer to Baltimore and Washington DC. Including agriculture and agribusiness as a target cluster is as much about preserving a way of life and distinctive open space resources and as it is about promoting economic growth in rural areas of the County.

County dairy production is second in the state and land in orchards leads the state. Agricultural, agribusiness, and related food production operations in Washington County include:

- Cumberland Valley Analytical Services – agricultural testing services
- Palmyra Farms – dairy and cheeses
- Hadley Farms – wholesale baked goods
- Knob Hall Winery – vineyard and winery
- Zeltex, Inc. – agricultural analytical instruments
- Saputo Cheese – dairy products manufacturing
- Misty Meadow Farm – dairy and creamery
- Big Cork Vineyards – farm market; winery to open in 2013
- Dairy One Cooperative – milk testing services
- Hadley Orchards – apples, peaches

Opportunities to strengthen agriculture and agribusiness in Washington County include:

- Supporting farmers and agribusiness entrepreneurs as valued small businesses.
- Developing and promoting self-guided tour circuits of farming and agribusiness attractions -- orchards, wineries, roadside produce markets, creameries – tied in with small town attractions and unique lodgings (historic Inns, B&Bs, etc.).
- Incubating agricultural technology and service firms through the Western Maryland (Agricultural) Research and Education Center.

Arts, Culture, and Tourism

Needs and opportunities to expand arts and cultural activities relate primarily to downtown Hagerstown. With the Maryland Theater, Maryland Symphony Orchestra, and other quality attractions, downtown Hagerstown has long been the arts and cultural center of Washington County and beyond, but demographic and social changes are threatening Center City as a place for area residents and visitors to enjoy as they once did. The challenge is to make the area an inviting place to visit once again to take advantage of amenities in the Center City.

Washington County also has an array of attractions – national and state parks, Civil War sites, and others -- plus proximity to major urban areas and enviable Interstate highway service, but has yet to convert these assets to significant numbers of overnight visitors. While the County attracts sizeable numbers of day visitors and passersby, hotel occupancy data and other statistics show that overnight visitor traffic is lacking. “Heads in beds” have the greatest economic impact and are essential to a thriving tourist industry. The challenge is to develop and promote facilities and programs that attract more overnight visitors and increase time spent in the County.

Possible opportunities to enhance and expand arts, culture, and tourism in the County include:

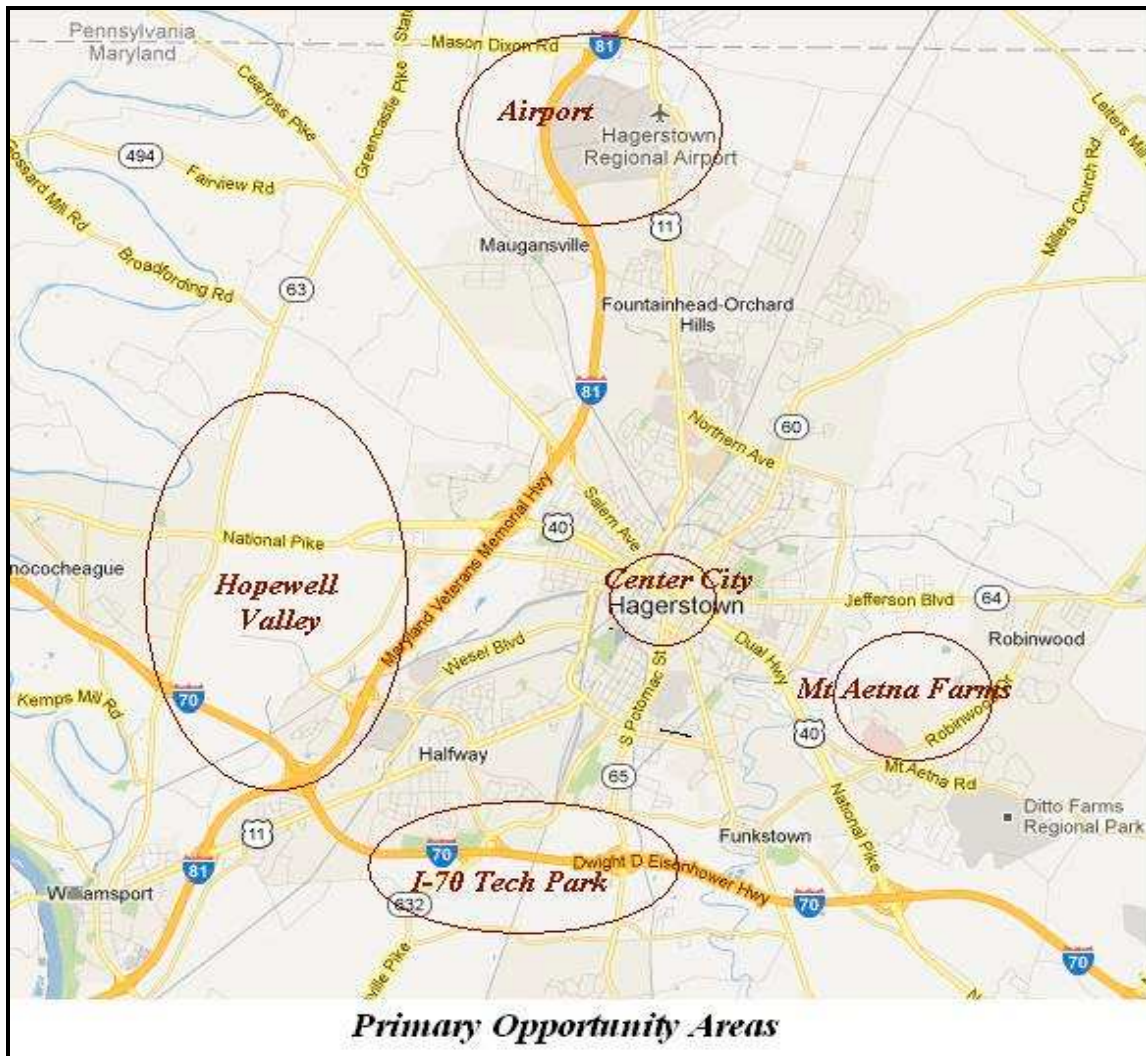
- Developing and promoting Woodmont Lodge (former Woodmont Rod & Gun Club) as a unique historic inn and getaway.
- Developing and promoting Fort Ritchie as a unique travel destination (one of several possible uses).
- Developing and promoting a self-guided tour circuits of agricultural and recreational attractions, small towns, historic inns, and B&Bs.
- Developing and promoting weekend getaway packages for visitors from the Baltimore and Washington DC areas.
- Revisiting possibilities to attract a “Cabelas”-type destination outfitters store.
- Exploring the feasibility of attracting or developing a Maryland School for the Arts and Design in downtown Hagerstown (see also Section 4, Strengthening Hagerstown’s City Center).
- Completing development of a proposed multi-purpose entertainment, civic, and special events complex in downtown Hagerstown.

PRIMARY OPPORTUNITY AREAS

Objectives of the Economic Development Strategic Plan, building on the work of the EDC Infrastructure Committee, include identification of up to five promising and/or needed locations - - Primary Opportunity Areas -- for economic development and redevelopment in Hagerstown-Washington County, including the Hagerstown City Center.

Primary Opportunity Areas would have the highest priority for economic development, including public investments necessary to provide adequate infrastructure, use of financial incentives, and marketing. These Primary Opportunity Areas are:

- Hagerstown Regional Airport Area
- Hopewell Valley Area
- Mt. Aetna Technology Park at Hagerstown Farms Area
- Hagerstown City Center
- I-70 Technology Park Area



Hagerstown Regional Airport Area

This Primary Opportunity Area surrounding and including Hagerstown Regional Airport (HGR) incorporates large undeveloped areas east, west, and south of the airport. HGR is a fully-instrumented and full-service regional airport with a control tower and 7,000-foot main runway. Several business and industrial parks with ample room for growth are located in this area, including the Airport Business Park, Showalter/Vista Business Park, and Washington County Business Air Park. Airport property also includes the one million square foot mostly vacant former Fairchild Aircraft plant, being marketed currently as the Top Flight Air Industrial Park.

Existing major employers include Citigroup, Lehigh Phoenix, and Sierra Nevada Corp, with a total of approximately 3,400 employees. In addition, a number of aviation and aircraft service firms are located at the airport. This Priority Opportunity Area will be the principal area for locating industries in the Aircraft and Aviation Technologies and Services cluster.



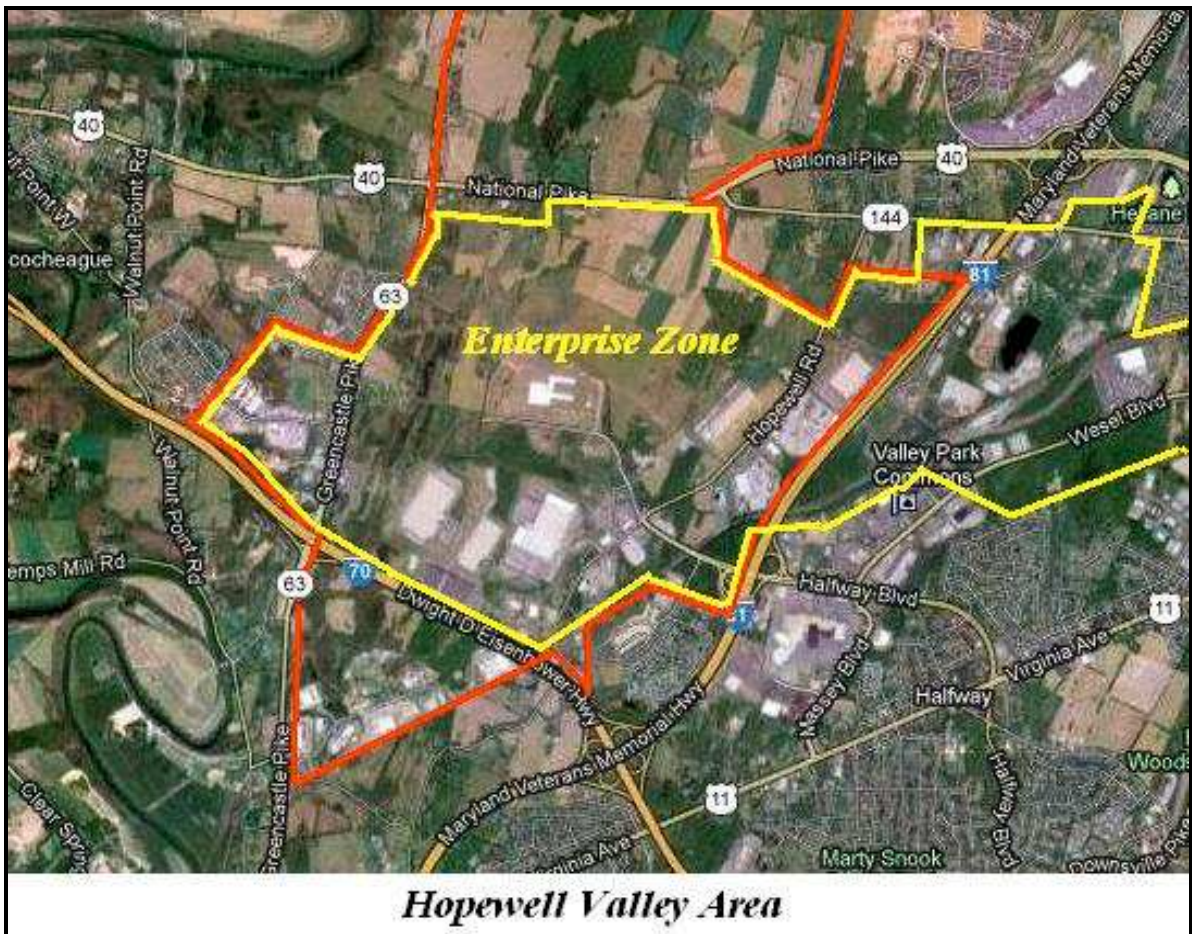
The presence of the Citigroup credit card processing center and Lehigh Phoenix specialty printing facility near the airport makes this Primary Opportunity Area suitable for a broad mix of industries, including business and financial services, information technology, and advanced manufacturing. A comprehensive marketing study is currently underway to identify and recommend enhanced and expanded air service and business opportunities at HGR.

<i>Summary of Characteristics -- Hagerstown Regional Airport Area</i>	
Land Area	Approximately 2,000 acres
Jurisdiction	Washington County
Zoning Designations	AP (Airport), PI (Planned Industrial), and HI (Highway Interchange)
Land Use Designations	Mostly Industrial/Flex, some Industrial, all in Airport Overlay Zone
Enterprise Zones	Yes, 693-acre Hagerstown Regional Airport Enterprise Zone
Foreign Trade Zones	Yes, sub-zone of FTZ #255, 452 acres
Urban Growth Area	Yes
Priority Funding Area	Approximately 75 percent of area in PFA

Hopewell Valley Area

This area is on the west side of I-81, extending from south of I-70 north to National Pike/Washington Street. It is bounded on the west by Greencastle Pike, except for small industrial parks on the west side of Greencastle Pike. This area is approximately 3,000 acres. Another 2,000 or more acres north of US40 may be possible to add in the future. This area, presently agricultural, is designated for industrial use on the Washington County Comprehensive Plan. Much of the area south of National Pike/Washington Street is part of the large 4,094-acre Hagerstown-Washington County Enterprise Zone that extends east into downtown Hagerstown.

The Hopewell Valley area is developing as a center for the distribution and logistics industry, with several large warehouse/distribution centers already developed. Major occupants include FedEx Ground and FedEx Freight and distribution centers for Staples, Home Depot, and the Tractor Supply Co. The area includes several designated business and industrial parks, including the 900-acre Hunters Green Business Center, Crossroads Corporate Center, Newgate Industrial Park, and Hunt Ridge Business Park. Rail service is limited.



Access and egress is becoming an issue as the vast majority of traffic generated by existing development in the Enterprise Zone area utilizes the I-81/Halfway Boulevard interchange and the Halfway Boulevard/Hopewell Valley Road intersection. Additional outlets are needed and are planned to provide access to Greencastle Pike and National Pike.

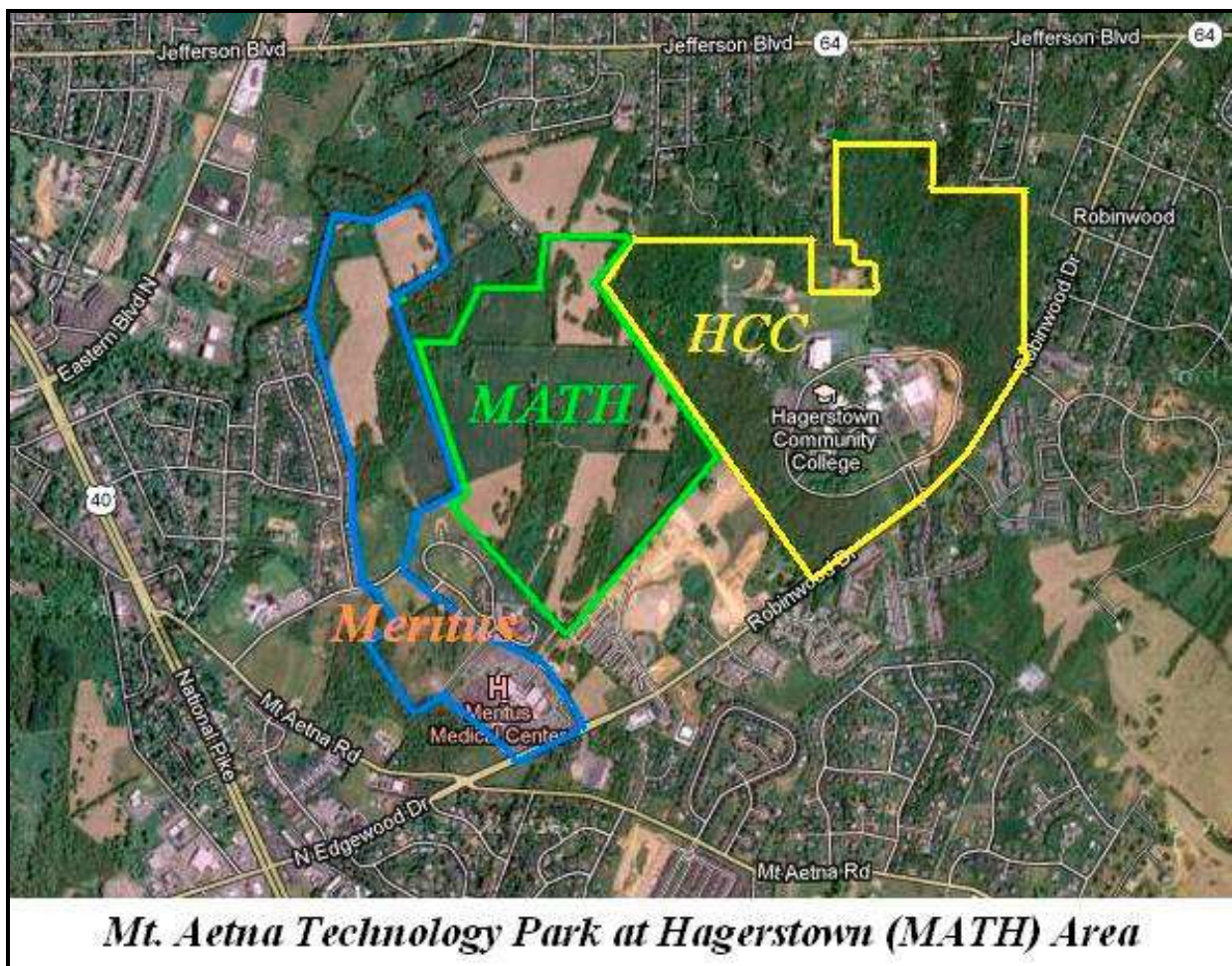
<i>Summary of Characteristics -- Hopewell Valley Area</i>	
Land Area	Approximately 3,000 acres, up to 5,000 acres incl. area north of US40
Jurisdiction	Washington County, except small areas on west side of I-81
Zoning Designations	South side of US40: HI (Highway Interchange) and IG (General Industrial) North side of US40: PI (Planned Industrial)
Land Use Designations	South side of US40: Industrial/Flex, Industrial North side of US40: Industrial/Flex
Enterprise Zones	Yes, part of 4,094-acre Hagerstown-Washington County Enterprise Zone
Foreign Trade Zones	Yes, sub-zone of FTZ #255, 698 acres
Urban Growth Area	Yes
Priority Funding Area	Area north of US40 is not in PFA

Mount Aetna Technology Park at Hagerstown (MATH) Area

This Primary Opportunity Area is located in the east side of the Hagerstown urbanized area. The area consists of approximately 600 acres and includes Hagerstown Community College (HCC) and other lands owned by the College, the Meritus Hospital/Robinwood Professional Center complex, and the 174-acre proposed Mount Aetna Technology Park at Hagerstown (MATH). The Technology Park is a proposed suburban office, research, and technology park situated between HCC and the Meritus complex.

The property was purchased for development of a technology park by the Hagerstown-Washington County Industrial Foundation (CHIEF) to take advantage of synergies generated by proximity to Meritus Health and HCC’s STEM Center and Technical Innovation Center business incubator.

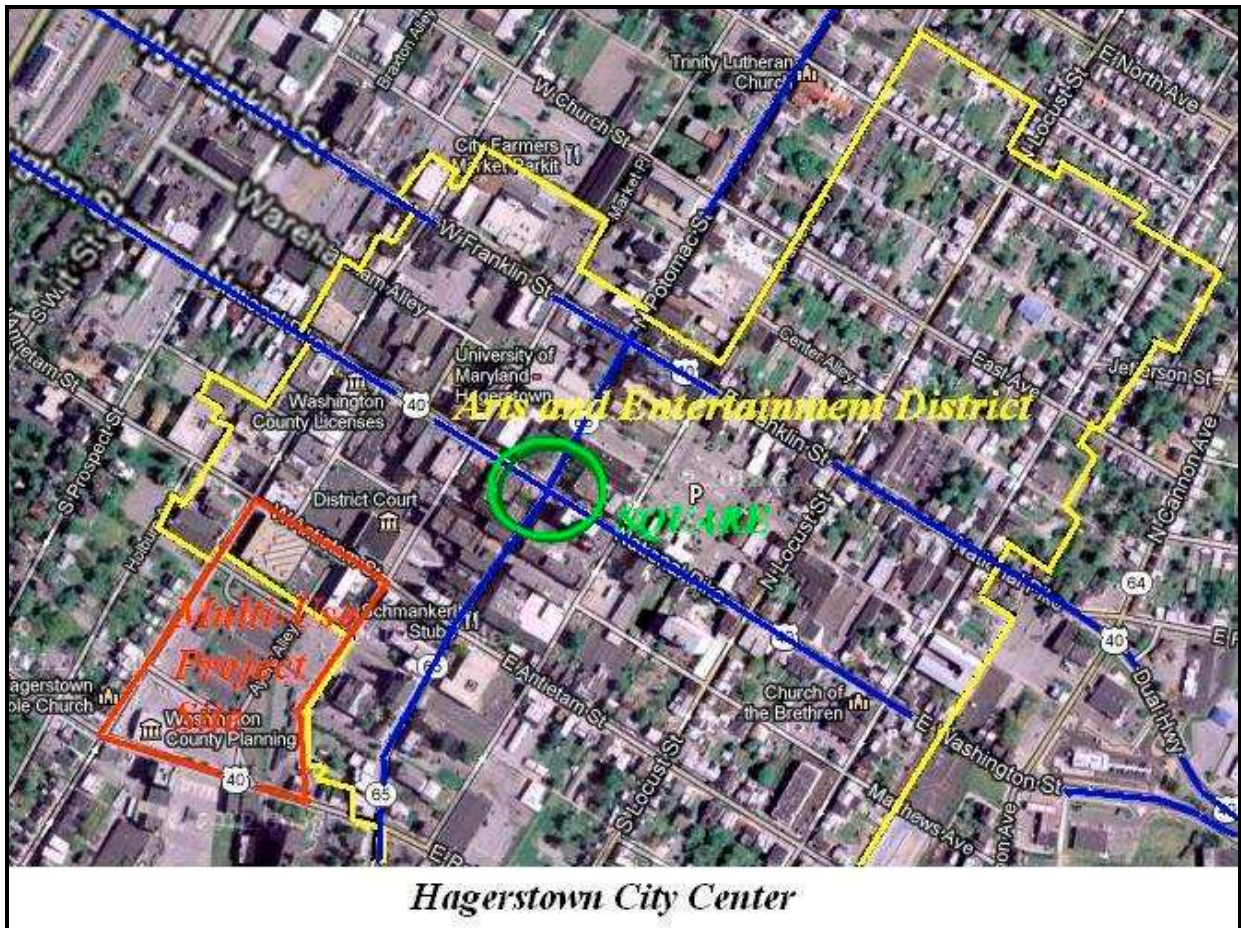
The technology park is currently landlocked, with no access to major roads that would facilitate its development and benefit other transportation needs in the area. A project is currently funded to extend Yale Drive from Mt. Aetna Road through the technology park to the HCC. Additional funding is available to begin other roadway improvements from Yale Drive to Professional Court and Robinwood Drive. These improvements are designed to facilitate development of the technology park, as well as to improve transportation capacity and mobility in the area.



<i>Summary of Characteristics -- Mt. Aetna Technology Park at Hagerstown Area</i>	
Land Area	Approximately 600 acres, including 174-acre MATH office and technology park
Jurisdiction	Washington County
Zoning Designations	ORT (Office, Research, and Technology) for MATH and Meritus property, ERT for Hagerstown Community College property
Land Use Designations	Community Facilities for Meritus and HCC properties, Low Density Residential for tech park property (may have been amended)
Enterprise Zones	No
Foreign Trade Zones	No
Urban Growth Area	Yes
Priority Funding Area	All in PFA

Hagerstown City Center

This Primary Opportunity Area is intended to focus attention on economic development needs and opportunities in downtown Hagerstown as a center for the arts, education, entertainment, and government, with associated retail and office development and professional/retirement residential housing. A number of public initiatives and projects have been completed or are proposed in order to stimulate private interest and investment. Most notably, these include a proposed entertainment, civic, and special events complex in the area bounded by the red line on the map below. This multi-use project, including the concept of a new home for the Hagerstown Suns minor league baseball team, is expected to be a major catalyst in revitalizing the City Center.



Other significant initiatives include (1) creation of a downtown Arts and Entertainment District to stimulate development of professional offices, artist studios and galleries, restaurants and retail shops, and much needed market rate housing in the City Center, (2) construction of a new 80,000 square foot central library, and (3) locating the widely-acclaimed Barbara Ingram School

for the Arts and the University System of Maryland at Hagerstown in the core of downtown, joining the historic Maryland Theater, home to the Maryland Symphony Orchestra. A major renovation of and addition to the Maryland Theater is planned. Efforts are also underway to relocate the administrative offices of the Washington County Public Schools downtown to help build a critical mass of employment and consumers in the area.

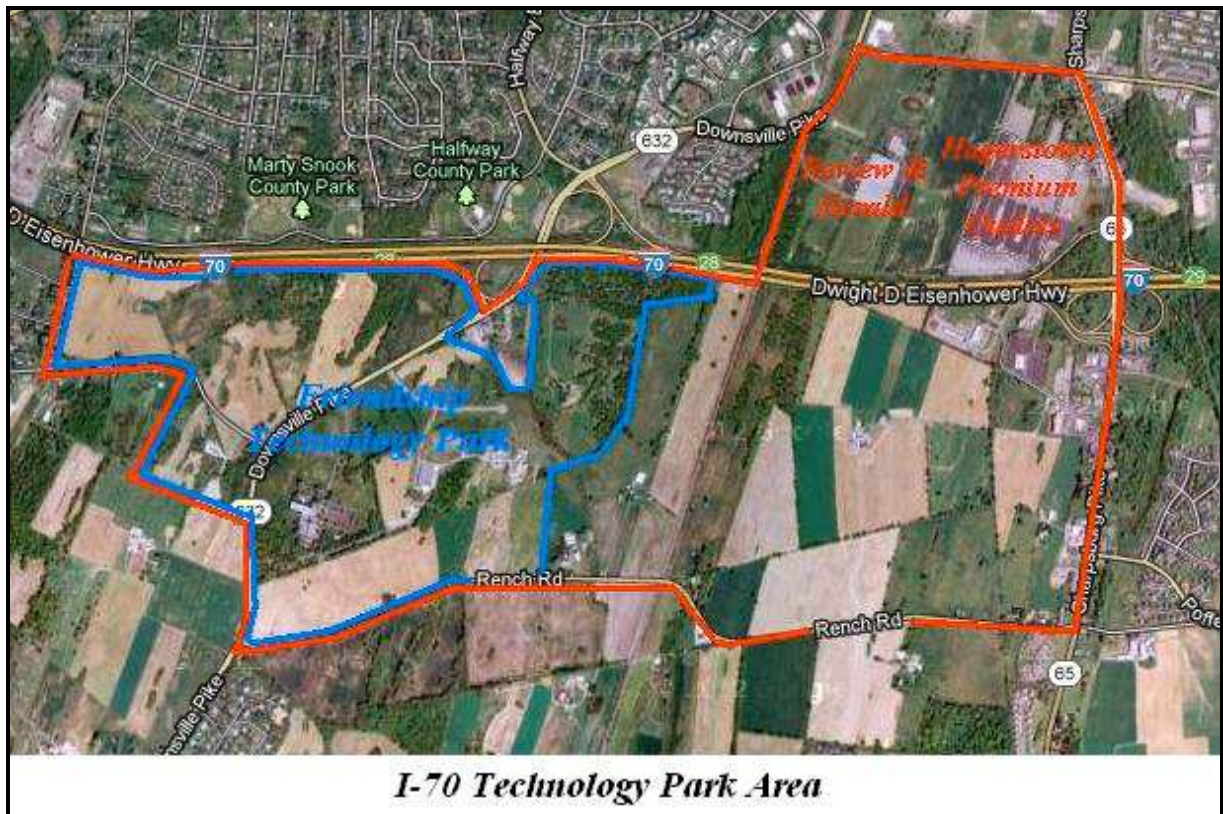
<i>Summary of Characteristics -- Hagerstown Center City</i>	
Land Area	City Center-Mixed Use zoning district is approximately 125-150 acres
Jurisdiction	City of Hagerstown
Zoning Designations	CC-MU (City Center-Mixed Use)
Land Use Designations	Downtown on 2008 Comprehensive Plan Future Land Use map
Enterprise Zones	Part of 4,094-acre Hagerstown-Washington County Enterprise Zone
Foreign Trade Zones	No
Urban Growth Area	Yes
Priority Funding Area	In PFA

I-70 Technology Park Area

This Primary Opportunity Area encompasses an approximate 1,250-acre area on the south side of the Hagerstown urbanized area and is situated between and including the I-70/Sharpsburg Pike interchange and the I-70/Downsville Pike interchange. The area incorporates the 450-acre Friendship Technology Park on the south side of I-70 and the Hagerstown Premium Outlets and Review and Herald Publishing Association property on the north side of I-70.

The largely undeveloped Friendship Technology Park includes the Intelsat Mountainside Teleport satellite communications center, which is Intelsat’s Middle Atlantic Hub, and a new secured backup data center for the T. Rowe Price Co, the securities firm. A large vacant six-story former Allegany Power headquarters office building is also located in the Park.

This Primary Opportunity Area has the opportunity to develop as a mixed-use destination retail, office, research, and technology-oriented light industry area, with an emphasis on information and communications technologies and services. The opportunity for extensive office and retail development is afforded by the two closely spaced Interstate interchanges, and the possibility of developing a connecting frontage road along the south side of I-70.



<i>Summary of Characteristics -- I-70 Technology Park Area</i>	
Land Area	Approximately 1,250 acres north and south of I-70
Jurisdiction	Washington County
Zoning Designations	HI (Highway Interchange) and ORT (Office, Research, and Technology) for majority of area; some RU (Residential Urban) and RT (Residential Transitional) south of I-70
Land Use Designations	Industrial/Flex for majority of area; some High Density Residential south of I-70
Enterprise Zones	No
Foreign Trade Zones	No
Urban Growth Area	UGA includes all but a small area south of I-70
Priority Funding Area	Approximately half of total area (incl. Friendship Tech Park) is in PFA

Other Potential Opportunity Areas

Other areas of Washington County and the City of Hagerstown that have economic development needs and opportunities include the five profiled below.

Town of Hancock. The Town of Hancock has a 1,850-acre Enterprise Zone traversed by I-70 and a 65-acre subzone of FTZ #255. The Town has several small industrial firms, including Saputo Cheese, Rayloc, and Evolve Composites. Much of the Enterprise Zone area is hilly and not easily developed, but there are areas that can support additional industrial development. Tourism will play a prominent role in the economic future of the community. The town has well-known retail and restaurant facilities that draw customers from miles around. Downtown Hancock is adjoined by the picturesque C&O Canal National Park and Potomac River. Hancock is in a Priority Funding Area.

Fort Ritchie. This 591-acre former military communications and intelligence facility in the remote and hilly northeast corner of the County is owned and managed by the PenMar Development Corporation, which is an instrumentality of the State of Maryland. It includes a 297-acre subzone of FTZ #255. Although Fort Ritchie is no longer a Federal military installation, possible opportunities for Federal non-military use should be explored along with other uses. Many uses of Fort Ritchie have been discussed and proposed but no consensus has yet reached on the future of the property. Land uses considered to date include mixed-use residential community, secure data center, retreat center, and resort/recreation facility. Fort Ritchie is a unique property with a marketable and sustainable future for the right use and user. It is a designated Special Economic Development Area and is in a Priority Funding Area.

Hagerstown East End. With a proposed entertainment, civic, and special events complex being considered for downtown Hagerstown, the existing municipal stadium site, a former municipal power plant site on the other side of Eastern Boulevard, former industrial plant site between Eastern and Memorial Boulevards present an opportunity for redevelopment of this East End area. This area of about 50 acres, perhaps more, is included in the City's East End/Hospital Special Planning Area. The power plant and industrial sites and some adjacent zone IR (Industrial Restricted) and designated for Business-Employment and Industrial land uses on the Special Area Plan. All properties are in the Priority Funding Area. The area should be subject to more definitive planning for potential mixed-use development, tied in with improving Antietam Creek as an urban amenity.

Hagerstown Eastern Gateway. This is the area around the I-70/Dual Highway interchange. I-70 is the city-county boundary in this area. The northwest quadrant of the interchange has commercial development but the area surrounding the interchange is largely vacant and may support another 500-700 acres of mixed-use development, including employment generating uses. City land north of I-70 is zoned CG (Commercial General) and CR (Commercial Regional). County land south of I-70 is zoned HI (Highway Interchange) and has Industrial/Flex and some Low Density Residential land use designation. The interchange area is in the Urban Growth Area and Priority Funding Area.

Hagerstown West Side. This as an approximately 600-800 acres on the east side of I-81 north of Valley Mall incorporating the Gateway Business Park (First Data area) on Western Maryland Parkway and the Valley Business Park on Massey/Wesel Blvd. The entire area is included in the 4,094-Hagerstown-Washington County Enterprise Zone. The majority is in the unincorporated County and is zoned IG (Industrial General) and is designated for Industrial land use. City land on the west side of Massey/Wesel Blvd is also zoned IG (Industrial General). The area features the large CSX Jamison (rail) Yard, which might have some possibilities as a location for a Maryland Inland Port. This area is in the Urban Growth Area and Priority Funding Area.

Section 4. Economic Development Strategies and Actions

Strategies and actions are presented in this section for making improvements and undertaking activities necessary to competitively position and prepare Hagerstown-Washington County to attract and retain business and industry, support sustainable economic growth, and enhance the standard of living and quality of life of residents.

- Organizational Structure and Performance
- Marketing and Communications
- Infrastructure and Site Development
- Education and Workforce Development
- Entrepreneurism and Small Business Development
- Strengthening Hagerstown's City Center
- Other Strategic Initiatives

ORGANIZATIONAL STRUCTURE AND PERFORMANCE

Existing Organization

The Hagerstown-Washington County Economic Development Commission (EDC) is a public agency of Washington County government that governed by an 18-member Board of Directors, consisting of 12 private sector members and six ex-officio members, including three public officials representing the County Board of County Commissioners and the Hagerstown City Council. Questions have been raised by the County and City governments and EDC Board members concerning the existing EDC structure. Is the existing EDC the most effective type of organizational approach for guiding and promoting economic development in Hagerstown-Washington County?

Basic Types of Economic Development Organizations

Economic development organizations with countywide responsibilities typically are one of three general types:

- Departments or divisions of county government, as most are in Maryland. The Hagerstown-Washington County EDC is a hybrid of this type. The Winchester-Frederick County (VA) Economic Development Commission is similar to the Hagerstown-Washington County EDC model.

- Chambers of Commerce with responsibilities for economic development. Chambers of commerce may also have separate dues-paying membership organizations (e.g., Economic Development Councils, Committees of 100) that support and guide the economic development staff and programs. Of the areas profiled in the Competitive Economic Scorecard report, Buncombe County, NC (Asheville) and Warren County, KY (Bowling Green) are examples of this model.
- Public-private partnership organizations, often called Economic Development Corporations or Partnerships, with non-profit 501(c)(3) or 501(c)(6) status, governed by a Board of Directors with public and private members and frequently supported by both public and private investors. The Berkeley County (WV) Development Authority, Franklin County (PA) Area Development Corporation, and Cumberland (PA) Area Development Corporation are variations of this partnership model, which is prevalent in Pennsylvania.

All three models and variations thereof are quite workable. However, it has been the experience of URBANOMICS and Leak-Goforth that the public-private partnership model is the most effective, in that it provides for some separation from local government, while also being able to attract involvement and broader funding support from those local businesses and institutions that benefit from economic development and growth.

We also are of the opinion that there is little wrong with the Hagerstown-Washington County EDC structure, except for questions raised about its effectiveness and priorities. The EDC has involvement of the business community in its governance through the Board of Directors and is adequately funded by Washington County government to be an effective economic development organization, but is perceived as too county oriented, not proactive, and lacking strong direction. These are among the issues that form the basis for development of this Strategic Plan. A new experienced and well-focused Executive Director and a supportive Board of Directors may be all that is needed to correct these perceptions.

Perhaps the larger issue in Hagerstown-Washington County is there are many well-intentioned critics and organizations with their own economic development agendas and priorities. For this reason, a structural change may be inevitable and necessary. The Anne Arundel (MD) Economic Development Corporation (AAEDC) is a useful model to look at in this regard. The former Anne Arundel County Office of Economic Development was privatized by the 1990s as a 501(c)(3) non-profit corporation. AAEDC still receives most of its funding from the County, but is detached from County government, except that the Corporation staff receives County health and retirement benefits.

AAEDC has a \$4 million annual budget, staff of 15, and a nine-member private sector Board of Directors, five appointed by the County Executive and four by the Corporation. In addition to normal business attraction and retention activities, AAEDC administers business loan programs and the Chesapeake Innovation Center, a business incubator. It has also established LLC sub-corporations to fund and promote agricultural marketing and community development.

Potential Organization of the Economic Development Corporation

The following options are designed (1) to improve the effectiveness and stature of the lead economic development organization in Washington County, (2) to bring together the various organizations that have roles in economic and community development, and (3) to provide greater access to various economic development loan sources and investments by other units of government and the private sector.

- County to explore privatization of the existing Hagerstown-Washington County Economic Development Commission as a separate non-profit Economic Development Corporation.
- Existing EDC Board and staff may continue in their current roles while a new EDC framework is being established, including development and execution of necessary ordinances and other documents supporting any change in the EDC.
- County should continue to provide annual funding support for the EDC in the range of \$5-\$6 per capita based on the County population, at least until such time as other regular public and/or private funding sources are developed.
- Organize the Board of Directors for the EDC, consisting of up to 20 voting and ex-officio members. Determine staffing once a new Executive Director/President/Chief Executive Officer (CEO) is employed and full organizational mission and performance metrics are establishments. An example of a fundamental EDC staff complement includes:
 - Executive Director/President/CEO
 - Project Managers/Senior Project Managers (2) – business development and retention specialists
 - Director of Marketing and Research
 - Special Projects Associate – for various project and marketing assignments
 - Office Administrator
- Consider the following committees of the Board of Directors:
 - Executive Committee (with 5-7 members, including Executive Director/President/CEO)

- Marketing and Communications Committee
 - Education and Workforce Development Committee
 - Small Business Development Committee
 - Infrastructure and Site Development Committee
- EDC to explore benefits of 501(c)(3) non-profit status.
 - Appoint representatives of the Hagerstown-Washington County Convention and Visitors Bureau, Hagerstown-Washington County Chamber of Commerce, and Greater Hagerstown Committee to the new EDC Board and seek reciprocal arrangements with those organizations.
 - Consider benefits of relocating the EDC from the County Administration Building to new space downtown in closer proximity to these other organizations and City's Department of Community and Economic Development. Consider co-locating some or all of these entities in one convenient place with adequate parking for visitors.
 - Negotiate an inter-local agreement with the City of Hagerstown that combines County and City economic development efforts for greater focus, efficiency, and joint investment. The EDC can be responsible as the lead economic development marketing organization for the County and City, combining staff as appropriate and benefiting from offsetting budget contributions from the City.
 - Forge greater day-to-day collaboration, as operational partners, between the EDC and Hagerstown-Washington County Industrial Foundation, Inc. (CHIEF). This can take the form of joint planning, marketing, and client missions, etc. With the solid leadership, stability, and growth CHIEF has established over the years, the County can benefit substantially from this continued and strengthened partnership.
 - Clarify and confirm roles and responsibilities of Hagerstown Community College (HCC) to the countywide economic development effort. The HCC should be an active day-to-day partner, as is CHIEF, with the full complement of resources of the college available for business retention and attraction missions in addition to its role in training and education.
 - Establish a protocol within the EDC that ensures that members representing specific other entities and organizations are prepared to report out on the activities of their entities and organizations relevant to EDC matters and conversely to report to their entities and organizations on pertinent activities of the EDC. Strengthened communications is critical to success.

- Establish collaboration among local marketing entities to adopt a common brand for Washington County upon which all entities can contribute and capitalize.
- Conduct an annual countywide Economic Development Summit jointly with these allied organizations.
- Prepare annual reports citing economic development activities and accomplishments during the past year and economic development needs and opportunities to be addressed in the coming year.
- Establish clear, reasonable, and achievable performance metrics by which progress in implementing the Strategic Plan, as well as the performance of the Executive Director/President/CEO can be evaluated and measured. Metrics relative to goals and objectives can, for example, include number of jobs created, new capital investments generated, changes in unemployment rate and household income, existing businesses visited and assisted, and/or number and type of new business leads generated and followed.

Potential Small Business Loan Programs

Under the non-profit development corporation option, the EDC would be able to access Federal and perhaps State of Maryland small business economic development loan programs, including Small Business Administration (SBA) and Economic Development Administration (EDA) programs, on behalf of small businesses in Washington County. Under this structure, the EDC can also develop its own small business revolving loan program with seed money from local public and private sources and Federal and state grants and/or through a close working relationship with the Tri-County Council for Western Maryland, maximize access to and utilization of Tri-County small business loan programs. The following options should be explored:

- Explore and evaluate the benefits of certification and recognition by SBA as a Certified Development Company and as a Local Development Corporation (LDC) by other Federal economic development grant and loan providers.
- Explore establishment of a revolving loan program for startups and small businesses in identified economic clusters and target industries, with priority to startups and small businesses in the aviation and aircraft technologies and services, product development and advanced manufacturing, information technology and security, and agri-sciences clusters.
- Work with the local Small Business Development Center, the City Department of Community and Economic Development, Chamber, and others as necessary in marketing the program and in identifying and qualifying potential candidates.

MARKETING AND COMMUNICATIONS

Successful economic development programs are those:

- That can effectively communicate economic growth needs and opportunities to local officials, residents, and businesses,
- That have strong working relationships among local agencies and organizations that have various roles in community improvement and marketing, and
- That can effectively bring local business growth opportunities and quality of life attributes to the attention of external markets.

General Marketing and Communications

The following general branding, marketing, and communications actions and initiatives are proposed:

- ***Branding:*** Continue and expand on the “Hub City” and “Crossroads of the Mid-Atlantic” brands in marketing economic development in Hagerstown-Washington County. Include the name(s) Washington County an/or Hagerstown, Maryland, wherever possible. While other cities and areas may also claim these brands, the Hagerstown-Washington County area is as legitimate as any, perhaps more than most. The area is indeed a hub and crossroads of history, commerce, and transportation, which “Hub City” and “Crossroads of the Mid-Atlantic” brands convey very effectively to external markets.
- ***Business Attraction:*** Develop, update annually, and implement a pro-active business attraction program focusing on the economic clusters and target industries recommended in Section 4, particularly the following clusters and their component industries:
 - Aircraft and Aviation Technology and Services
 - Product Development and Advanced Manufacturing
 - Business and Financial Services
 - Information Technology and Security

A pro-active program should include developing ongoing relationships, including routine contacts, with (1) senior DBED personnel in Baltimore, CHIEF, HCC, Tri-County Council, Western Maryland Consortium, and cities and towns in Washington County, particularly Hagerstown, (2) site location consultants active in Maryland and the I-81 corridor, and (3) national and regional commercial/industrial developers and real estate brokers active in Maryland and the I-81 corridor. The program should also include participation in industry conferences and trade shows in these clusters and a new Federal Marketing and Outreach Program (see below).

Placement of articles and ads in leading trade journals (e.g., Area Development and Site Selection magazines) is recommended, particularly in those issues featuring the State of Maryland and Middle Atlantic Region. Blind direct mail marketing to a list of industries is generally unproductive and should be minimized in the marketing program. Metrics by which the cost/benefit of various types of advertising and promotion should be explored.

- ***Cluster-Specific Marketing Information:*** Develop brief, flexible, and printable marketing materials and web site content specific to each recommended economic cluster, pointing to specific advantages of doing business and locating and living in Hagerstown-Washington County, listing firms of similar types in the area (with testimonial ads), and providing guidance on who/what to contact for additional information. Printed materials would be distributed to local and state economic development allies (DBED, Tri-County Council, Western Maryland Consortium, etc.), site consultants, and national and regional developers and brokers, and provided to interested parties at industry conferences and trade shows.
- ***Business Retention:*** Develop, update annually, and implement a “hands on” business retention program focusing on existing industries, including conduct of industry appreciation and recognition events and provision of technical assistance on permitting, workforce training, financial incentives, and other issues. As previously mentioned, a significant aspect of the current business retention program is EDC practice of meeting on-site with individual industries weekly to learn about the company and issues and needs they may have. County Commissioners participate in these meetings.
- ***EDC Web Site:*** Establish a protocol to continuously update the EDC web site to include (1) the above economic cluster-specific information, (2) information on new initiatives, (3) up-to-date industrial and office site and building data, including downtown office space, (4) “About Us” -- restructured Board composition and staff, if any, (5) links to local and state economic development allies, and (6) successes in attracting and expanding business and industry.
- ***DBED Site and Building Database:*** Coordinate at least annually with the Maryland Department of Business and Economic Development (DBED) to ensure that industrial and office and building data in their database is consistent with the EDC database.
- ***Local Headquarters:*** Research and market the presence of corporate, division, regional office, and/or business group headquarters, including Volvo Powertrain, Merkle Response Services, Bowman Transportation, Review and Herald Publishing Association, Potomac Edison, and Sierra Nevada Integrated Mission Systems. The presence of these local headquarters is a highly marketable asset for Hagerstown-Washington County.

Federal Marketing and Outreach

Adjacent and nearby counties have been successful in attracting and maintaining a sizeable Federal government presence, including administrative and military facilities. Frederick County, MD, is home to the Camp David presidential retreat and Fort Detrick, the U.S. military center for biological and bio-chemical research, plus the National Cancer Research Institute, and several other Federal health sciences programs. Franklin and Cumberland Counties, PA, have the Letterkenny Army Depot, US Army War College, and Naval Supply Systems Command. Winchester-Frederick County, VA, has offices of FEMA, the FBI, and Corps of Engineers.

Perhaps most impressive is Berkeley County-Martinsburg, WV, which has attracted several Federal administrative and health care facilities in recent years with more than 5,000 employees, including a Veterans Administration Hospital, an Internal Revenue Service computing center, and facilities for the Coast Guard, Air National Guard, and Bureau of Alcohol, Tobacco, and Firearms, thanks to the considerable influence of former U.S. Senator Robert Byrd.

Meanwhile, Washington County lost Fort Ritchie, a former military communications and intelligence facility. Areas west and northwest of Washington DC, including the I-81 corridor, fit well within Federal administrative and military decentralization strategies, and other counties in the region continue to benefit. Hagerstown-Washington County has perhaps more strategic and advantageous location characteristics, including Maryland's second largest public use airport and junction of I-70 (east-west) and I-81 (north-south). The following actions are proposed:

- Develop and carry out a targeted marketing and outreach program to attract Federal government agencies and operations related to aircraft surveillance and mapping, data management and secured records storage, homeland and cyber-security, and back-office functions, including regular contacts with the General Services Administration (GSA), the Federal landlord, and other agencies identified as potential candidates for relocating and branching. **Lead:** Economic Development Commission/Corporation.
- Seek guidance and active support for the program from area representatives in the State Legislature and Maryland members of the U.S. Senate and House of Representatives. Establish a process to update legislative leaders on local challenges, opportunities, targets, and successes. **Lead:** Economic Development Commission/Corporation.
- Develop a marketing packet of information that identifies (1) benefits of locating in Washington County, (2) sites that correlate well with aircraft surveillance and mapping, data management and records storage, homeland and cyber-security, back-office functions, and other identified Federal needs, and (3) existing local employers that provide similar services and technologies. **Lead:** Economic Development Commission/Corporation.

- **Fort Detrick:** Extend the Federal Outreach program to target contracting opportunities with Fort Detrick in Frederick County (MD), including the various tenant agencies and private contractors stationed on and near the base. Develop contacts with the Fort Detrick Business Development Office and key tenants. Consult with Hagerstown Community College, which has experience training bio-technicians for Fort Detrick. **Lead:** Economic Development Commission/Corporation.

Other Marketing Initiatives

- **Maryland Inland Port:** Initiate discussions with the Maryland Port Administration, CSX Transportation, and the Norfolk Southern Railroad about possibilities for a Maryland Inland Port in the Hagerstown area linked to the Port of Baltimore. The I-81 corridor has a number of existing inland ports and rail intermodal terminals, including the Virginia Inland Port in the Front Royal area, CSX intermodal terminal in Chambersburg (PA) and Norfolk Southern facility in Greencastle (PA). An Eastern Panhandle (WV) group recently studied prospects for an inland port in the Martinsburg area, but concluded that it was not feasible because other facilities in the region. The same conclusion could be reached for the Hagerstown area, except that Maryland has no in-state I-81 corridor intermodal facilities serving the Port of Baltimore. **Lead:** Economic Development Commission/Corporation.
- **Hagerstown Metropolitan Area:** Initiate discussions with the Federal Office of Management and Budget and representatives of Franklin County (PA) to expand the Hagerstown-Martinsville Metropolitan Statistical Area (MSA) to include Franklin County (i.e., Hagerstown-Martinsville-Chambersburg MSA). At present, Franklin County is a designated Micropolitan Area, located between the Harrisburg-Carlisle MSA and the Hagerstown-Martinsburg MSA. It may be of benefit to Franklin County to be less isolated and part of a larger tri-state MSA. The benefit to Hagerstown-Washington County is to be at the heart of a tri-state MSA with a population over 425,000.

The extent of inter-county commuter traffic may provide justification for expanding MSA boundaries. According to U.S. Census American Community Survey data for 2006-2008, Washington County and Franklin County exchanged nearly 12,000 commuters daily, including over 9,000 inbound to Washington County. Daily commuter traffic between Washington County and Berkeley County totaled slightly more than half the Washington-Franklin total. Seek support, as appropriate, from DBED, the Maryland General Assembly, and members of the U.S. Senate and House. **Lead:** Economic Development Commission/Corporation.

- **QUADCO Alliance.** The QUADCO Alliance is an I-81 corridor regional marketing partnership begun ten or more years ago by the economic development directors in Hagerstown-Washington County, Franklin County (PA), Berkeley County (WV), and Winchester-Frederick County (VA). The purpose of this partnership was to jointly promote economic development in the four-state region with a coordinated and louder voice. The Alliance had some success, particularly in the printing and publishing industry, but is now largely inactive. Given the close workforce-jobs and trade and service ties among the four counties, the Alliance provides a medium for discussing and cooperating on issues affecting the region, such as widening I-81, and should be renewed. The Alliance web site, www.quadcoaliance.com, is still active. **Lead:** Economic Development Commission/Corporation.

- **Woodmont Lodge:** Meet with representatives of the Maryland Department of Natural Resources and Isaac Walton League to discuss and pursue opportunities to utilize the former Woodmont Rod & Gun Club as an upscale lodging, retreat, and base for “field and stream” activities for which it was famous decades ago. Having once hosted six U.S. Presidents, a number of Senators and Congressmen, and various sports and entertainment personalities, Woodmont Lodge is a distinctive Washington County asset that could be much more than the low key passing memory it is today. **Lead:** Convention and Visitors Bureau. **Support:** Economic Development Commission/Corporation.

- **Countryside Touring:** The striking rural/farming countryside, charming small towns, and the many national and state parks and historic sites in Washington County provide opportunities for overnight stays in the area while touring and enjoying the countryside. The County’s many attractions are presented largely as stand-alone things to do and places to visit and are not linked together in ways that promote spending days in the area. Maps and self-guided tours featuring parks, historic sites, scenic vistas, farm markets, wineries, corn mazes, small town amenities, country inns, and B&Bs may go a long way towards bringing more visitors to the County, staying overnight, and supporting small business. **Lead:** Convention and Visitors Bureau. **Support:** Economic Development Commission/Corporation.

- **Destination Retail:** Destination retailing is an important aspect of tourism development. Hagerstown-Washington County has met with success in this area with the Hagerstown Premium Outlets, which attracts many thousands of visitors and spenders from outside the County. Other opportunities include attracting a large “Cabelas”-Type outdoors superstore, which can attract visitors in the millions. A store of this caliber in Washington County taking advantage of the I-81/I-70 location continues to make sense and should be revisited. **Lead:** Convention and Visitors Bureau. **Support:** Economic Development Commission/Corporation.

- **Airport Marketing:** Complete the recently awarded Comprehensive Marketing Plan contract for Hagerstown Regional Airport (HGR) and implement recommendations as resources permit. Objectives of the Plan include (1) strengthening existing airport businesses, (2) identification of new aviation-related commercial and industrial development opportunities in the airport area, (3) identification of new commercial air service opportunities, and (4) identification of market opportunities for air freight/cargo. Completion of the Marketing Plan report is expected later in the first half of 2013.
- **Agribusiness Promotion and Development:** Establish or continue a close working relationship with the Maryland Agricultural Extension Office and Western Maryland Research and Education Center (WMREC) to (1) develop and implement agricultural marketing and management programs that benefit farmers and help them diversify and expand their operations in the County and (2) increase on-site animal and food science research activities that could help generate new agri-science businesses. **Lead:** Economic Development Commission/Corporation.

INFRASTRUCTURE AND SITE DEVELOPMENT

Important aspects of a successful economic development are providing adequate transportation, utilities, and communications infrastructure and maintaining an adequate inventory of sites and buildings to accommodate future economic growth. The following local, state, and Federal actions and projects are viewed as priorities to ensure that adequate infrastructure capacity and services and developable sites are available as needed:

Transportation

- **Interstate 81:** Widen I-81 to six lanes. I-81 in Washington County had the second highest volume of truck traffic in Maryland, according to the 2007 Maryland State Freight Plan. The highest was the Cecil County segment of I-95. Virginia and West Virginia are currently working on plans to upgrade I-81 to six lanes. Given that this project is a Federal/state responsibility, seek guidance and support from the Maryland and U.S. Departments of Transportation, the Maryland General Assembly, and Maryland members of the U.S. Senate and House of Representatives. **Lead:** Board of County Commissioners. **Support:** Economic Development Commission/Corporation.
- **Interstate 70:** Widen I-70 to six lanes: I-70 is or soon will be six lanes from Baltimore to Frederick. Widening to six lanes from Frederick to I-81 in Washington County is also shown as a top priority in the Maryland State Freight Plan and will greatly improve travel between Hagerstown and the Baltimore and Washington DC areas. Given that this project also is a Federal/state responsibility, seek guidance and support from the Maryland and U.S. Departments of Transportation, the Maryland General Assembly, and Maryland

members of the U.S. Senate and House of Representatives. **Lead:** Board of County Commissioners. **Support:** Economic Development Commission/Corporation.

- **Hopewell Valley:** Extend Halfway Boulevard west to Greencastle Pike and Newgate Road north to National Pike, to spread traffic accessing and exiting this area, nearly all of which is channeled through the Halfway Boulevard/ Hopewell Road intersection and the I-81/Halfway Boulevard interchange. **Lead:** Board of County Commissioners. **Support:** Economic Development Commission/Corporation.
- **Mt. Aetna Technology Park at Hagerstown (MATH):** Develop road access to the proposed Mt. Aetna Farms technology park situated between the Meritus Hospital complex and Hagerstown Community College (HCC). Present plans are to improve and extend Yale Drive from Mt. Aetna Road to service initial phases of development. Future road improvements should include an internal connection between HCC and Robinwood Drive, as well as a second connection to HCC. Currently included in the County Capital Improvement program (CIP). **Lead:** Board of County Commissioners. **Support:** Economic Development Commission/Corporation.
- **Commuter Rail Service:** Discuss with the Maryland Transit Administration the feasibility of extending MARC commuter rail service to the Hagerstown-Williamsport area. Closest service points presently are Brunswick in Frederick County and Martinsburg, WV. This may have been put to rest long ago, but the issue should be revisited, as it would go a long way toward bringing the Hagerstown area into the Washington DC economic orbit, a marketing advantage enjoyed by the Martinsburg area. Seek guidance and support from local representatives in the Maryland General Assembly and Maryland members of the U.S. Senate and House of Representatives. **Lead:** Board of County Commissioners. **Support:** Economic Development Commission/Corporation.
- **Airport Tower:** County should move forward with all due haste to submit plans to the Federal Aviation Administration (FAA) to replace the existing Air Traffic Control Tower at HGR. The current tower was erected in the early 1970s. The age of the current tower, which was erected in the 1970s, more recent expansion of the main runway, new tower height specifications, and existing limited views of the airfield all contribute to the need for a new tower. In addition, the status of HGR as an engine for growth in the County makes this improvement an imperative for future business development at HGR. **Lead:** Board of County Commissioners.

Utility Systems and Services

- **City Water Service in County:** The County and City of Hagerstown should join forces to develop a strategy and inter-local agreement that resolves conflicts that occur when a

business seeks to locate in an industrial park in the unincorporated area of the County and needs City water service. The City, in these cases, requires a developer or end user to enter into a pre-annexation agreement, which can mean higher property taxes at an undefined point in the future. Potential ways to resolve the matter may include one-time development impact fees for extending water service, higher water service fees in unincorporated areas, deferral of annexation for a specified period of years, payments by the County to the City for lost tax revenues, and partial tax rebates from both City and County. **Lead:** Board of County Commissioners, Hagerstown City Council.

- **High Speed Internet Access:** Available state-of-the-art high-speed Internet services are critical if Washington County is to continue to attract and retain firms and institutions in the business and financial services and information technology and security industries, particularly large data processing and storage facilities, and is imperative as well to small business and quality of life in the County. The Hagerstown urban area appears to have a wide range of Internet services and providers, including DSL, cable broadband, fiber optic networks, and wireless broadband. However, type and extent of services in outlying areas and small towns is not clear. Washington County is part of the \$115 million One Maryland Broadband (fiber) Network initiative that will join together a number of governmental, educational, and other public facilities in the County in 2013. The County is in process of engaging a broadband consultant to assess how best to utilize and maximize this network. The EDC representative on the Maryland Manufacturing Commission reports that efforts currently are underway to re-examine Maryland tax law regarding data center computer equipment with the goal to make Maryland more competitive with neighboring states. **Lead:** Board of County Commissioners.

Planning and Permitting

- **Regulatory Review:** A business friendly environment begins with a predictable and responsive regulatory review process. All processes require an established protocol to periodically “lean out” unnecessary steps that build up over time. To this end, the County, City of Hagerstown, and the other municipalities would benefit greatly by establishing a regular internal review process for existing land development regulations and permitting procedures to identify, revise, or eliminate those regulations, standards, and procedures that cause undue time delays and costs in obtaining development approvals, particularly as they affect existing businesses seeking to expand and new economic development projects. Land development regulations should be updated and permitting processes streamlined accordingly. The goal should be a credible and visible “Fast Track” process for economic development projects. **Lead:** County, City, and Town Governments. **Support:** Economic Development Commission/Corporation.

- **Division Name Change:** Change the County division name from “Plan Review and Permitting” to “Development Services,” which is a more business friendly term and may help alter the way in which applications for development are handled and regulations are interpreted. **Lead:** Board of County Commissioners.
- **Small Area Plans:** Develop definitive Small Area Plans (or Special Area Plans) for the four Primary Opportunity Areas in the unincorporated County area and assess capital improvement needs in these areas. **Lead:** Washington County Department of Planning and Zoning. **Support:** Economic Development Commission/Corporation
- **Shovel-Ready Sites:** Develop a strategy and action plan to increase the supply of available “shovel-ready” development sites in the Primary Opportunity Areas. **Lead:** Economic Development Commission/Corporation.

EDUCATION AND WORKFORCE DEVELOPMENT

Occupational Skills Development

There are two types of workforce development: place-based and sector-based. Place-based workforce development strategies focus on the needs of people in the community for education and jobs of various types that reduce poverty and raise standards of living. Sector-based strategies focus on equipping the workforce with the skills necessary for certain occupations and specific industries, such as manufacturing and health care. Although both types are critical to improving quality of life and standard of living in a community and should be pursued, sector-based workforce development strategies are most important to the attraction and retention of specific types of business and industry that drive the local economy.

An effective workforce development program is one that is based on networks and partnerships involving employers, unions (where they exist), Workforce Investment Boards, one-stop career centers, secondary and vocational-technical schools, community colleges, and other workforce training and placement service providers. These are well represented in Washington County, but it is highly unlikely that they network or partner effectively in assessing workforce needs and in developing and implementing workforce training programs in an ongoing and consistent manner.

Washington County workforce issues and training needs come under the purview of the Western Maryland (Workforce) Consortium, the State-designated Workforce Investment Board for the three-county region. As such, the Consortium must give attention to the interests of three diverse counties, making it desirable to have a local organization focused on the needs and interests of Washington County. This is particularly true, inasmuch as Washington County workforce needs are more like those in adjacent Frederick (MD), Berkeley (WV), and Franklin (PA) Counties than those in the other Western Maryland Counties -- Allegany and Garrett.

The following actions are intended to prepare the Hagerstown-Washington County labor force for jobs in existing industries and jobs in identified economic clusters and target industries on which the future economy of Hagerstown-Washington County will be based:

- Strengthen the mission and function of the existing Workforce Development Committee of the EDC as a broadened Education and Workforce Development Committee focused on the educational and workforce needs of Washington County. The Committee would be responsible for developing, coordinating, and monitoring a workforce development strategy and ongoing program specific to the needs and interests of the County, working in partnership with the Western Maryland Consortium. The Committee may include representatives of local governments, the Western Maryland (Workforce) Consortium, Washington County Public Schools (WCPS), Hagerstown Community College (HCC), human resource officials with major companies, and others. **Lead:** Economic Development Commission/Corporation.
- Establish or expand partnerships between the business community and educational system, including WCPS and HCC, to include in-class lectures and mentoring, guided plant tours, and “Adopt-a-School” programs. **Lead:** Economic Development Commission/Corporation.
- Develop and implement workforce training activities and programs primarily for the following occupations and industries:
 - Operation and maintenance of industrial equipment – robotics equipment, machinery, industrial trucks, and assembly and conveyor systems.
 - Precision machining and metalworking.
 - Computer and information technology, including computer systems and software design, web design, broadband and satellite communications, cyber-security, and data processing.
 - Operation and maintenance of office and related equipment, including computers and communications equipment.
 - Design, drafting, and GIS occupations.**Lead:** Economic Development Commission/Corporation.
- Design and conduct an employer-based workforce survey (or series of surveys) to (1) determine experience in finding, hiring, and retaining skilled workers in the local and regional markets and (2) determine demands for workers having certain occupational skills and/or training assistance in the near future (1-5 years). Focus initial surveys on existing employers in the aircraft/aviation, advanced manufacturing, business/financial services, and information technology/services clusters. **Lead:** Economic Development Commission/Corporation initially, transitioning to the Workforce Council.

Higher Education

In the broader view of education and workforce development needs, the comparatively low percentages of the Washington County residents having Bachelors or graduate degrees is a cause for concern, particularly in attracting knowledge-based and technology-oriented businesses and professionals. Raising the bar on educational attainment is critical to the economic future of the County. Although the path to a four-year college education and beyond begins with the WCPS system, local opportunities to move well beyond are limited. HCC provides excellent two-year programs in many fields. The University System of Maryland at Hagerstown (USMH) picks up the last two years of a full-term college education in several fields, but is new and small.

Raising the educational attainment bar to more competitive levels in Hagerstown-Washington County ultimately will require that USMH evolve into a full self-contained four-year public university offering Bachelors and advanced degrees. The following actions are proposed:

- Conduct meetings with affected and interested parties, including the EDC, HCC, USMH, and Kaplan University to discuss educational needs, political realities, opportunities, and potential strategies for expanding higher education in Hagerstown-Washington County.
- Expand, coordinate, and effectively market on-site and on-line continuing education programs at HCC, USMH, and Kaplan leading to Bachelors and advanced degrees.
- Assess needs and opportunities and develop a strategy and action plan to elevate the identity and presence of USMH, with the goal of becoming a full self-contained four-year public university in Washington County. Expand course offerings and provide student housing opportunities and other amenities downtown to support an expanded presence. The EDC in cooperation with the Washington County Board of County Commissioners and Hagerstown Mayor and City Council should join forces to promote the concept and provide a united front in pursuit of conceptual and financial support from the Governor, the Maryland General Assembly, and Maryland Higher Education Commission.

ENTREPRENEURISM AND SMALL BUSINESS DEVELOPMENT

Small businesses in Washington County, defined herein as having fewer than 20 employees, account for 85 percent of all 3,489 establishments in 2010, according to County Business Patterns data from the U.S. Census Bureau. This data does not include businesses with no paid employees. Businesses with 20 or more employees, while accounting for only 15 percent of establishments, provide 70 percent of all reported jobs in the County. While small businesses are important contributors to the County economy, the demand for and sustainability of small business depends to a great extent on the presence of larger businesses and government activities that drive the local economy and provide most of the jobs.

There are two basic types of small business. One includes traditional retailers and service businesses that serve and rely on a local customer base and are tied to local economic activity. The other includes businesses that, because of their special or unique expertise and technologies, also serve regional and external markets and have the opportunity to grow into larger enterprises. These are the small businesses and entrepreneurs that have potentially greater economic impacts on the community and that should be the primary small business focus of a countywide economic development program. “Economic gardening” is an increasingly used term in small business development and suggests that home-grown jobs are an important source of economic growth.

The following actions are intended to provide opportunities for new business startups and existing small businesses with growth opportunities in identified economic clusters and target industries, particularly those in emerging and high-growth technologies.

- The EDC, through its Small Business Development Committee, should continue efforts to develop, coordinate, and monitor a small business development strategy and ongoing program for the County. The Committee should include representatives from the City of Hagerstown Department of Community and Economic Development, Small Business Development Center, Hagerstown Community College/Technical Innovation Center, and others as appropriate. **Lead:** Economic Development Commission/Corporation.
- Compile a complete list of small technology-oriented firms by type (IT, agri-science, bioscience, etc.) in Washington County using the Hoovers business database acquired by the EDC. **Note:** Many but not necessarily all firms are listed in the EDC’s annual Business and Industry Directory. The presence of local high-tech firms will demonstrate opportunities for others to locate and start-up in the County. **Lead:** Economic Development Commission/Corporation.
- Develop a web-based resource center for Washington County entrepreneurs and small businesses seeking information on who to contact and how to plan for, start up, finance, market, and operate a small business. The Frederick Entrepreneur Support Network (www.frederickesn.org) is a good example, as is the small business toolbox, “Tools for Small Business Success” on the Economic Development Coalition of Asheville-Buncombe County, NC, website (www.ashevillechamber.com). Coordinate with the Small Business Development Center on developing web content. **Lead:** Economic Development Commission/Corporation.
- Conduct an annual competition among local entrepreneurs for the best new business concept, similar to the “Will This Float” judged competition in Washington County/Johnson City, TN (www.thewcedc.com). Also “google” Will This Float, Chattanooga. **Lead:** Economic Development Commission/Corporation.

- Evaluate the most effective and efficient way to develop a revolving loan program for startups and small businesses. The primary focus should be on identified economic clusters and target industries, with priority to startups and small businesses in aviation and aircraft technologies and services, product development/advanced manufacturing, and information technology and security. **Lead:** Economic Development Commission. **Note:** See also Organizational Structure and Performance.
- Work with the City of Hagerstown, Chambers of Commerce, business organizations, and the Small Business Development Center (SBDC) in marketing the small business loan program and in identifying and qualifying potential candidates. **Lead:** Economic Development Commission. **Note:** See also Organizational Structure and Performance.

STRENGTHENING HAGERSTOWN'S CITY CENTER

It is imperative to the economic future of Washington County that downtown Hagerstown is a viable and vibrant center of government, the arts, cultural activities, and types of entertainment and specialty goods and services that are best provided in traditional urban downtowns. High-wage and knowledge-based businesses and professionals considering moving to Hagerstown-Washington County in the future may come from larger cities and have certain expectations for urban amenities and services. A viable and vibrant downtown Hagerstown is critical to attracting these businesses and professionals as well as contributing to the quality of life and economic prosperity of existing residents. The following strategies and actions are intended to promote revitalization of the Hagerstown's City Center:

- ***Multi-Use Complex:*** Continue efforts to secure adequate funding from public and private sources to build a new downtown multi-use entertainment, civic, and special events complex to serve the needs of Washington County and provide a catalyst for further downtown revitalization. This is the type and scale of public investment that can renew private interest in investing in downtown Hagerstown.
- ***School Board Offices:*** Secure a commitment from Washington County Public Schools to relocate their administrative facilities to downtown Hagerstown and locate adequate existing space or build new space to accommodate these facilities.
- ***Arts and Entertainment District:*** Designate a more compact priority development and investment area within the existing mapped downtown Arts and Entertainment District. The large size of the existing designated area may work against concentrating the new investment and development needed to generate a critical mass of closely-knit business and visitor activity in the Center City. However, the Arts and Entertainment District area should be extended to include the multi-use complex and adjacent street fronts.

- ***Low Income Housing:*** Meet with existing low income housing providers and reach an understanding to limit and ultimately reduce low income housing in downtown Hagerstown, particularly in and adjacent to the Arts and Entertainment District.
- ***Public Nuisance Ordinance:*** Consider adoption of regulations to limit anti-social activities and behavior in designated areas of downtown that are deterrents to businesses and visitors, particularly in the Arts and Entertainment District.
- ***Tax Increment Finance District:*** Opportunities to utilize Tax Increment Financing (TIF) and Special Tax Districts currently exist within the County, given established parameters. These tools should be tied into a new downtown Tax Increment Finance District (or districts) to concentrate increased property tax revenues on addressing specific needs in the TIF District. Many if not most downtowns in the U.S. use the TIF mechanism to make needed public improvements and provide incentives to leverage private investments in downtown. Establishment of a TIF District normally requires preparation of a detailed Community Redevelopment Plan for the area. The City of Hagerstown would benefit from a new comprehensive redevelopment plan, prepared in cooperation with the County, that takes into consideration and puts in priority a range of development opportunities, including best locations to attract market-rate housing.
- ***Office and Retail Space Inventory:*** Unless already completed or underway, develop and maintain an inventory of vacant office and retail space in downtown Hagerstown. Include vacant office space of 5,000 square feet or more in the EDC site and building database.
- ***Employment Survey:*** Survey and develop estimates of existing office employment in downtown Hagerstown by block or subarea and make this information available to interested and potential retailers and service establishments. A large concentration of government offices, non-profit organizations, financial institutions, and private businesses exists in downtown Hagerstown. When added together, numbers of downtown workers may be surprising and could help stimulate the retail market.
- ***Wayfinding Plan:*** Develop and implement a wayfinding plan for downtown Hagerstown, if such plan is not already in process. The existing one-way street system is confusing to many of those unfamiliar with downtown Hagerstown and annoying in general to most visitors, making it difficult to find and get to where you are going.
- ***Maryland School of the Arts and Design:*** Investigate the feasibility of establishing a Maryland School of Arts and Design in downtown Hagerstown to build on the presence of the acclaimed Barbara Ingram School for the Arts and the Maryland Theater and Maryland Symphony Orchestra. Given their presence in downtown and the rich cultural history of Hagerstown, a Maryland School of the Arts and Design would seem to be a

reasonable goal for the community to pursue for downtown Hagerstown, and competition in the state appears limited.

Existing facilities include the Maryland Institute College of Art in Baltimore and Maryland College of Art and Design in Silver Spring, both private, and The School of Art and Design at Montgomery (Community) College near Washington DC. Graphic arts and design programs are also offered at the University of Maryland College Park, Morgan State University, and Frostburg State University.

The EDC should work with the City Department of Community and Economic Development, Washington County Public Schools, Hagerstown Community College, and University System of Maryland at Hagerstown to explore possibilities and determine steps necessary to turn the vision to reality. An excellent example of how such a facility can be a significant change agent in a downtown area is the Savannah College of Art and Design (SCAD – www.scad.edu) in Savannah, GA.

- ***Downtown Civic Center.*** Many cities the size of Hagerstown have large multi-use centers that can host various business, entertainment, and social events, including conferences, banquets, trade shows, and concerts. Many group events presently are accommodated by a number of private and public venues, including theaters, museums, and hotels in and outside the City Center.

The Greater Hagerstown Committee (GHC) convened a Convention Center Task Force in 2009 to evaluate demand and feasibility for such a center, but work of the Task Force was put on hold pending the outcome of the sports and special events project. The GHC Task Force should renew its analysis of the downtown multi-use civic center concept. It should be recognized that this type of public venue rarely if ever is self-amortizing, and may struggle to cover operating costs. Instead, their value is measured by civic pride and downtown business generated in the private sector by events and visitors.

OTHER STRATEGIC INITIATIVES

Fort Ritchie

Although Fort Ritchie is no longer part of the Federal military infrastructure, exploration of possible opportunities for Federal non-military use should be on the table along with other potential uses. Many uses for Fort Ritchie have been discussed and proposed in the past and the conversation continues today with no consensus on the future of the 591-acre property.

Real estate developer/investor, Corporate Office Properties Trust (COPT), a major player in the Washington DC market, purchased the property from PenMar in 2006 and proposed a large

mixed use development, including residential and office uses. The collapse of the national real estate market in 2008 and a lawsuit conspired against COPT's ambitions for the property, which was returned to PenMar in 2012.

Land uses considered to date include the COPT mixed use plan, data center, retreat, and resort/recreation facility, among others. Reuse will be a challenge because of the remote location of Fort Ritchie, largely unknown status of utilities and costs to upgrade to current standards, deteriorated condition of many buildings, and limitations in the ability to demolish or remodel designated historic structures for contemporary uses. That said, Fort Ritchie is a unique property with a marketable and sustainable future for the right use and users. The following actions are proposed:

- Revisit COPT concepts and plans for the property, including discussions with COPT planners, to determine what aspects may continue to be valid in an improved real estate market. For example, COPT proposed 1.7 million square feet of office/retail space, including 850,000 square feet of secured office space for government agencies, defense information technology contractors, and corporate tenants. Given their presence in and knowledge of the Washington DC market, some credence must be given to this concept.
- Develop an inventory and assessment of roads, other paved areas, water and sewer facilities, and communications systems with respect to their adequacy to support reuse and redevelopment and needs for and costs of improvement and replacement. *Note:* An initial inventory and assessment may have been performed by COPT and may be in PenMar hands.
- Refine the existing inventory and assessment of buildings and other structures on the property relative to their reuse potentials and improvement needs and costs. PenMar has a basic inventory and assessment of buildings and structures provided by COPT, but it is not clear if more specific reuse potentials, improvement needs, and costs were provided.
- With this background information, conduct detailed market and financial feasibility analyses to identify and compare supportable futures for the property and potential uses of individual buildings that merit retention and reuse. These analyses should include revisiting aspects of COPT concepts and plans, destination tourist/outdoor recreation facility, retreat for corporate and institutional (e.g., religious groups) users, secure data center, support facility for Camp David and Raven Rock, and others. The Maryland Congressional Delegation should be tasked to identify potential Federal users.

Small Towns and Rural/Agricultural Areas

It is easy to become preoccupied with economic development needs and opportunities in the Hagerstown urban area, but needs and opportunities in the small towns and rural/agricultural areas of Washington County should not be overlooked in recruiting new business, supporting existing business, and improving quality of life.

Boonsboro, Hancock, Smithsburg, and Williamsport are home to various manufacturers and distributors. Boonsboro is home to Central Precision (metal fabrication and machining) and Emerging Sciences & Technologies (sophisticated bomb detection equipment). Hancock has Saputo Cheese (food products), Rayloc (auto parts), and Evolve Composites (light weight construction materials). Smithsburg has Hadley Farms (wholesale bakery), Fil-Tech (technical fibers), and Performance Pipe (polyethylene pipe). Williamsport is the most industrial with a variety of mid-size to large firms, including Potomac Edison (HQ office), Rust-Oleum (paints and coatings), Certain Teed (building products), DOT Foods (distributor), and the Bowman Group (trucking, distribution, real estate development, and hospitality).

Boonsboro, originally a mill town and farm community has become a tourist destination thanks to popular romance novelist, Nora Roberts, who is investing in revitalizing the downtown area and who lives in nearby Keedysville. Keedysville, nearby Sharpsburg, and Clear Spring are small primarily residential farm communities that may prefer to stay that way. Funkstown is literally an extension of Hagerstown, but has a collection of antique, collectibles, and crafts shops and galleries that make it a budding tourist destination.

All eight towns seek to strengthen their property tax bases, to revitalize or stabilize their downtowns, and to improve their quality of life. Most are capable of supporting small manufacturing and technology-oriented service businesses and should be part of countywide business attraction, retention, and small business development initiatives. In addition, these small towns and the surrounding rural/agricultural countryside are significant social, visual, and economic assets in Washington County. Opportunities for diversifying farm operations and expanding agribusiness and tourism in these communities and areas are important economic development and small business development objectives. The following actions are proposed:

- Ensure that small towns and rural/agricultural areas of Washington County are incorporated in countywide business attraction, business retention, small business development, and tourism development and promotion programs.
- Develop and implement targeted marketing and infrastructure and site development programs for small towns and rural/agricultural areas as an if needed to attract and support new business and retain existing business in industries targeted for the County.

- Conduct an annual town economic development forum for these small towns and rural areas to discuss their economic development needs, interests, and potential approaches to meeting their needs.
- Seek commitments from the towns to periodically review their planning and zoning policies, land development regulations, and permitting procedures to ensure that they business friendly.

Taxes, Incentives, and Business Costs

A number of cost factors are involved in decision making by businesses on where to locate and expand, not the least of which are costs of operation, including taxes and energy costs. The intent of the following proposed actions is to position Hagerstown-Washington County as a competitive location for certain target industries that might otherwise find the local business environment too costly:

- Work closely with Potomac Edison to seek competitive energy pricing policies for high energy users, including some manufacturing operations and financial and data centers.
- Develop County and City business personal property tax policies that do not limit but rather promote growth opportunities in certain targeted economic activities not otherwise exempt from these taxes.
- The County should encourage development of solar farms as alternative and back-up “green” energy sources, particularly as they relate to promoting new markets, including data centers, taking advantage of State and local real property tax exemptions for these new facilities. These exemptions are as provided for under HB 377, as well as relief in the form of partial-to-full tax rebates from local business personal property taxes that may apply.

Washington County currently is home to a 20 MW solar farm on state-owned property, and has entered into a contract with EPG Solar to build a 25 MW solar farm on County-owned landfill property. This installation will be the largest on the East Coast and will make the County a leader in solar energy nationwide, with all County government electric power needs supplied by a renewable resource on property the County owns.

Section 5. Five-Year Plan of Action

A five-year timetable for the actions prescribed in Section 4 is presented in this Section in matrix form. Actions are listed under the following headings:

- Organizational Structure and Performance
- Marketing and Communications
- Infrastructure and Site Development
- Education and Workforce Development
- Entrepreneurism and Small Business Development
- Strengthening Hagerstown's City Center
- Other Strategic Initiatives

Public bodies, agencies, and organizations expected to participate in these actions are identified by the acronyms listed below. Lead entities are highlighted in **bold**.

- County – Washington County Government
- City – Hagerstown City Government
- EDC – Hagerstown-Washington County EDC (Commission or Corporation)
- DCED – Hagerstown Department of Community and Economic Development
- WCDPZ – Washington County Department of Planning and Zoning
- HGR – Hagerstown Regional Airport (county)
- HHA – Hagerstown Housing Authority
- CHIEF – Hagerstown-Washington County Industrial Foundation
- HWChamber – Hagerstown-Washington County Chamber of Commerce
- CVB – Hagerstown-Washington County Convention and Visitors Bureau
- GHC – Greater Hagerstown Committee
- HEPMPO – Hagerstown/Eastern Panhandle Metropolitan Planning Organization
- TCCWM – Tri-County Council for Western Maryland
- WAC – Washington County Arts Council
- SBDC – Maryland Small Business Development Center
- WMC – Western Maryland (Workforce) Consortium
- HCC – Hagerstown Community College
- USMH – University System of Maryland at Hagerstown
- WCPS – Washington County Public Schools
- Kaplan – Kaplan University (private)
- PenMar – PenMar Development Corp/Fort Ritchie

FIVE-YEAR ACTION PLAN -- ORGANIZATIONAL STRUCTURE AND PERFORMANCE

Action	2013	2014	2015	2016	2017
Organizational Structure, Partnerships, and Performance					
Explore County authorization of privatizing the existing EDC as an Economic Development Corporation, including necessary resolutions, ordinances, and other documents	County				
Existing EDC Board and staff to continue in current roles until transitioning to new EDC, if reorganization to a non-profit Corporation is approved	EDC	EDC			
County continues primary funding support for EDC	County	County	County	County	County
If created, new EDC Board is appointed by County with City input. Bylaws and committee structure are defined	County, City				
County and Board of new EDC, if created, develop job descriptions and staff the new organization. New EDC executive to be hired in any case	County, EDC	County, EDC			
If created, new EDC investigates benefits of and applies for 501(c)(3) non-profit status	EDC	EDC			
County and Board of new EDC, if created, seek reciprocity with local allies in Board appointments		EDC, CVB, GHC HWChamber			
County and Board of new EDC, if created, to consider benefits of relocating EDC offices from County Admin Bldg to other downtown space close to allied organizations		EDC			
County and City to negotiate an inter-local agreement with City that EDC is lead economic development marketing organization; combine staff and budgets as appropriate		County, City EDC and DCED Support			
EDC to establish operating partnership with CHIEF	EDC, CHIEF		Ongoing		
EDC to establish partnership with HCC for business attraction and retention and training and education	EDC, HCC		Ongoing		

(continued)

FIVE-YEAR ACTION PLAN -- ORGANIZATIONAL STRUCTURE AND PERFORMANCE (continued)

Action	2013	2014	2015	2016	2017
Organizational Structure, Partnerships, and Performance (continued)					
Strengthen communications protocols among local agencies and organizations having roles in economic development, including conduct of regular information exchange and strategy meetings among organization executives	EDC, CHIEF, DCED, CVB, GHC, HWChamber (ongoing)				
Cooperate in establishing compatible or common branding and marketing messages	EDC, CHIEF, DCED, CVB, HWChamber (ongoing)				
Conduct an annual Economic Development Summit jointly with local allies	EDC, CHIEF, DCED, CVB, GHC, HWChamber (annually)				
EDC to prepare annual reports describing activities, accomplishments, and matters to be addressed in the coming year		EDC	EDC	EDC	EDC
EDC to establish a set of performance metrics for annual reviews of activities, progress, and performance		EDC			
Potential Small Business Loan Program					
New EDC, if created, to explore benefits of and, if appropriate, seek Federal certification as a Certified Development Company (CDC) and/or Local Development Corporation (LDC) to qualify as a non-profit lender			EDC		
New EDC, if created, to develop a revolving loan program for targeted technology startups and small businesses. Work with Tri-County Council to maximize access to its loan programs			EDC, TCCWM		
New EDC, if created, to work with SBDC, HWChamber, DCED and others as needed to market program and qualify borrowers (ongoing)			EDC, SBDC, DCED, HWChamber, Others (ongoing)		

FIVE-YEAR ACTION PLAN -- MARKETING AND COMMUNICATIONS

Action	2013	2014	2015	2016	2017
General Marketing and Communications					
Branding: EDC and local allies to continue refinement of and cooperation on effective and eye-catching branding for economic development marketing. “Hub City” and “Crossroads of the Mid-Atlantic” are solid catch phrases	EDC, CVB, HWChamber (ongoing)				
Business Attraction: EDC to develop, annually update, and implement a pro-active business attraction program	EDC Initial program	EDC (update annually)			
Cluster-Specific Marketing Information: Develop marketing materials and web site content from specific clusters and industries	EDC				
Business Retention: EDC to develop, annually update, and implement an existing industry program	EDC Initial program	EDC (update annually)			
EDC Web Site: Update web site content to reflect new targets, EDC organizational changes and programs, latest site data, etc. (annual)	EDC Initial program	EDC (update annually)			
DBED Site and Building Database: EDC to monitor and provide updates to DBED database (annual)	EDC Initial update	EDC (update annually)			
Local Headquarters: Highlight and incorporate presence of local HQs in marketing materials and web site content	EDC				
Federal Marketing and Outreach					
Develop and implement a targeted marketing and outreach program for Federal government offices and facilities		EDC Initial program	EDC (update annually)		
Seek guidance and support from MD General Assembly and US Congressional Representatives, as needed		EDC Initial contacts	EDC (as needed)		

(continued)

FIVE-YEAR ACTION PLAN -- MARKETING AND COMMUNICATIONS (continued)

Action	2013	2014	2015	2016	2017
Federal Marketing and Outreach (continued)					
Develop packet of information on benefits of locating in Washington County and existing employers providing similar services and technologies		EDC			
Fort Detrick: Develop/maintain contacts with the Fort Detrick Business Development Office and tenant agencies; consult with Hagerstown Community College on its relationships with Fort Detrick		EDC Initial program and contacts	EDC Ongoing		
Other Marketing Initiatives					
Maryland Inland Port: Explore possibilities with MD Port Administration, CSX, and Norfolk Southern			EDC		
Hagerstown Metropolitan Area: Investigate expanding Hagerstown-Martinsburg MSA to include Franklin Co, PA; seek state and Federal support, as needed			EDC		
QUADCO Alliance: Renew regional marketing alliance with Franklin Co (PA), Berkeley co (WV), and Winchester-Frederick Co (VA); meet and coordinate regularly		EDC Renewal and initial contacts	EDC Ongoing		
Woodmont Lodge: Investigate/promote opportunities to expand commercial and recreational use of this historic Woodmont Rod & Gun Club property		CVB EDC support			
Countryside Touring: Develop/promote opportunities for overnight stays, networking small towns, inns and B&Bs, national/state parks, and agricultural attractions		CVB EDC support			
Destination Retail: Revisit opportunities to attract a Cabelas or Bass Pro Shops-type outdoors superstore and attraction to Washington County		CVB EDC support			

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FIVE-YEAR ACTION PLAN -- MARKETING AND COMMUNICATIONS (continued)

Action	2013	2014	2015	2016	2017
<i>Other Marketing Initiatives (continued)</i>					
<i>Agribusiness Promotion and Development:</i> Work with Extension Office and Western MD Research and Education Center to help farmers diversify and stimulate small agri-science businesses (ongoing)	EDC Ongoing				
<i>Airport Marketing Plan:</i> Complete development of the plan and implement recommended air service and business development strategies and actions as resources permit	County Complete Plan	County HGR and EDC support with Plan implementation			

FIVE-YEAR ACTION PLAN -- INFRASTRUCTURE AND SITE DEVELOPMENT

Action	2013	2014	2015	2016	2017
Transportation					
<i>Interstate 81:</i> Widen I-81 to six lanes; seek guidance/support from MD General Assembly and US Congress reps		County City, HEPMPO, EDC support			
<i>Interstate 70:</i> Widen I-70 to six lanes; seek guidance/support from MD General Assembly and US Congress reps			County City, HEPMPO, EDC support		
<i>Hopewell Valley:</i> Extend Halfway Blvd to Greencastle Pike and Newgate Road to US40		County Industrial developers to participate			
<i>Mt. Aetna Technology Park at Hagerstown (MATH):</i> Develop access roads for the proposed office, research, and technology park	County				
<i>Commuter Rail Service:</i> Investigate feasibility of extending MARC commuter rail service to Hagerstown-Williamsport area; seek guidance/support from MD General Assembly and US Congress reps, as needed				County City, HEPMPO, EDC support	
<i>Airport Tower:</i> Develop plans to relocate and reconstruct the HGR tower; seek funding from state and FAA		County HGR support			
Utility Systems and Services					
<i>City Water Service in County:</i> County and City to develop a strategy and inter-local agreement to resolve water service/annexation issues in unincorporated areas of county	County, City EDC support				
<i>High Speed Internet Access:</i> Assess countywide needs and develop plan to upgrade service in urban and rural areas		County EDC support			
Planning and Permitting					
<i>County Regulatory Review:</i> Review and revise land development regulations and procedures to reduce time delays and undue costs in securing development approvals	County, City WCDPZ, DCED, and EDC support		County, City WCDPZ, DCED, and EDC support		

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FIVE-YEAR ACTION PLAN -- INFRASTRUCTURE AND SITE DEVELOPMENT (continued)

Action	2013	2014	2015	2016	2017
Planning and Permitting (continued)					
Division Name Change: Rename County division from “Plan Review and Permitting” to a more business friendly “Development Services”		County			
Small Area Plans: Develop definitive Small Area Plans (or Special Area Plans) for four Primary Opportunity Areas in County		WCDPZ EDC support	WCDPZ EDC support	WCDPZ EDC support	WCDPZ EDC support
Shovel-Ready Sites: Develop a strategy and action plan to increase the supply of “shovel-ready” sites in Primary Opportunity Areas	EDC Working with County, CHIEF, and developers				

FIVE-YEAR ACTION PLAN -- EDUCATION AND WORKFORCE DEVELOPMENT

Action	2013	2014	2015	2016	2017
Occupational Skills Development					
Strengthen and broaden the mission and function of an EDC Education and Workforce Development Committee to develop, coordinate, and monitor County-specific workforce development activities and programs; work in partnership with the Western Maryland Consortium		EDC Define committee mission, functions, and structure	EDC, WMC Ongoing operations		
Establish or expand business-education partnerships and “Adopt-a-School” programs		EDC, WCPS, HCC, Business Community			
Develop and implement workforce training activities and programs targeting specific occupations in existing and emerging industries		EDC, WMC Ongoing operations			
Design and conduct employer-based surveys to determine workforce needs for selected industry clusters		EDC Initial survey(s)	EDC Additional surveys as needed		
Higher Education					
Conduct fact-finding and strategy meetings to discuss expanding higher education opportunities	EDC, HCC, USMH, Kaplan				
Expand and market on-site and on-line adult continuing education programs (ongoing)	EDC, HCC, USMH, Kaplan Ongoing coordination and implementation				
Assess needs and opportunities and develop strategy and action plan to elevate identity and presence of USMH with goal to expand to a full self-contained four-year university. Expand course offerings to promote growth and provide student housing downtown to increase market presence.		EDC, USMH Initial needs assessment and strategy	EDC Develop a coordinated plan of action with County and City to promote conceptual and financial support by the Governor, General Assembly, and Higher Education Commission		

FIVE-YEAR ACTION PLAN -- ENTREPRENEURISM AND SMALL BUSINESS DEVELOPMENT

Action	2013	2014	2015	2016	2017
EDC Small Business Development Committee to continue efforts to develop, coordinate, and monitor activities and programs that benefit small businesses and entrepreneurs, particularly those in targeted industries	EDC Initial strategy geared to target industries		EDC Ongoing annual activities		
Compile comprehensive list of small technology firms as a basis for assistance activities and to demonstrate opportunities to other entrepreneurs		EDC Input from DCED and SBDC			
Develop a web-based resource center for entrepreneurs and small businesses			EDC Input from SBDC		
Develop and conduct an annual competition for the best new business concept		EDC Coordinating with HWChamber and others			
Evaluate and develop an effective revolving loan program for startups and small technology-oriented businesses (new EDC if created)			EDC Working with TCCWM and SBDC		
Work with the DCED, Chamber, SBDC, and businesses in marketing the loan program and qualifying applicants (new EDC if created)			EDC Working with DCED, HWChamber, SBDC and others as appropriate		

FIVE-YEAR ACTION PLAN -- STRENGTHENING HAGERSTOWN'S CITY CENTER

Action	2013	2014	2015	2016	2017
Multi-Use Entertainment, Civic, and Events Complex: Secure adequate public and private funding to complete the project as a significant catalyst for downtown revitalization	City, County Technical and marketing support from DCED, EDC, GHC, and others				
School Board Offices: Secure commitment from the School Board to move to a downtown location; locate or build adequate space	City, WCPS DCED support				
Arts and Entertainment District: Designate a smaller priority development area within the existing mapped District to promote concentration and a critical mass of visitor and business activity in downtown	DCED				
Low Income Housing: Seek agreement with housing providers and social service organizations to limit and ultimately reduce low income housing in downtown, particularly the Arts and Entertainment District	City, HHA, and Other Providers With technical support from DCED and others				
Public Nuisance Ordinance: Consider adoption of regulations to limit anti-social activities in designated areas of downtown that are deterrents to visitors and business		City			
Tax Increment Finance District: Establish a downtown TIF District; prepare a new Redevelopment Plan for the designated TIF area		City DCED technical support			
Office and Retail Space Inventory: Develop inventory of vacant space in City Center; include large spaces in EDC site and building inventory		DCED			
Employment Survey: Survey and develop estimates of employment in the City Center			DCED		
Wayfinding Plan: Develop and implement plan to make navigating the City Center friendlier to visitors			DCED		

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FIVE-YEAR ACTION PLAN -- STRENGTHENING HAGERSTOWN'S CITY CENTER (continued)

Action	2013	2014	2015	2016	2017
<p>Maryland School of the Arts and Design: Investigate feasibility of a college-level facility and program that builds on the downtown presence the acclaimed Barbara Ingram School for the Arts and Maryland Theater and Symphony</p>			<p align="center">EDC Working with GHC, DCED, WCPS, HCC, USMH, WAC, and others as appropriate</p>		
<p>Downtown Civic Center: Revisit study of the downtown civic center concept begun in 2009 by the Greater Hagerstown Committee</p>			<p align="center">GHC With support from DCED and EDC</p>		

FIVE-YEAR ACTION PLAN -- OTHER STRATEGIC INITIATIVES

Action	2013	2014	2015	2016	2017
Fort Ritchie					
Revisit COPT concepts and plans for property, including basis for government use, defense information technology contractors, and corporate users	PenMar EDC support				
Develop or refine an inventory of infrastructure relative to its adequacy to support new development and use and costs to upgrade	PenMar				
Refine the inventory and assessment of existing buildings relative to reuse potentials, improvement needs, and costs	PenMar				
Conduct detailed market and financial feasibility studies to evaluate potential uses and help determine directions to proceed		PenMar EDC support			
Small Towns and Rural/Agricultural Areas					
Incorporate small towns and rural/agricultural areas in countywide business attraction, business retention, small business development, and tourism development and promotion programs	EDC, CVB, SBDC Ongoing				
Develop and implement targeted programs for small towns and rural/agricultural areas (where needed)	EDC, CVB, SBDC Ongoing				
Conduct annual economic development forum to discuss visions, needs, and opportunities	EDC, CVB, SBDC Ongoing				
Seek commitments from towns to develop business friendly land use policies, regulations, and permitting procedures	Incorporated Municipalities With technical assistance from WCDPZ and EDC				
Taxes, Incentives, and Business Costs					
Work with Potomac Edison to seek competitive energy rates for certain manufacturers and IT data centers	EDC				

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FIVE-YEAR ACTION PLAN -- OTHER STRATEGIC INITIATIVES (continued)

Action	2013	2014	2015	2016	2017
<i>Taxes, Incentives, and Business Costs (continued)</i>					
Develop County and City business friendly personal property tax policies that promote opportunities in the distribution and IT industries	County, City EDC support				
Encourage development of solar farms as alternative and back-up power supplies with favorable tax policies		County EDC support			