

Economic Development

Overview

The City of Frederick is a preferred workforce and business destination in the Baltimore-Washington Region. According to 2020 Esri Demographics, Frederick has an estimated population of 74,079 residents in 28,774 households, coupled with 54,533 jobs located at 3,786 businesses. This represents a high employment to housing ratio of approximately 1.9 jobs per city household. The City is the largest municipality in Frederick County and second largest in the state, and is the primary hub of county government, culture, and commerce in Frederick County. A significant percentage of Frederick residents are well-

The City of Frederick is the most common work destination for residents in the Frederick region (23,368) and that the City also is the largest source of workers in the Frederick region (15.4%) according to the Maryland Department of Labor (MDL). The City holds the highest bond ratings achievable for a small city (AA+, AA+, Aa1), due to managed spending, strong household wages, and diverse city tax base with more than 30% generated by commercial property and income taxes.

Economic development is highlighted as a critical component of the CommUNITY 2030 Strategic Plan and in this 2020 Comprehensive Plan to attract and retain resident workforce, businesses, and visitors in a sustainable manner. The City recognizes that to sustain and grow a robust economic environment it must focus attention on workforce development and housing, predictable and affordable regulations and policies, strategic infrastructure investment and business development activities.

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

- Retaining and attracting an educated and highly skilled workforce including young professionals
- Retaining, expanding, and more than half attracting businesses including start-ups with high quality jobs, which pay family supporting wages and benefits
- Maintaining a strong ratio of the City's workers are employed jobs to housing to ensure that city residents have access to jobs within Frederick County, the community thereby reducing commute times and increasing quality of life
- Diversifying the business industry base to provide jobs for a wide range of skills and wages
- Enhanced public safety
- Municipal fiscal surety and high bond ratings to lower cost of borrowing for capital projects

Frederick's strongrobust economy is due to several factors, including highly skilled and educated workforce, proximity and direct access to the Baltimore-Washington market via the internationally known I-270 Tech Corridor and I-70, strong neighboring communities such as Montgomery and Howard County, Maryland as well as Loudoun County, Virginia, the diversity of industry sectors and the impact of federal facilities including Fort Detrick. ~~Frederick's business base includes bioscience, advanced~~ and the Frederick National Laboratory for Cancer Research. Frederick's primary industries include biotech (R&D, bioinformatics, and biopharma manufacturing), technology, (info, cyber, and blockchain), manufacturing, healthcare, financial services, and tourism.

DuringThe quantity and quality of workforce in a community has a direct correlation to business retention, expansion, and attraction. Frederick is fortunate to have a well-educated and highly skilled civilian labor force of approximately 38,000.

Labor Force

| Labor Force by Select Cities | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 |
|------------------------------|----------|----------|----------|----------|----------|----------|
| Annapolis | 23,109 | 22,995 | 22,934 | 23,156 | 23,138 | 23,124 |
| Bowie | 35,479 | 35,240 | 35,376 | 35,750 | 35,682 | 35,627 |
| College Park | 15,523 | 15,360 | 15,322 | 15,342 | 15,295 | 15,322 |
| Frederick | 38,805 | 38,339 | 37,915 | 38,319 | 38,148 | 38,026 |
| Gaithersburg | 37,633 | 37,288 | 37,032 | 37,366 | 37,303 | 36,972 |
| Hagerstown | 19,534 | 19,302 | 19,169 | 19,619 | 19,724 | 19,676 |
| Laurel | 16,127 | 16,074 | 16,054 | 16,239 | 16,230 | 16,173 |
| Rockville | 38,709 | 38,369 | 38,103 | 38,374 | 38,354 | 38,038 |
| Salisbury | 16,568 | 16,282 | 15,574 | 15,232 | 14,960 | 15,039 |

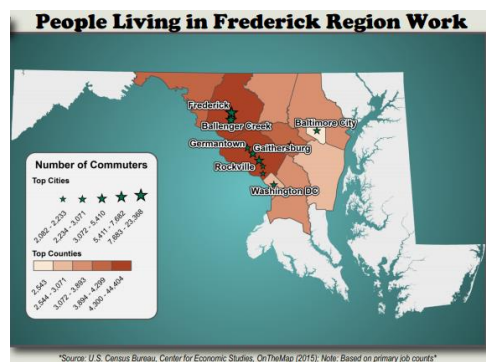
Note: Not Seasonally Adjusted data

Published by MD Office of Workforce Information & Performance

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Maryland Department of Labor

According to JobsEQ, of the individuals in that labor force aged 25 to 64, over 41% have a bachelor's degree or higher, which compares with 32% in the nation. Frederick also has a very high labor force participation rate with 72.4 percent of Frederick population over the age of 16 working and 89.2% of those between the ages of 25-54 working. Frederick County Public Schools are graduating nearly 92% of high school students. Graduates have the opportunity to join the workforce immediately or participate in internships, apprenticeships, community college, and/or college or university.



Jobs-EQ also suggests that approximately 50% of Frederick's workforce is employed in Frederick (both city and county) with the remainder commuting to other employment locations. The Frederick workforce travels approximately 32 minutes from home to work location each way.

A frequent refrain heard from Frederick citizens during the public input process for this Plan, residents expressed the both the City Strategic Plan and Comprehensive Plan is the continued need for increased higher wage job opportunities in Frederick, in order to provide increased more options tofor those residents who currently commute to commuting to higher wage jobs outside of the County. elsewhere.

In response, the City of Frederick has implemented a variety of land use and economic development strategies and programs to make Frederick a preferred employment location.

The City's Department of Economic Development strives to increase economic opportunity in the City of Frederick through job creation, revitalization and reinvestment. The Department's initiatives reflect the crucial role of economic development in enhancing Frederick's quality of life. The City of Frederick recognizes that a vibrant business community can provide family-supporting jobs for a growing population and contribute to the tax base needed to support critical services. For this reason, the goals of the City's economic development policies are to create jobs and to increase the commercial tax base. workforce development, entrepreneurial assistance, business retention, expansion, and attraction.

Trends

Frederick is trending toward technology, talent, and tourism. The canning, tanning, and knitting industries of the 19th and 20th centuries have given way to biotechnology, breweries and distilleries, and bitcoin technologies today. This unique blending of history, technology, and access has branded Frederick as a top place to live and work on the East Coast.

The City has

Nearly 3,500 businesses employing 49,000 people are located within the City (InfoUSA 2008 data). These numbers account for 43% and 49% of County totals respectively. Six hundred of those businesses are located in the downtown business district with 5,000 jobs (Downtown Frederick Business & Organization Survey & Inventory Report, DED 2005).

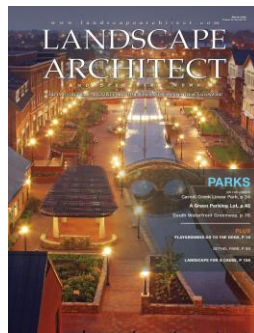
Since 2004, Frederick* has experienced net job growth of 9,527 jobs (a 14% gain), concentrated in the following sectors: **[INSERT TABLE ED_SECTORTABLE.doc]**

Manufacturing, although still a strong employment sector for Frederick, lost employment during this same time period. The City's 14% decline in manufacturing employment (a net loss of 434 jobs) mirrors national trends. This job loss was due primarily to the closure of the apparel manufacturer Hartz & Sons Co in 2006. Additionally, manufacturing gains at the new MedImmune facility have not yet been realized, as the new plant will only begin hiring and production in 2009 and 2010. BP

Solar Frederick, the company's North American headquarters, continues to employ in excess of 400 employees.

Fort Detrick, added 3,274 new jobs during the past five years and is projected to continue to grow for the foreseeable future (JobsEQ). Some areas of note are in healthcare, professional, scientific, technology, and manufacturing. Service industries are also doing very well in part because of population growth and tourism. Frederick continues to be competitive with its peer communities in terms of unemployment and job growth. Maryland Department of Labor (MDL) projects that Frederick will be one of the top job producing places in Maryland.

In addition to local resident demand, Frederick is attracting nearly two million outside visitors per year now according to Visit Frederick – Frederick County Tourism Council - which tracks such data. Those visitors are from more than 50 miles away and spend significantly in the community in terms of overnight accommodations, dining, fuel, retail, museums, arts, and emerging craft beverage industry. Visit Frederick projects that those visitors are now spending over one million dollar per day in the local economy – nearly \$400 million annually.



It used to be the norm that workforce moved to places where businesses and jobs were located regardless of the quality of life of the host community. Today, that human talent is chasing quality of life first and in turn businesses are chasing the talent to high quality locations. Young professionals are seeking to live and work in unique and authentic places, which are diverse, inspirational, and affordable. Frederick has worked tirelessly on creative placemaking across the city through great neighborhoods, housing options, parks, trails, wayfinding, arts, culture, along with retail and entertainment amenities.

Carroll Creek Park in downtown Frederick is a tremendous example of mixed-use development anchored by world-class park amenities, music, techjobs, along with top culinary and craft beverage destinations. The City is pursuing additional placemaking, transportation, and utility investments through its Capital Improvement Program (CIP) and partnerships with both public and private sector entities. For example, the City in partnership with a private hotel developer, is pursuing a full-service downtown hotel and conference center to support resident, visitor, and business needs while inducing more than \$25 million in economic impact. Similarly, Frederick Municipal Airport (FDK) is

working with a private entity to construct new hangars in its quest to be the preferred executive airport in the capital region.

Select Cities, Not Seasonally Adjusted - Local Area Unemployment Statistics (LAUS) - Workforce Information & Performance

Unemployment Rate

| Unemployment Rate by Select Cities | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 |
|------------------------------------|----------|----------|----------|----------|----------|----------|
| Annapolis | 3.3 | 3.0 | 2.7 | 2.6 | 2.6 | 2.3 |
| Bowie | 3.6 | 3.5 | 3.3 | 3.2 | 3.0 | 2.9 |
| College Park | 6.2 | 5.8 | 5.0 | 4.0 | 3.7 | 3.9 |
| Frederick | 3.8 | 3.6 | 3.2 | 3.1 | 3.0 | 2.8 |
| Gaithersburg | 3.4 | 3.0 | 2.8 | 2.9 | 2.7 | 2.5 |
| Hagerstown | 4.8 | 4.7 | 4.2 | 4.2 | 4.0 | 3.8 |
| Laurel | 4.0 | 4.3 | 3.5 | 3.6 | 3.5 | 3.2 |
| Rockville | 3.1 | 2.8 | 2.6 | 2.5 | 2.5 | 2.3 |
| Salisbury | 5.3 | 5.3 | 4.7 | 4.4 | 4.8 | 4.8 |

Note: Not Seasonally Adjusted data
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Unemployment in Frederick has been trending downward now for several years and stands near an all-time low of 2.8% (MDL 12/19). This low unemployment rate has caused employers to focus heavily on recruitment and retention strategies including higher wages and benefits. Some tech companies are using signing bonuses to attract talent – particularly in programming, coding, and biotech. Critical mass of certain industries allows employees the opportunity to consider employment with a variety of companies. Maryland is increasing its minimum wage for lower skilled jobs. The City DED is partnering with various workforce development organizations to provide services to both job seekers and employers to assist in the job/labor process. Examples of workforce development strategies include:

- Frederick County Public Schools (FCPS) LYNX Program @ Frederick High School
- FCPS Career and Technology Center (CTC)
- Maryland DLLR Apprenticeship Program
- Maryland DLLR Youth Apprenticeship Program
- Frederick County Workforce Services YouthWORKS Summer Jobs Program
- Hood College
- Mount Saint Mary's University
- Frederick Community College
- Center for Research Education Science and Technology (CREST)
- UNESCO Center for Peace Entrepreneurial Programs
- Fort Detrick/US Army - Gains in Engineering, Math, and Science (GEMS) Internship Program

| City of Frederick, MD, 2019q3 ¹ | | | | | | | | | | | |
|--|--|---------------|-----------------|-------------|----------------|-------------|-----------------|--------------|--------------|-------------|--------------|
| NAICS | Industry | Current | | | 5-Year History | | 1-Year Forecast | | | | |
| | | Empl | Avg Ann Wages | LQ | Empl Change | Ann % | Total Demand | Exits | Transfers | Empl Growth | Ann % Growth |
| 62 | Health Care and Social Assistance | 9,411 | \$48,348 | 1.24 | 1,365 | 3.2% | 1,017 | 437 | 452 | 127 | 1.3% |
| 44 | Retail Trade | 6,110 | \$33,378 | 1.12 | 411 | 1.4% | 803 | 360 | 455 | -12 | -0.2% |
| 54 | Professional, Scientific, and Technical Services | 6,000 | \$83,172 | 1.70 | 485 | 1.7% | 571 | 191 | 323 | 57 | 1.0% |
| 92 | Public Administration | 5,500 | \$68,805 | 2.23 | 132 | 0.5% | 512 | 214 | 290 | 8 | 0.2% |
| 72 | Accommodation and Food Services | 4,876 | \$20,260 | 1.03 | 516 | 2.3% | 838 | 350 | 441 | 48 | 1.0% |
| 61 | Educational Services | 4,053 | \$47,108 | 0.95 | 117 | 0.6% | 391 | 180 | 195 | 16 | 0.4% |
| 52 | Finance and Insurance | 3,093 | \$89,798 | 1.49 | -1,221 | -6.4% | 317 | 110 | 180 | 28 | 0.9% |
| 81 | Other Services (except Public Administration) | 2,666 | \$37,423 | 1.13 | 338 | 2.7% | 312 | 139 | 165 | 9 | 0.3% |
| 56 | Administrative and Support and Waste Management and Remediation Services | 2,581 | \$39,150 | 0.76 | 344 | 2.9% | 317 | 126 | 172 | 19 | 0.7% |
| 23 | Construction | 2,475 | \$60,816 | 0.82 | 438 | 4.0% | 266 | 87 | 156 | 23 | 0.9% |
| 31 | Manufacturing | 1,502 | \$61,830 | 0.35 | 154 | 2.2% | 150 | 58 | 99 | -7 | -0.4% |
| 71 | Arts, Entertainment, and Recreation | 1,120 | \$20,971 | 1.07 | 85 | 1.6% | 169 | 71 | 87 | 11 | 1.0% |
| 42 | Wholesale Trade | 1,042 | \$62,892 | 0.52 | 116 | 2.4% | 107 | 41 | 68 | -2 | -0.2% |
| 53 | Real Estate and Rental and Leasing | 645 | \$63,024 | 0.71 | 74 | 2.5% | 69 | 30 | 36 | 3 | 0.5% |
| 48 | Transportation and Warehousing | 629 | \$48,594 | 0.27 | 64 | 2.2% | 67 | 28 | 38 | 0 | 0.1% |
| 51 | Information | 486 | \$63,900 | 0.47 | -47 | -1.8% | 45 | 17 | 30 | -2 | -0.4% |
| 55 | Management of Companies and Enterprises | 233 | \$76,171 | 0.29 | 14 | 1.3% | 22 | 8 | 13 | 1 | 0.4% |
| 22 | Utilities | 147 | \$106,038 | 0.55 | 28 | 4.2% | 13 | 5 | 8 | -1 | -0.3% |
| 11 | Agriculture, Forestry, Fishing and Hunting | 75 | \$25,860 | 0.11 | -127 | -18.0% | 8 | 3 | 5 | 0 | -0.3% |
| 21 | Mining, Quarrying, and Oil and Gas Extraction | 1 | \$77,284 | 0.00 | -10 | -45.3% | 0 | 0 | 0 | 0 | 0.3% |
| | Total - All Industries | 52,644 | \$51,866 | 1.00 | 3,274 | 1.3% | 6,078 | 2,457 | 3,289 | 333 | 0.6% |

Source: [JobsEQ](#)
Data as of 2019Q3
Note: Figures may not sum due to rounding.
1. All data based upon a four-quarter moving average
Exits and transfers are approximate estimates based upon occupation separation rates.

Non-residential uses in the city now contribute 32% of the city's real property assessable tax base. This is up from 26% in 2010 (City Finance Department CAFR's) and due to significant new build to suit projects, downtown infill development, and retail projects being constructed during this period. This includes projects like the expansion of AstraZeneca, construction of Frederick National Labs at Riverside Research Park, Well Fargo at Riverside Corporate Park, and Clemson Corner/Market Square Retail Centers. This increase in tax base is despite losing major non-commercial taxpayers such as BP Solar (now part of AstraZeneca) and State Farm (now part of Frederick Health).

Major Employers

Fort Detrick, a 1,200-acre U.S. Army Medical Command installation, is situated in the City of Frederick, remains the largest single employment campus in Frederick County. The military base has 8,000 employees, of which three-quarters are civil servants and contractors such as SAIC-Frederick and the Battelle National Biodefense Institute.

Also located at Fort Detrick is the National Cancer Institute-Frederick (NCI-F). Together, the Department of Defense and NCI/SAIG-F labs are and is involved in advanced technologies, including biological and botanical research and development, bioinformatics, nanotechnology, medical supply logistics, telemedicine and satellite communications. It is expected that more than 1,400 new jobs will be added at Fort Detrick over the next 10 years, the majority by 2014. In addition to its facilities at Fort Detrick, NCI-F is the anchor tenant at Frederick's first life sciences park, Riverside Research Park (NCI@Riverside). According to a 2016 economic impact study conducted for the Maryland Department of Commerce by the RESI Towson University, Fort Detrick has annual direct employee compensation of \$2.3 billion, supports 29,700 jobs overall, and generates \$6.5 billion in economic output.

Figure 4: Total Economic Impacts by Installation, FY 2016

| Installation | Employment | Output | Employee Compensation |
|---|----------------|-------------------------|-------------------------|
| Aberdeen Proving Ground | 39,289 | \$5,141,388,739 | \$2,132,379,177 |
| Adelphi Laboratory Center | 4,538 | \$612,452,247 | \$288,145,586 |
| Army Corps of Engineers—Baltimore District | 5,596 | \$797,223,878 | \$298,623,213 |
| Coast Guard Yard | 3,396 | \$469,423,814 | \$170,926,025 |
| Fort Detrick | 29,700 | \$6,545,625,179 | \$2,346,917,459 |
| Fort Meade | 153,310 | \$21,635,331,400 | \$8,978,093,114 |
| Joint Base Andrews | 26,709 | \$4,562,338,779 | \$1,459,199,646 |
| Maryland Military Department | 3,929 | \$1,042,356,357 | \$291,255,766 |
| National Maritime Intelligence Center | 4,976 | \$851,901,391 | \$347,450,914 |
| Naval Air Station Patuxent River | 61,132 | \$8,696,989,140 | \$3,610,337,461 |
| Naval Research Lab—Chesapeake Bay Detachment | 57 | \$9,695,139 | \$3,920,114 |
| Naval Support Activity Annapolis | 12,958 | \$1,593,784,541 | \$502,445,921 |
| Naval Support Activity Bethesda | 19,417 | \$1,900,320,994 | \$871,872,079 |
| Naval Support Facility Indian Head | 6,309 | \$874,589,484 | \$424,911,675 |
| Naval Surface Warfare Center—Carderock Division | 3,205 | \$809,271,704 | \$413,231,338 |
| Total | 374,522 | \$55,542,692,786 | \$22,139,709,488 |

Sources: Commerce, IMPLAN, RESI

Approximately 9,600 individuals report to work at Fort Detrick every day at the over 40 organizations from five cabinet level agencies including NIH, DOD, DHS, VA, and USDA which have offices and laboratories on the post. Fort Detrick is home to the US National Interagency Biodefense Campus.

The National Cancer Institute (an NIH facility) operated by Leidos Biomedical Research, Inc. is the largest organization controlling 80 acres of the post with 2,600 employees. Leidos Biomed also operates the Frederick National Laboratory for Cancer Research located at Riverside Research Park.

Gains in employment have been substantial at AstraZeneca (AZ) (formerly MedImmune) with over 700 employees. Frederick is AZ's primary biopharmaceutical manufacturing location in the world with over one billion dollars invested in its facilities and processes in Frederick. Other growth employers include Stulz Air Technology Systems with over 400 and Wells Fargo at 1,400 and many smaller organizations like EDCO, Wilcoxon Technologies, Charles River Labs, Precision for Medicine, and Abicor Binzel.

Top 20 Largest Employers in the City of Frederick

| Business | Number of Employees | Industry Sector |
|--|---------------------|--|
| Fort Detrick | 9,657 | Military, Bioscience, Communications |
| Frederick County Public Schools | 5,856 | Public Education |
| Frederick Memorial Healthcare | 2,618 | Comprehensive Health Care |
| Leidos Biomedical Research | 2,277 | Medical Research |
| Frederick County Government | 2,175 | County Government |
| Wells Fargo Home Mortgage | 1,400 | Mortgage Loans and Service Center |
| Frederick Community College | 1,115 | 2-Year College |
| City of Frederick Government | 880 | Municipal Government |
| AstraZeneca | 700 | Biotech Manufacturing |
| United Health Care | 613 | Health Insurance |
| Stulz ATS | 440 | Manufacturer of Precision Air Conditioner Equipment |
| YMCA of Frederick County | 419 | Non-Profit, Full-Service Fitness and Health Facility |
| State Farm | 405 | Insurance |
| Wegman's | 370 | Retail Supermarket |
| Aldi | 350 | Retail Supermarket / Distribution Center |
| Fountain Rock Management | 320 | Restaurant Management |
| Maryland School for the Deaf | 320 | Educational Institute for the Hearing Impaired |
| Homewood Retirement Community | 310 | Retirement Community |
| Morgan Keller | 270 | General Contractor |
| Hood College | 260 | 4-Year College |

(need to update this chart)

Opportunities

~~Frederick's opportunities lie in its skilled and educated workforce, convenient location, and transportation assets. Additionally, job growth at Fort Detrick as well as continued investment in and revitalization indicators of downtown can contribute to the City's economic success.~~

~~Frederick's educated and highly skilled workforce is the backbone sustainability in terms of business success within the community. More than one third of the workforce (25 years+) holds a Bachelors degree, and 13% have a Masters or Ph.D (ESRI 2008). Of the City's employed residents, 60% are employed within human capital, job growth, and tax base appear positive and even robust looking forward for the next decade. The Maryland Department of Labor projects that Frederick County- The remaining 40% commute out of the County each day to work- (and in turn the City at place employment exceeds the City workforce, indicating that the City serves as a destination for employment in the region. of Frederick) will be job growth leaders for the next decade. [need citation]~~

~~The Washington Council of Governments (WashCOG) projects that the City of Frederick will continue to generate new residential workforce growth for the next decade. Although national and international economics and policies can affect that outcome, Frederick has worked hard to put in~~

place industry diversity, workforce development, education, water, sewer, and roadway capacity, and placemaking to ensure that it is prepared to succeed during up and down markets.

Frederick's ideal location, ~~situated just~~ 45 miles from both Washington, DC and Baltimore, MD, is a significant asset for residents and business alike. Situated at the crossroads of three major highways, with a variety of transportation options including road, rail, and air (proximity to three international airports as well as Frederick Municipal Airport), Frederick has many opportunities for overall continued business development.

~~It is anticipated that the National Interagency Biodefense Campus at Fort Detrick will increase local opportunities for technology transfer, entrepreneurial business development, and overall growth in Frederick's bioscience and advanced technology sectors. In an increasingly global economy, Fort Detrick and the Frederick community remain the center of biodefense efforts, through the joint efforts of USAMRIID, USAMRMC and DHS.~~

~~The NCI @ Riverside — Advanced Technology Partnership Facility affords new opportunities through the creation of an advanced research and development and life science park in Frederick. The potential for co-locating private sector life science partners and well as a consolidated and expanded business incubator facility within this park greatly expands the opportunities for the continued development of the bioscience and advanced technology industry sectors.~~

~~Within downtown Frederick, infill development, adaptive reuse, catalytic projects, and other forms of revitalization and reinvestment will continue to create opportunities for a "live-work-play" community for Frederick residents. Catalyst projects include the completion of Carroll Creek Park, the I-70/East Street interchange and the development of a new gateway into downtown through the Brickworks property. These and similar projects will stimulate private investment along East Street and other corridors, contribute to downtown economic development, and create recreational opportunities.~~

Our economic development opportunities are predominantly in the following areas:

WORKFORCE

- Attract and retain a highly skilled and educated workforce including young professionals.
- Foster and enhance Frederick's multi-prong workforce development education and training to build the most highly trained and skilled workforce in America.

ENTREPRENEURS

- Grow new biotech, infotech, cybertech businesses at the Frederick Innovative Technology Incubator (FITCI).
- Attract new biotech, infotech, cybertech businesses to Frederick using FITCI, great existing building stock, and land availability.

BIOPHARMA

- Attract new biopharmaceutical manufacturing entities to Frederick to join AstraZeneca, Lonza, ThermoFisher, and new Kite Pharma – creating a powerful biopharma cluster. Particularly focus on.
- Focus on driving new business growth -particularly biopharmaceutical manufacturing - to Riverside Research Park which can assimilate another 1.2 million square feet of new growth.
- Designate and determine the benefits of Frederick’s Innovation Corridor along the National Road from East Frederick through Downtown Frederick and West Frederick.

FEDERAL PARTNERS

- Support and grow the federal mission’s at Fort Detrick and Frederick National Labs – retain and grow federal job opportunities.
- Parlay major federal research and development at Fort Detrick and Frederick National Labs into business development through federal contracting and tech-transfer.

TOURISM

- Drive additional visitor spending in the community through sustainable growth of tourism activity and keeping visitors in the community longer through new lodging options in downtown Frederick, museums, arts and cultural venues, dining and craft beverage facilities.

BUSINESS AND WORKFORCE INFRASTRUCTURE DEVELOPMENT

- Market Frederick’s strategic location, accessible zoned land/buildings with utilities, and transportation assets.
- Harness the economic potential of the Frederick Municipal Airport for Frederick in terms of business use and economic sustainability are also critical opportunities.
- Enhance transit options including:
 - MARC Train Service Frequency (Point of Rocks Platform)
 - Monorail from Frederick to Shady Grove (along I-270)
 - Downtown Circulator
 - Connect Frederick’s Shared Use Path System
 - Connect Downtown Frederick to C&O Canal Tow Path via Monocacy River Trail
 - Complete the East Street trail – connecting it to Carroll Creek Park.
- Facilitate the development of a full-service, upper-upscale hotel and conference center in Downtown Frederick to serve Frederick’s residents, businesses, and visitors and generate in excess of \$25 million economic impact.
- Focus on preparing other new business locations for business development and construction – zoning, utilities, roadways, etc.
- Focus of making Frederick the preferred place for adaptive reuse of existing buildings and infill development – “Smart Growth”.
- Brickworks Project
- Fully implement the East Frederick Small Area Plan.
- Develop and implement plans to address stormwater and flooding issues
- Golden Mile revitalization activities including marketing the Enterprise Zone, business development, shopping center connections, redevelopment, and public improvements.

- Build business and community resiliency

~~The City has the potential to become a leader in “green-collar” jobs and clean energy business innovation, spurred by local and national concerns such as climate change and other environmental issues, fuel costs, and dependence on foreign sources of energy. Frederick is already home to the North American headquarters of BP Solar, and is part of the Greater Washington Region, which has the largest environmental services human capital pool in the country—more than 14,000 environmental workers such as conservationists, environmental scientists and wildlife biologists (2008 Greater Washington Board of Trade/Greater Washington Initiative data).~~

Investment in Economic Development

~~The City continues~~Private capital investment in the form of new buildings, businesses, and homes, to drive workforce, jobs and tax base, tends to follow public investment. For example, the City’s investment downtown in the award-winning Carroll Creek Park has resulted in millions of new and renovated mixed-use buildings, residents, and jobs – transforming the area around Carroll Creek. It is highly unlikely that any of that private investment would have occurred without the initial public investment in park improvements (and flood control). Likewise, the city has constructed new roadways like Monocacy Boulevard, which is leading to new and proposed development in other sectors of the city. Strategic public investment to provide public facilities and drive innovation and private investment is critical.

~~In addition, it is also important to be prepared for private investment through available “shovel-ready” zoned land with utilities for new residential and business neighborhoods. Businesses tend to make decisions on much shorter planning horizons than government and seek to limit risk, so typically a business will not wait for long zoning decisions or for major utility upgrades. Communities which can meet business timelines are typically more successful attracting private investment.~~

~~Frederick has continued~~ to invest in infrastructure and key initiatives critical to the continued economic development success of the City. Projects include:

- Water and sewer plant and line capacity upgrades;
- Electric Power Grid Redundancy and Resiliency;
- Extension of Carroll Creek Park to the east to connect new or proposed neighborhoods to Downtown Frederick;
- Enhancement of the road network by development of new or upgraded roads such as Monocacy Boulevard, Christopher’s Crossing, Butterfly Lane;
 - ~~Plans for the future disposition of excess City land adjacent to Carroll Creek Park, Monocacy Boulevard and Frederick Municipal Airport~~;
- Master planning for sale and development of City owned excess property for new development;

- Initiatives such as the Frederick Innovative Technology Center (FITCI), the Main Street Program (Downtown Frederick Partnership), Golden Mile Alliance, and East Frederick Rising; ~~and~~
- Continued investment in the Frederick Municipal Airport; ~~and~~

~~At a federal level, the American Recovery and Reinvestment Act (ARRA) presents unique funding opportunities for communities across the country. Frederick must capitalize on this opportunity through the identification or development of projects and initiatives consistent with ARRA funding priorities, including infrastructure, green technology, and workforce development.~~

- Workforce investment through Frederick YouthWorks Summer Internship Program, FCPS LYNX at Frederick High School.

Challenges

The City has arguably prepared well for sustainable economic growth and opportunity for its residents. That said, there are challenges, which the City should consider as it looks forward during the next decade. These challenges fall in several buckets:

Competitive Cost

The City of Frederick does not reside in a vacuum. Residents and businesses have many options of locations to live, work and set up operations. Quality of life, great location, and placemaking is part of the location decision, but so is cost. Maryland housing costs on average 184% of the national average (Frederick is less). Thus, attracting workforce particularly young professionals to high cost areas requires having many housing options including workforce housing, accessory dwelling units, etc. Impact fees and high land / rent costs also affect business decisions. Here in Frederick the layering effect of municipal and county taxes leads many potential city residents and businesses to locate outside the city in unincorporated areas or other communities with lower taxes. Frederick must remain competitive in both cost and quality with our peer communities in order to continue to attract private capital in terms of land development, building construction, business location, and workforce.

Predictability and Risk

Flexibility and predictability of codes and regulations can also help stimulate private investment while rigid systems can do the opposite. Despite using a fairly rigid Euclidian Zoning model with lists of permitted uses, Frederick has worked hard to provide predictability and be a smart growth leader. That said, Frederick's codes largely treat infill and adaptive reuse almost the same as new construction in terms of process, APFO, and impact fees. Both the public and elected officials want the City to be a leader in sustainable development including infill and adaptive reuse of existing buildings. We strongly want to see private investments along the National Road (Patrick Street) from east Frederick through Downtown, to the Golden Mile. To accomplish this, it would be prudent to prioritize making those development options faster and less costly than new greenfield development. Presently, adaptive reuse of existing buildings for new uses can often be more complex, costly, and

risky than new development due to life safety and ADA accessibility, design requirements, and historic preservation guidelines. For example, the city charges impact fees for the conversion of a historic building to a new use despite the fact that the building sits on existing streets, is served by existing utilities, schools, and is highly desirable for renovation and adaptive reuse. Often new users are faced with time consuming and costly zoning text amendments. Shifting to a more Form-Based Code that allows and encourages mixed-use and infill development rather than segregation of uses by focusing more on the form of and design of the use is desirable. Also, exempting existing buildings from any impact fees to encourage and incentivize reuse. Speeding the development review process so it is faster than greenfield development would also be a major incentive.

Transportation Infrastructure

Moving people and goods from place to place efficiently is the purpose of Frederick's multi-modal transit system. The backbone of that system in Frederick is I-270 Tech Corridor, US15, and I-70. Major traffic congestion is costing residents, employees, and employers millions in lost time, productivity, and pollution. Frederick's ability to attract major employers in the future is predicated in part on having a reliable transportation system that has public transit at the backbone. The City and County are doing their share to enhance local roadways, operate local bus service, and building trails and multi-modal paths. More is needed. Frederick needs to have direct public transit to Shady Grove in Montgomery County and the proposed monorail system or bus on shoulders concept could provide that service. Many young professionals increasingly want transit options over automobiles. Businesses recognize that their future workforce wants and needs transit options to and from work. Frederick must address this transportation challenge in order to attract top workforce and businesses.

Economic Development Policies and Implementation

ED Policy 1

Retain, attract, and train a diverse, creative, and capable resident workforce to support existing and future employment needs.

IMPLEMENTATION

1. Conduct (and maintain) a comprehensive Workforce Study that identifies strengths and gaps in the number and skills of Frederick's current and future workforce as well as barriers to participation, retention, and attraction. The study should also generate insights and recommendations customized to Frederick, of best practices to retain, attract, and train workforce along with strategies for increasing wages, diversity, equity, and inclusion in the workforce. Strategies for attracting and retaining young professionals should also be a focal point. (Consider doing this study jointly with Frederick County Workforce Services).

Actively

~~As a result of the current national recession, Frederick's unemployment rate has risen, and additional job losses are possible. Frederick's unemployment rate, although higher than in recent history, remains slightly below the state average and is well below the national unemployment level. Moreover, the recent downturn in the national housing market is anticipated to result in reduced residential property values and lower property tax revenues. This decrease may pose significant fiscal challenges for the City and County in coming years, and may affect the ability of business owners and developers to obtain financing for new projects and commercial ventures.~~

~~While residential values are likely to fall, this is not the case for industrial properties on the City's east side, close to downtown Frederick. Rising land values for urban core properties, as well as community interest in the redevelopment of east Frederick, have put pressure on many owners of properties with industrial land uses. While some industries may not be compatible with residential development, it is important to recognize that these businesses provide jobs and contribute to the City's tax base. In order to maintain a diverse industry mix within the City, it is important to ensure that an adequate supply of land and buildings are available for the location or relocation of distribution, manufacturing and industrial land uses. Otherwise, these businesses will be forced to leave the City in search of new locations.~~

~~Despite these challenges, Frederick is poised to quickly overcome the economic difficulties posed by the current national recession. The City will benefit from its advantageous location and educated workforce; the opportunities presented by its major employers, historic downtown, and catalyst projects currently underway; as well as potential ARRA investments by the federal government. Nonetheless, the City must remain diligent in its efforts to support local businesses, invest in infrastructure, and sustain a high quality of life for residents and businesses alike.~~

2. Policy ED.1: ———sustain and grow a robust and diverse workforce through the following including but not limited to:
 - a. Participation by the Director of Economic Development or representative on the Frederick County Workforce Development Board.
 - b. Participation by the City DED with the Frederick County YouthWORKS Summer Internship Program to increase opportunities for City disadvantaged youth to have an opportunity to work and earn a paycheck.
 - c. Participation by the City DED with Frederick County Public Schools LINX Program.
 - d. Participation by the City DED with Frederick Community College, Hood College, and Mount Saint Mary’s University on programs and strategies to connect programs and students to Frederick employers and jobs.
 - e. Participation by the City DED with industry groups such as TechFrederick, Tech Council of Maryland, Frederick County Roundtable for Manufacturing, TCM BioPharma Workforce Development Council, Local and state Chambers of Commerce, Society of Human Resources Managers (SHRM), Fort Detrick Alliance, and others.

3. Conduct (and maintain) a comprehensive Housing Study to provide data that can guide public policy decisions in the area of housing and identify proposed action items that can be implemented to promote the appropriate blend of housing opportunities throughout the City including affordable Workforce Housing. Provide a measured assessment of housing supply, present and future, unmet housing demand across various demographic categories and provide a comprehensive understanding of short-to-longer term housing supply and demand. Provide community specific housing priorities, policy alternatives, and intervention strategies.

ED Policy 2

Support small businesses, start-up businesses, and entrepreneurs.

Implementation

IMPLEMENTATION

1. Support, sustain and grow tech business incubation programs and facilities offered by the Frederick Innovative Technology Center, Inc (FITCI) including through financial, technical, and active participation by the Director of Economic Development (or representative) on the FITCI Board of Directors and its committees.
Develop
2. Support private or non-profit co-working facilities and organizations through active participation in programs and events.
- 2.3. Provide business assistance programs like the GROW Program, Façade Grants, Arts and Entertainment Tax Credits, etc. for small and start-up companies including business planning and business incentives.

~~3.4.~~ Support technology transfer initiatives through the Frederick National Labs, Fort Detrick USAMRMC, Maryland Technology Development Corporation (TEDCO), DefTech, FITCI, and others.

~~Ensure that~~

~~4.5.~~ Support City procurement policies provide increased opportunities for local small ~~business,~~ minority, and women owned businesses.

~~Partner with~~

~~5.6.~~ Provide direct guidance and assistance to small ~~business service~~ and start-up businesses as well as through partner organizations such as the Maryland Womens Business Network (WBN), Centro Hispana de Frederick, Asian American Center of Frederick, Frederick County Minority Business Roundtable, Frederick Innovative Technology Center (FITCI), Small Business Development Center, (SBDC), Frederick County Public Library Business Resource Center, and Frederick County Entrepreneur Council and the Frederick Entrepreneur Support Network, to provide needed services to small businesses and entrepreneurs.

~~6.7.~~ Promote the development of minority-owned businesses through partnerships with organizations such as the Mid-Atlantic Maryland Hispanic Chamber of Commerce and the Frederick County African American Maryland Black Chamber of Commerce, Frederick County Chamber of Commerce, and others as determined appropriate.

ED Policy ~~ED.2:~~ 3

Maintain a diverse industry mix.

Implementation

IMPLEMENTATION

1. Maintain ~~and expand~~ a robust Business Retention and Expansion Program (~~BREP~~) focused on Frederick's existing 3,600 businesses. Keeping and expanding existing businesses traditionally delivers as much as 80% of job growth.
2. Identify and recruit businesses that complement or enhance the existing economic mix. ~~Specific target industries include including:~~
 - ~~a. a.~~ Bioscience;
 - ~~b.~~ Advanced technology;
 - and Biopharmaceutical Manufacturing; and
 - ~~c.~~ Clean/green energy;
 - b. Technology (infotech, cybertech, advanced tech, etc)
 - c. Manufacturing
 - d. Services
 - e. Tourism
3. Facilitate the use of federal, state, or local economic development programs as "gap financing" to ~~encourage capital investment for~~ assist businesses relocating to or expanding in Frederick.

~~Strategically utilize the City of Frederick Industrial Development Authority (IDA) to facilitate key public-private economic development projects.~~

~~4.4. Implement flexible commercial and employment land use policies and regulations to provide site and building options for new businesses, while maintaining a high level of both function and aesthetics.~~

~~2. Retain all levels of local government facilities/services within the City, with a primary emphasis downtown Frederick as the County Seat.~~

~~5. Actively partner with and mutually support other economic development related organizations such as the Tourism Council of TechFrederick, Visit Frederick, East Frederick County and Rising, Golden Mile Alliance, Downtown Frederick Partnership, Fort Detrick Alliance, MEDA, NAIOP, ULI, to promote and market downtownFrederick as a desirable tourist destinationtop business location.~~

ED Policy ~~ED.3:~~ 4

Maintain a positive business investment environment.

ImplementationIMPLEMENTATION

1. Ensure that City development review and permitting processes are transparent and predictable for business investment.

~~Regularly evaluate~~

2. Evaluate the City's competitiveness with surrounding jurisdictions based on development review and permitting as well as the cumulative costs of establishing and operating a business in the City.

~~1. Citywide policy development and regulatory decision-making should focus on long-term community sustainability while balancing short-term revenue generation.~~

3. Establish a criteria-based fast-track permitting process to encourage private investment.

4. Focus on customer service throughout all City departments through routine customer surveys and staff training.

5. Implement Performance Based Zoning to increase flexibility of uses across districts while maintaining harmony within the community.

6. Reduce costs and time for infill and adaptive reuse of existing structures. For example, impact fees for infill and adaptive reuse could be lowered or exempted to encourage "smart growth."

ED Policy ~~ED.4:~~ 5

Maintain and promote adequate infrastructure for planned business growth.

Implementation

~~Invest in~~ **IMPLEMENTATION**

- 1. Fund and implement capital projects that ensure adequate roads and water ~~and~~ /sewer utility capacity for business development and expansion.

~~Maintain and enhance~~

- 2. Support the development of a full-service downtown hotel and conference center in downtown Frederick.

- ~~2.3.~~ Increase transportation options and access to employment centers including roads, public ~~transportation~~ transit, and bicycle and pedestrian paths.

~~Implement an improved~~

- ~~3.4.~~ Maintain and expand the integrated city-wide wayfinding system, which includes both vehicular and pedestrian signage.

- ~~4.5.~~ Ensure the adequate supply of both finished sites and raw land suitable for a wide range of employment uses through infill, redevelopment, greenfield, and annexation policies.

- ~~5.6.~~ Implement the adopted Frederick Municipal Airport Master Plan ~~to provide opportunities for~~ airport sustainability, facility expansion and business development.

- ~~6.7.~~ Market available land and buildings at the airport for business development opportunities.

- 8. Coordinate with service providers to ensure reliable, redundant and high-quality electric power, telecommunications, fiber optics and broadband services.

- ~~1. In partnership with County, State and Federal agencies, develop and implement policies and programs that improve workforce housing options.~~

ED Policy ~~ED.5:~~ **6**

Encourage revitalization and reinvestment in downtown Frederick and the traditional business corridors.

Implementation

~~To encourage capital reinvestment, maintain, expand, and market tax~~ **IMPLEMENTATION**

- 1. Evaluate and adapt existing and new incentive programs including but not limited to: the GROW Program, tax credits, Opportunity/HUB/Enterprise Zones, etc.
 - ~~a. Golden Mile Property Tax Credit;~~
 - ~~b. Vacant Commercial Structures Property Tax Credit; and~~
 - ~~c. Brownfield Property Tax Credit.~~

- ~~2.~~ Support ~~the creation of and participate in the Downtown Frederick Partnership,~~ Golden Mile Alliance, ~~with the following goals:~~
 - ~~a.~~ Create a sense of ownership among Golden Mile businesses, East Frederick Rising, and other organizations as they are formed to ~~enhance the vitality of this corridor;~~
 - ~~2.~~ Create a self-sustaining group to help advocate for issues and ~~implement~~promote their respective geography.
 - ~~3.~~ Implement an Innovation Zone in Frederick to drive tech company expansion in certain geography.
 - ~~b.~~ ~~4.~~ Invest in projects ~~important to the Golden Mile business community;~~ and
 - ~~e.~~ Host public events to draw more residents to the Golden Mile.
- Invest in infrastructure improvement projects along the City's commercial corridors, programs such as:
- a. Improved sidewalks and pedestrian connections;
 - b. Improved gateways and wayfinding signage; and
 - c. Streetscape and façade improvement programs.

~~**Policy ED.6:— Maintain and enhance downtown's role as the hub of government, arts, culture and commerce.**~~

Implementation

- ~~1.~~ To encourage capital reinvestment in downtown, maintain, expand, and market tax incentive programs including but not limited to:
 - ~~a.~~ Historic Property Tax Credit
 - ~~b.~~ Arts and Entertainment Property Tax Credit
 - ~~c.~~ Brownfield Property Tax Credit
 - ~~d.~~ Public Art
 - ~~e.~~ Events
 - ~~f.~~ Parks and Recreation
- ~~2.4.~~ Support and participate in the implementation of the National Trust for Historic Preservation Main Street Program, administered through the Downtown Frederick Partnership.
- ~~3.5.~~ To enhance arts and cultural opportunities, develop policies, incentives and regulations to:
 - ~~a.~~ Support the ~~implementation of the~~ Downtown Frederick Arts and Entertainment District vision and goals;
 - ~~b.~~ Encourage and support efforts to increase the number of art and entertainment spaces within the Arts and Entertainment district; and
 - ~~c.~~ Encourage creation of artist live/work units within the Arts and Entertainment district.

Develop

- ~~5.6.~~ Support and develop policies and programs to encourage adaptive reuse of existing buildings, infill lots, and upper-story rehabilitation and occupancy.
 - ~~d.~~ Establish a Fire Sprinkler Incentive Program

- e. ~~Identify and address regulatory barriers to upper-story occupancy.~~
- Develop land use regulations and policies that encourage infill development and adaptive reuse within
- Implement the Historic District 2020
 - 2. ~~Actively participate in the development of a downtown hotel and conference center.~~
 - 6.7. ~~Continue to implement the findings of the Downtown Parking and Circulator Study (2004) and invest in the development of public parking and public transportation within and adjacent to downtown recommendations.~~

~~Policy ED.7: Maintain and enhance the capabilities of the local workforce, to ensure an adequate supply of trained employees for the multi-discipline, technology-oriented jobs of the future.~~

Implementation

- 1. ~~Leverage regional educational resources to promote and support workforce development.~~
- 2. ~~Actively partner with the Frederick County Roundtable for Education.~~
- 3. ~~Actively partner with the Frederick County Workforce Development Board and Frederick County Workforce Services.~~
- 4. ~~Develop and implement policies and programs that improve workforce housing options in partnership with County, State and Federal agencies.~~
- 5. ~~Identify gaps in the supply of types of workers and skills by conducting routine analysis.~~

~~Policy ED.8: Establish and maintain a monitoring system to measure progress toward achieving the policies of the Economic Development Element.~~

Implementation

- 1. ~~Through the following tools, develop a monitoring system based on measurable results directly related to Policies 1 through 7 of this Element, as well as other associated documents related to this Comprehensive Plan:~~
 - a. ~~Utilize the E-Synchronist database to track business retention and recruitment activities.~~
 - b. ~~Produce the following documents:~~
 - i. ~~Economic Development Annual Report;~~
 - ii. ~~Annual Development Report; and~~
- ~~Annual Customer Survey report — based on data collected through customer surveys~~