

# Frederick

M a r y l a n d

## Frederick County Association of Realtors January 14, 2015



# County Leadership



**Frederick County Council**  
**County Executive Jan Gardner**

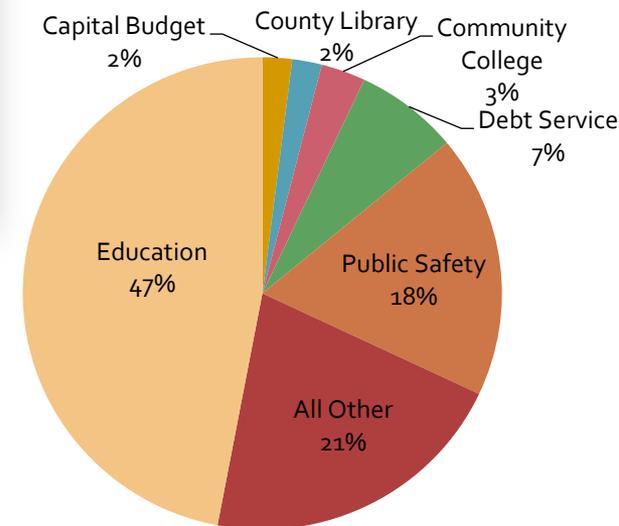


## Charter Government -

- County Executive – oversees County government departments and agencies, establishes policies and proposes the budget (executive branch)
- County Council – seven-member council with the power to initiate legislation (legislative branch)



## FY2015 – Operating Budget Appropriations



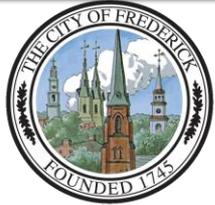
### Bond Ratings

Fitch	AAA
Moody's	Aa1
S&P	AAA

### FY2015

\$525.7M Operating Budget
2,072 Budgeted Employees

# City Leadership



**City of Frederick 61<sup>st</sup>  
Administration  
Mayor Randy McClement**



## Strong Mayor – Executive

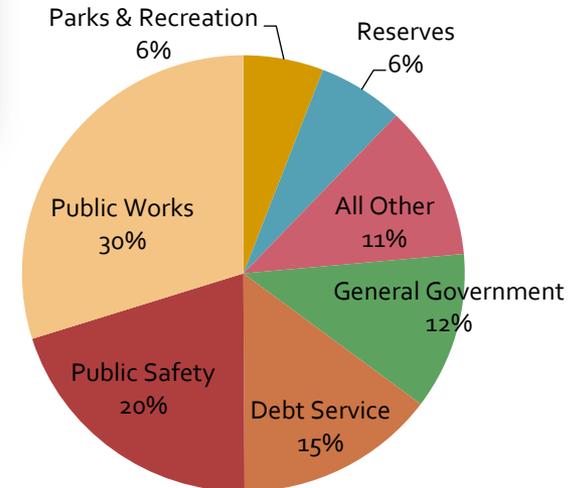
- Runs City Operations on a day to day basis. Prepares budget, legislation

## Board of Aldermen (5 members) – Legislative

- Responsible for passing legislation, budget, policies



## FY2015– Operating Budget Appropriations



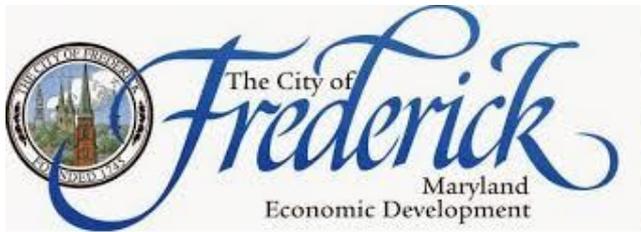
### Bond Ratings

Fitch	AA+
Moody's	Aa2
S&P	AA

### FY2015

\$151.1M Operating Budget
618 Budgeted Employees (including FPD)

# Frederick Economic Development



**Mission: To sustain a robust economic environment which attracts private investment through fair and predictable policies, strategic infrastructure investment and business development.**



**FREDERICK COUNTY GOVERNMENT**  
COMMUNITY DEVELOPMENT DIVISION  
*Business Development and Retention*

**Mission: To increase the overall economic health of Frederick County through attracting new businesses in our targeted industries and helping existing businesses be more successful.**

## Joint Services

- Ombudsman for the business community
  - Policy development and advocacy
  - Critical infrastructure support and advocacy
- Business Expansion and Retention support
  - Regular business visits to Connections with industry resources, employee training and more
  - Development review /permitting guidance for expansion projects
- Site Selection Assistance (CoStar)
- Data and research services
- Access to Frederick County and State of Maryland business assistance programs
- Educational and networking programs and opportunities
- World Trade Center Institute -export assistance through membership access
- PR Frederick - High traffic news service

# National Attention

Oh say can you say...

*Frederick*



- 2015 Top 10 Most Caring Suburbs (5<sup>th</sup>) - Movoto
- 2014 Best Counties in America (9<sup>th</sup>) - Movoto
- 2014 Top Ten Best Downtown (6<sup>th</sup>) – Livability.com
- 2014 Top Ten Sexiest Suburbs (6<sup>th</sup>) - Movoto
- 2013 Top 100 Places to Live (40<sup>th</sup>) – Livability.com
- 2013 #1 Most Secure Places to Live in the U.S. - *Forbes*
- 2013 Top Eight Small Town Comebacks - CNN
- 2012 12 Prettiest Painted Places in America, Paint Quality Institute
- 2012 Bronze Bicycle Friendly Community -League of American Bicyclists
- 2011 Most Secure Places to Live – 9<sup>th</sup> Place – Farmer’s Insurance
- 2010 10 Great Neighborhoods – American Planning Association
- 2010 Top 25 Small Cities for Art – American Style Magazine (18<sup>th</sup>)
- 2008 2nd Smartest City (Bethesda-Gaithersburg-Frederick) – *Forbes*
- 2007 Preserve America Designation
- 2007 IEDC/APA Project of the Year - Carroll Creek Park
- 2005 Great American Main Street Award – National Trust
- 2002 Dozen Distinctive Communities – National Trust
- 1993 City Livability Award – United States Conference of Mayors
- 1980 Tree City USA (34 years recognized – longest in MD)
- 1975 The All-America City Award – National Civic League
- 1974 The All-America City Award – National Civic League
- 1952 Designated “Fredericktown Historic District” – 13<sup>th</sup> in the Nation

# In the news...

## Blending History & Technology

### The Frederick News-Post

#### Fannie Mae is energy efficient, secure

Posted: Wednesday, May 26, 2010 12:00 am  
By Ed Waters Jr. News-Post staff | 6 comments

Security is a major issue Fannie Mae takes seriously. The Federal National Mortgage Association also takes energy efficiency seriously and its data center in Urbana has been awarded Bronze Status by the U.S. Green Building Council.

The Leadership in Energy and Environmental Design certification is based on the extensive efforts at the \$100 million, 250,000 square-foot center — from water recycling to use of natural lighting and control of water emissions from backup generators.

During a tour, Bob Haggerty, director of Fannie Mae, explained the aspects for being energy efficient and secure.

Since it's...



Travis Pratt

This is the main entrance to the Fannie Mae data center in Urbana.

### The Frederick News-Post

#### Distillery With city code change, distillery might come to downtown Frederick

Aldermen say they support modifying city rules

Posted: Thursday, November 13, 2014 2:00 am  
By Jen Pittard News-Post Staff | 4 comments

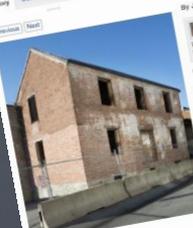
The corner of a long-vacant warehouse in downtown Frederick is being renovated to turn the building into a micro-distillery, but the city of Frederick has to change its rules first.

The company that owns the warehouse, Fitzgerald's Heavy Timber Construction, is talking to a family that is interested in using the space to make and sell small batches of liquor such as whiskey and brandy, said Fitzgerald's owner Dean Fitzgerald.

The city doesn't allow small wineries, breweries or distilleries downtown. Fitzgerald paid \$4,400 to submit an application to the city for a land use amendment to the Code book amendment to allow for the businesses in the downtown district.

Discussing the land amendment at their workshop Wednesday, members of the Board of Aldermen said they were in support of the change. They will vote on the issue at an upcoming public hearing.

The warehouse, known as the Fisher building on East Patrick Street and just north of the Carroll Creek Parking Garage, has a long history. It was built circa 1900 and has been vacant since the late 1990s. Last year the city gave the property to Fitzgerald's company in 2007 after the company promised to restore the building.



News-Post Staff

Dean Fitzgerald of Heavy Timber Construction, owns the small brick and stone building near the Carroll Creek Parking Garage that has been vacant since the late 1990s. Last year the city gave the property to Fitzgerald's company in 2007 after the company promised to restore the building.

### AstraZeneca adding 300 jobs in Frederick in \$200M expansion



AstraZeneca is expanding its Frederick manufacturing facility. (Christopher Furlong, Getty Images)

By Scott Dance  
The Baltimore Sun  
contact the reporter

#### SHARELINES

Months after politicians feared losing its presence altogether, AstraZeneca is expanding in Frederick.

NOVEMBER 21, 2014, 6:43 PM

British drugmaker AstraZeneca is doubling down on Maryland, spending \$200 million to expand its Frederick manufacturing facility a year after shifting hundreds of out-of-state jobs to Montgomery County.

Company officials said Friday that they are adding 40,000 square feet and 300 jobs at the facility to increase production capacity of drugs made from human or animal material, or microorganisms. MedImmune, the Gaithersburg-based biopharmaceutical company AstraZeneca bought for \$15.6 billion in 2007, accounts for half of AstraZeneca's drug pipeline.

Officials in Frederick and with the state's economic development agency welcomed the expansion, which comes as AstraZeneca has scaled back and consolidated its presence elsewhere in the United States and United Kingdom. They had feared losing the drugmaker in a takeover by Pfizer Inc., but that effort failed.

### Busy day for Carmax as it opens on Urbana Pike

Posted: Tuesday, February 13, 2014 2:00 am  
By Ed Waters Jr. News-Post staff | 20 comments

Some people marked Presidents Day by buying or selling a vehicle at the new Carmax on Urbana Pike — or just looking.

More than 145 associates can help customers choose from more than 320 vehicles or appraise a vehicle brought in for sale or trade. Auto service is also available for anyone who needs it.

"We identified Frederick as a location that fits into our growth plan, and it has an audience which we weren't currently providing the Carmax experience," said Catherine Gryp, spokeswoman for the Richmond, Va.-based company. "The site is also in a high retail



Start photo by Sam Yu

Carmax is now open on Urbana Pike near Francis Scott Key Mall in Frederick.

**Carmax**  
5501 Urbana Pike, Frederick  
Showroom hours: 10 a.m. to 9 p.m. Monday to Friday  
Service department hours: 7:30 a.m. to 6 p.m. Monday-Friday. Appointments recommended.  
301-262-4380  
carmax.com

### The Frederick News-Post

#### Old cannery Chiesi Pharmaceuticals moving to Monocacy Valley Cannery

Posted: Monday, April 21, 2014 2:00 am  
By Ed Waters Jr. News-Post staff | 8 comments

The first tenant at the Monocacy Valley Cannery Co. building will be Chiesi Pharmaceuticals Inc.

The company will move its nine-member staff from Rockville to Frederick this summer, according to Evika Panico, managing director of the U.S. research and development subsidiary of the Italian company, in a news release.

In the news release, Panico said the professional workforce in Frederick would be valuable in any anticipated growth.

The building is a 16th century commercial cannery at South East and East South streets that has been developed by Bert Anderson. Known for his Snab Row and Eversley Square retail developments.



Start photo by Bill Green

The first tenant for the Monocacy Valley Cannery will be Chiesi Pharmaceuticals Inc. The building is a 16th century commercial cannery at North East and East South streets, which has been developed by Bert Anderson, known for his Snab Row and Eversley Square retail developments.

# Trends & Initiatives

- ❑ Positive Population Growth
- ❑ Stabilized & Increasing Housing Values
- ❑ Positive Business Growth
  - *Biotechnology & Advanced Technology*
  - *Health Care, Services, and Retail*
- ❑ Fort Detrick & NCI-Frederick Expansion
  - *National Interagency Biodefense Campus - USAMRIID*
  - *Advanced Technology Research Facility @ Riverside*
- ❑ Urbana, Jefferson Tech, & Westview Growing
- ❑ Downtown Revitalization Continues
  - *Carroll Creek Park Phase II*
  - *Downtown Hotel and Conference Center*
- ❑ Golden Mile Revitalization Moving Forward
- ❑ East Frederick Rising Vision Takes Shape



## Challenges

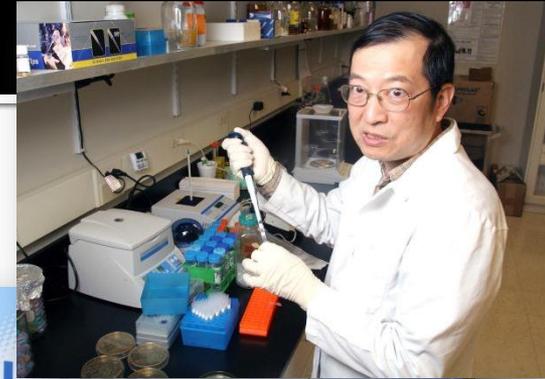
- *Federal Budget Cuts*
- *High Costs: Taxes & impact fees, Utilities*
- *Transportation Congestion*
- *Aging Population (NEW)*

# Entrepreneurs

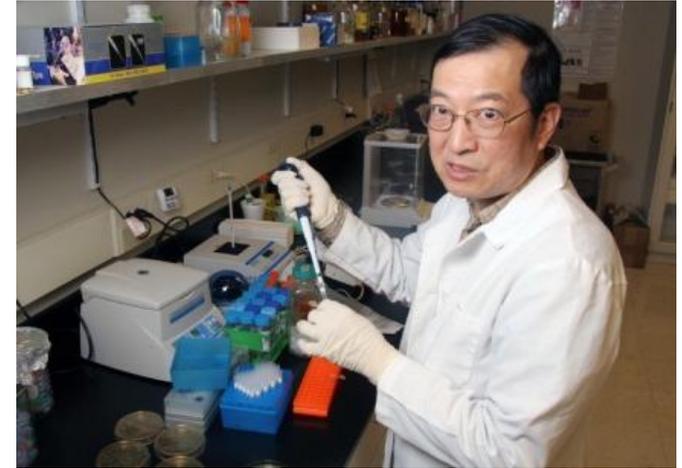
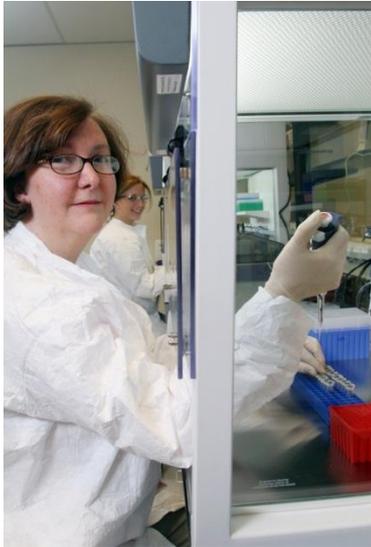
## *Creating jobs through entrepreneurship*

*95% of business in Frederick are small businesses, with 50 or fewer employees*

- One-on-one start-up consultations
- Frederick Innovative Technology Center
- Small Business Development Center
- Entrepreneur Support Network
- SCORE
- Technology transfer with federal research labs at Fort Detrick and NCI-Frederick



# Tech Incubation



**Akonni**  
Biosystems



- ❖ 15,000 sf – 25 offices, 10 wet labs
- ❖ 30 tenants with 70-80 employees at any one time
- ❖ 265 Jobs created since FITCI opened in 2005
- ❖ Graduates lease over 68,000 SF in community



# Commercial Tax Base

THE CITY OF FREDERICK, MARYLAND  
SCHEDULE OF PRINCIPAL TAXPAYERS  
Current Year and Nine Years Ago

❖ Commercial 30%  
❖ Residential 70%

Real Property Tax:

Taxpayer	2013			2004		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
RIV 402 LLC	\$ 95,725,000	1	1.54%	-	-	-
MedImmune, Inc.	51,825,900	2	0.83%	-	-	-
River X, LLC	46,370,467	3	0.75%	-	-	-
State Farm Mutual Auto Insurance	38,407,100	4	0.62%	38,845,866	1	1.11%
I&G Direct Real Estate 23 LP	31,198,300	5	0.50%	-	-	-
Aldi, Inc.	30,575,600	6	0.49%	-	-	-
FCP Crystal Park, LLC	28,317,133	7	0.46%	19,992,066	4	0.57%
ASN Sunset LLC	28,277,567	8	0.46%	-	-	-
Frederick Shopping Center LLC	27,120,600	9	0.44%	15,707,632	6	0.45%
Saul Holdings Limited Partnership	22,635,000	10	0.36%	-	-	-
Fredericktowne Mall Assoc.	-	-	-	27,753,200	2	0.79%
First Real Estate Investment Trust	-	-	-	27,217,210	3	0.78%
Brightseat LLC	-	-	-	19,677,166	5	0.56%
Homewood Retirement Centers	-	-	-	15,449,700	7	0.44%
Waverly Limited Partnership	-	-	-	14,115,000	8	0.40%
Washington Real Estate Inv. Trust	-	-	-	13,638,300	9	0.39%
Frederick Commons, LLC	-	-	-	13,322,100	10	0.38%
	<u>\$ 400,452,667</u>		<u>6.44%</u>	<u>\$ 205,718,240</u>		<u>5.88%</u>

Assessed Value provided by the Maryland Department of Assessment and Taxation

# Commercial Tax Base

Exhibit III-A-7

FREDERICK COUNTY, MARYLAND  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Name of Taxpayer	Fiscal Year 2014			Fiscal Year 2005		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Potomac Edison Company	\$ 146,236,300	1	0.57 %	\$ 135,232,730	1	0.80 %
RIV 402, LLC	95,725,000	2	0.37			
PR Financing Limited Partnership	72,497,700	3	0.29	61,025,966	3	0.37
Verizon	59,862,380	4	0.23	59,510,980	2	0.59
Medimmune, Inc.	51,025,900	5	0.20	-		-
River X, LLC	47,105,200	6	0.18	-		-
Costco Wholesale Corporation	45,003,400	7	0.18			
Washington Gas Light Company	42,309,880	8	0.16	35,774,500	5	0.21
WRIT Frederick Crossing Land, LLC	40,412,367	9	0.16	-		-
LSREF2 Tractor REO (Frederick), LLC	30,407,100	10	0.15	-		-
State Farm Mutual Auto Insurance	-		-	39,914,266	4	0.24
Fannie Mae	-		-	33,861,353	6	0.20
AT&T Communications	-		-	28,658,249	7	0.17
First Real Estate Investment Trust	-		-	27,217,200	8	0.16
Eastalco Aluminum Company Etal	-		-	27,161,300	9	0.16
Loys R US, Inc.	-		-	26,200,433	10	0.15
<b>Totals</b>	<b>\$ 640,185,227</b>		<b>2.48 %</b>	<b>\$ 515,356,977</b>		<b>3.05 %</b>

Source: County Treasurer's Office

# Development Approach

## Revitalization, Renovation, & Adaptive Reuse

- Downtown
- Golden Mile

## Annexation & Greenfield

- 1,348 Acres
- Pipeline of Planned Housing and Employment

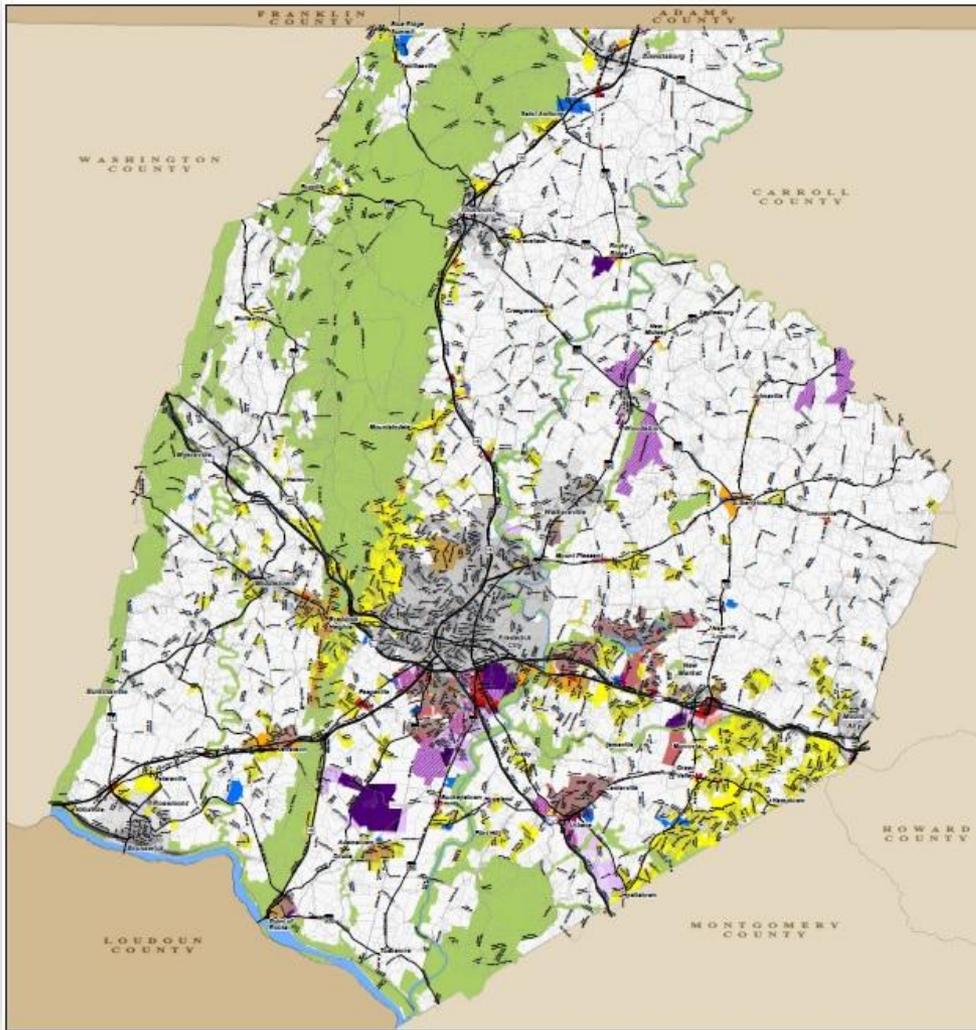


## Infill

- 288 vacant commercially zoned parcels
- 1,169 acres



# Development Approach



## Zoning

Adopted as part of the Countywide Comprehensive Plan Ordinance #10-05-540, Effective: April 8, 2010

Amended:  
 Ordinance #10-27-562, Effective: November 23, 2010,  
 Ordinance #12-05-600, Effective: March 8, 2012,  
 Ordinance #12-22-617, Effective: September 13, 2012



Frederick County, Maryland  
 Community Development Division  
 October 02, 2012

### Zoning Districts



Zoning	Zoning	Comp Plan
Agriculture	51%	52.4%
Commercial/ Industrial	3%	2.8%
Institutional	1%	0.7%
Residential	10%	8.3%
Resources Conservation/ Water/Parks	26%	26.4%
Right of Way	3%	3.1%

# Balancing Cost v. ROI



## Adaptive Reuse / Infill Pros

- Sense of Place - Unique
- Stewards of Past
- Smart Growth
- Attractive Adaptive Reuse – cool funky spaces
- Attracts creative class
- Attracts tourism
- Attracts millennials
- Higher Assessed Value/Ac

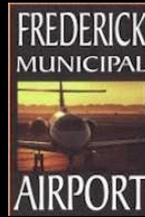
## INCENTIVES

Reduce  
Development  
Review Time  
and Cost –vs-  
greenfield

## Adaptive Reuse / Infill Cons

- Higher Development Costs
  - life safety (egress/sprinklers)
  - historic restoration
  - ADA
- Structured Parking
- Additional layer(s) of approval required (longer/cost)
- Less of Predictability in approval process = Risk
- Less Flexibility

# Fly Frederick



- Mission: To deliver world-class aviation services as an economic driver in support of the Frederick community.
- Vision: To be the preferred executive airport in the Baltimore/Washington region
- 300+ businesses use Frederick Municipal Airport on an annual basis
- 2<sup>nd</sup> busiest airport in state of Maryland (BWI is #1) (110,000 aircraft operations in 2013)
- Services Provided:
  - 2 licensed runways (5,200' and 3,600')
  - Federally Funded Air Traffic Control Tower
  - Fixed Base Operator Services - Aircraft maintenance/hangars
  - Fuel sales
  - Flight Training Programs



## Economic Development Impact

JOB(S(Direct/Indirect /Induced)	1,268
BUSINESS REVENUE	\$ 110M
PERSONAL INCOME	\$ 77M
TAXES	\$ 7M

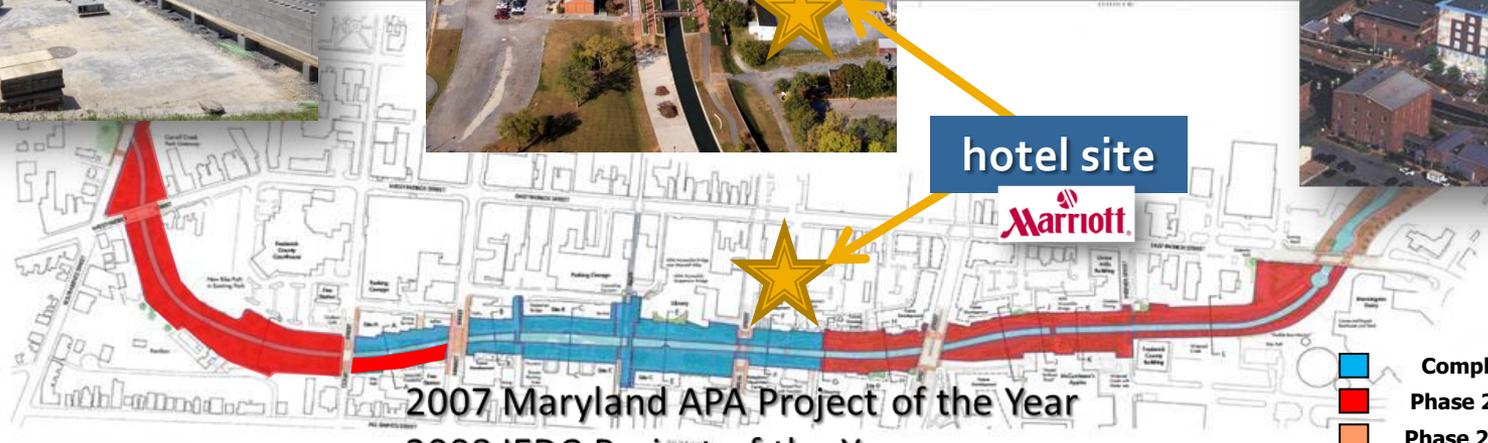
Source: 2013 Maryland Aviation Administration



# Carroll Creek Park



- ### New Development Along CCP
- ❖ 405,000 sf office space
  - ❖ 150,000 sf retail space
  - ❖ 350 to 600 MF residential units
  - ❖ 2,200 structured parking spaces
  - ❖ 1,500 new jobs
  - ❖ \$150+ million private investment
  - ❖ 200 Room Full Service Hotel
  - ❖ 20,000 +/- SF Conference Center



hotel site



2007 Maryland APA Project of the Year  
 2008 IEDC Project of the Year

- Completed 2006
- Phase 2A 2014/15
- Phase 2B (Site J/K)

Carroll Creek Park - Carroll Creek Park  
 1111 Carroll Creek Park  
 Carroll Creek Park

# Downtown Hotel & Conference Center



## PROPOSED FACILITY PROGRAM

- 207 Room Full-Service Marriott Hotel
- 23,500 GSF Meeting Space
- 450-500 person ballroom (seated dinner)
- On-Site Parking - 104 spaces
- LEED Certified – Green Design/Construction
- Historic Trolley Building Renovation
- 2 Restaurants including terrace dining along CCP
- 2 Lounges including a rooftop lounge
- Indoor Pool

## ECONOMIC IMPACT

- \$64 Million Project
- \$25.8 M annual economic spending impact
- 280 Jobs (\$9.0 M payroll)
- 110 hotel jobs/\$2.9 M payroll
- Sales Tax / Hotel Tax
- Catalyst for Reinvestment



# City Projects





[Location](#)
[Amenities](#)
[Site Plan](#)
[Buildings](#)
[Broker Resources](#)



**Join the Team.  
Share the Vision.**

Nestled along the banks of the scenic Monocacy River, Riverside Research Park is a world-class, 177-acre biomedical research and development campus in Frederick, Maryland. The Maryland location is one of the most in demand markets in the country, with unique access to top-tier research institutions and the majority of federal agencies. The suburban park serves as the northern anchor to the I-270 Technology Corridor from Washington, DC, and I-70 West from Baltimore, Maryland.





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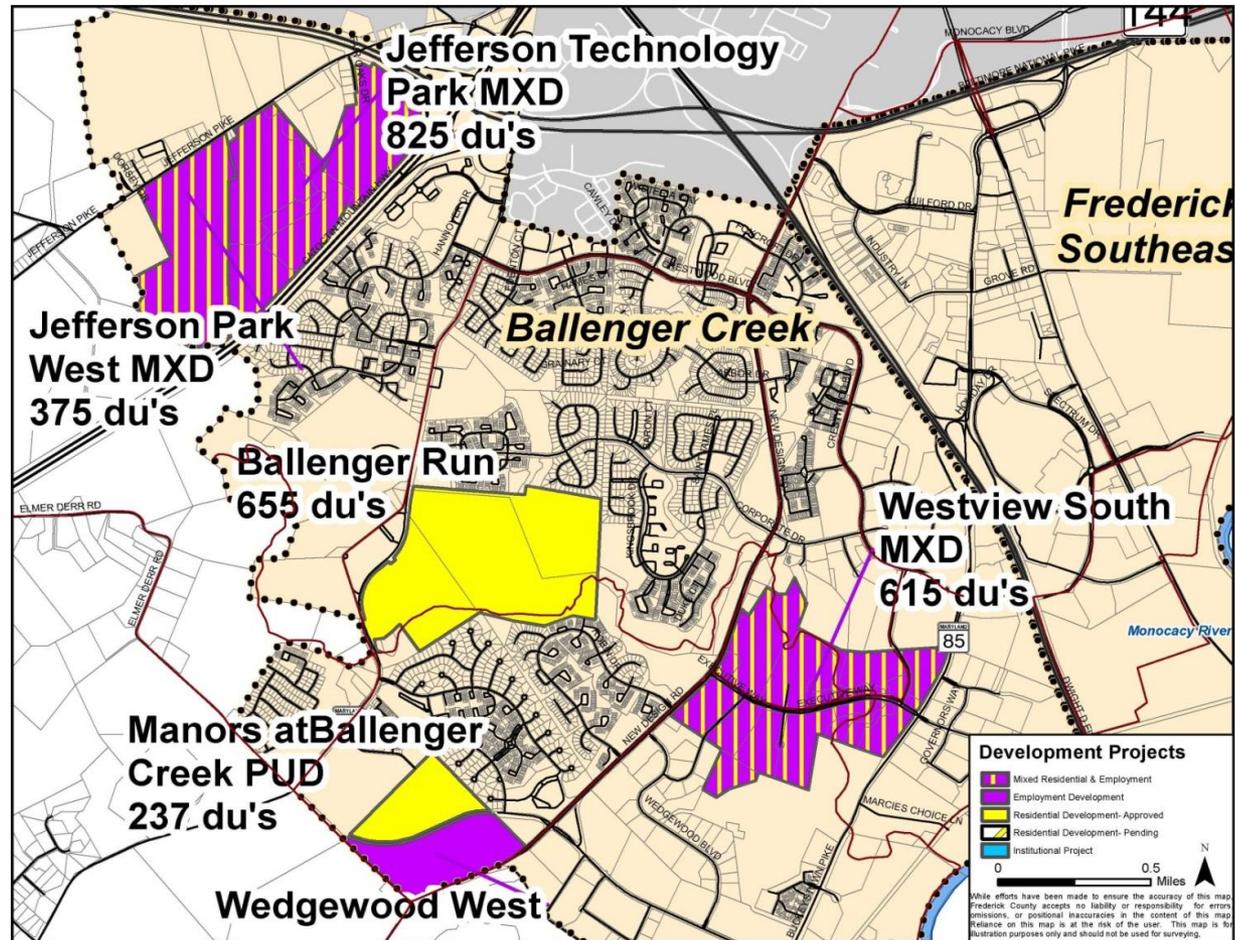
TIVOLI SQUARE
NORTHGATE TOWN CENTER
ADDISON PLAZA
HEIGHTS CENTER
TRINITY SQUARE
MERRIMAC SQUARE

**LOCATION**  
Route 15 & Christopher Crossing, Frederick, MD

Northgate Town Center is currently in pre-development stages. Plans are for a 55 acre 300,000 square foot retail center on Route 15 and Christopher Crossing in Frederick, Maryland. For leasing opportunities contact: Michael Patz, KLNB mpatz@KLNB.com

Source: Frederick County Community Development Division

# County Projects



# County Projects

## Jefferson Technology Park

- An advanced technology park within the US340/MD 180/I-70 corridor
  - 825 Residential Units
  - 173 Total Acres
    - 55 Acres Employment
    - 20 Acres Commercial
    - 40 Acres Open Space
- A Hyatt Hotel with a small conference center has approved a site
- Contracts have been secured on two new restaurants
- A 60,000 square foot grocery chain is also being negotiated and letter of intent signed
- \$11.5 Million US Rt 15 and MD Rt. 340 interchange to be completed Winter 2014/2015

*Jefferson Place*  
CORPORATE CAMPUS  
&  
TOWN CENTER



Source: Bradford Kline, Jefferson Park Development, LLC

# County Projects

## Westview South

### Westview Retail

- Hilton Hotel sale & construction commenced 5/1/14
- 2 large national restaurant users at Letter of Intent

### Westview Residential

- Under Contract to Mitchell & Best for 610 residential units. Sale pending Improvement Plan approval.

### Westview ORI

- 110,000 SF government contractors in serious negotiations
- Additional 1 million SF available



# County Projects

## Urbana

- **Corporate Center – 200 acre office and R&D campus includes:**
  - Fannie Mae (247,000 SF)
  - Legal General America (115,000 SF)
  - Social Security Administration (300,000 SF and \$500M capital investment) with 200 employees (average salary is \$60,000)
- **Residential**
  - 3,000 of 3,500 units in Villages of Urbana and Urbana Highlands are occupied
  - Projected to add 100-150 new units per year
- **Town Center Employment District**
  - New approvals obtained in October 2013 for additional Urbana development of up to:
    - 610 residential units
    - 1,950,000 SF office/research space
    - Development commences in 2015



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**NATELLI COMMUNITIES**

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**Thoughtful Planning  
Timeless Design  
Attention to Detail**

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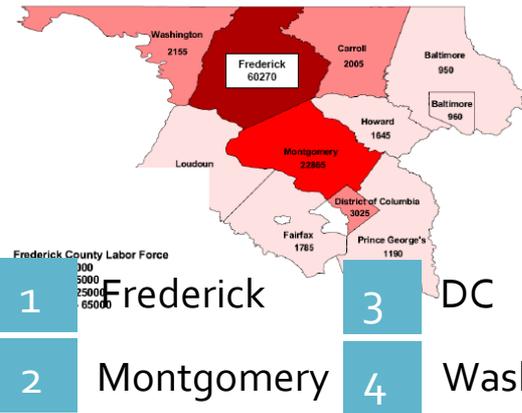
# New Retail

- **Villages of Urbana**
- **MD 26 / US15 Area**
  - Clemson Corner
  - Market Square
  - North Pointe
- **MD 85 Corridor**
  - Westview
  - Westview South
- **MD 355 / FSK Mall**
  - CarMax
- **Downtown Frederick**
  - Market, Patrick, East Streets, CCP
- **Golden Mile Redevelopment**
  - Frederick Towne Mall Redevelopment

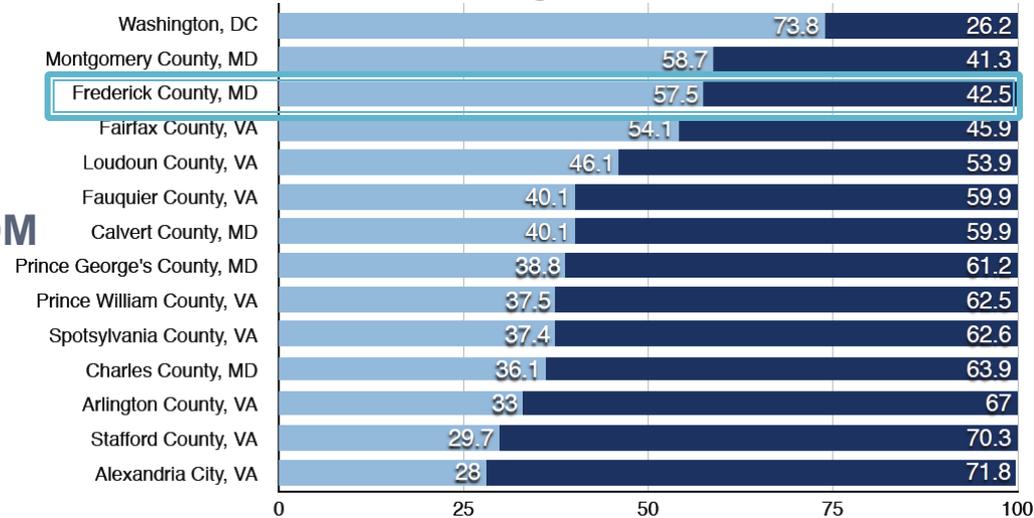


# Commuting Patterns

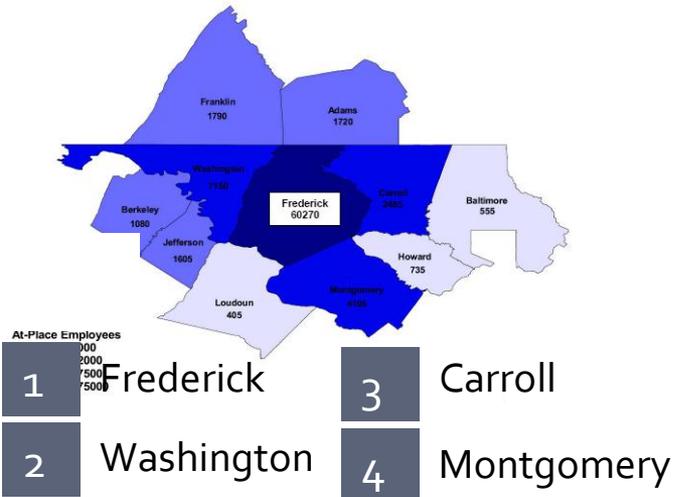
## Where Frederick Residents Commute TO



## Place of Residence by Location of Workplace (Washington MSA)

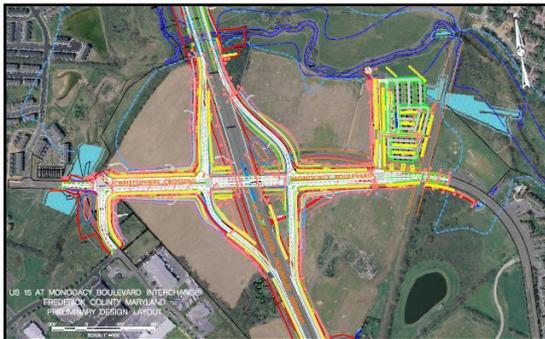


## Where Frederick Residents Commute FROM



# Infrastructure

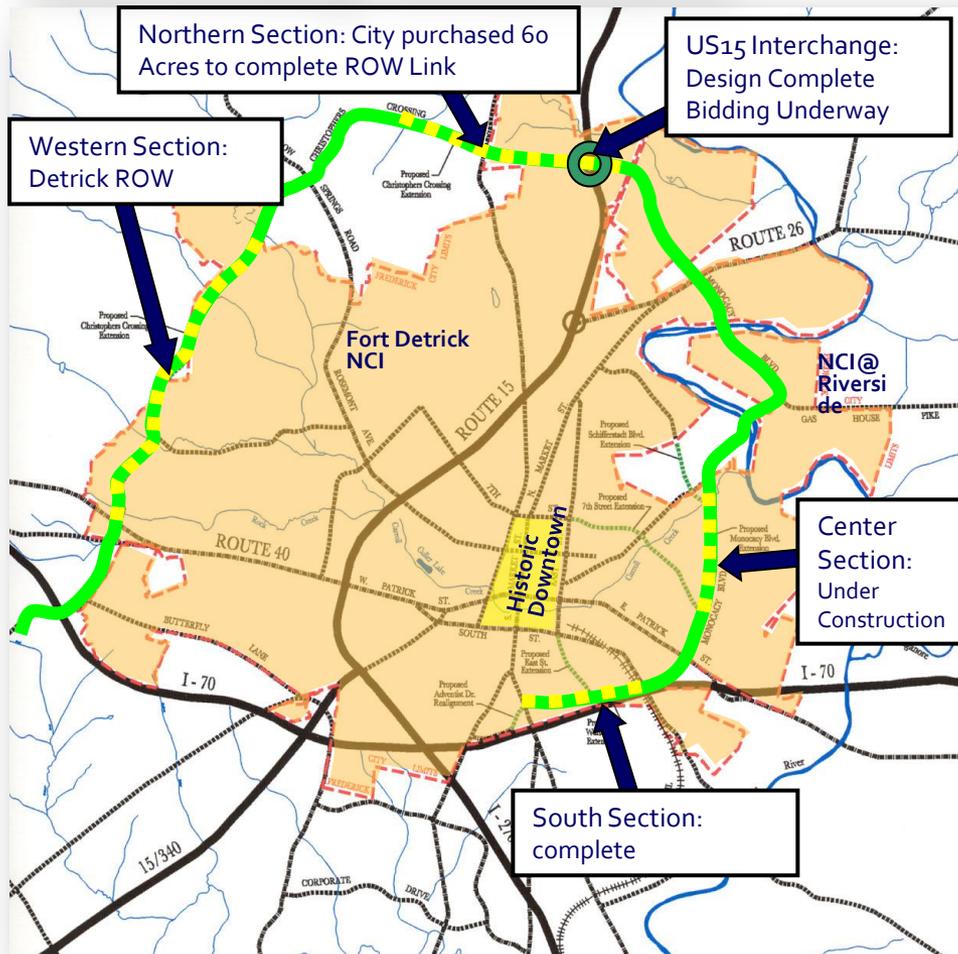
## Transportation Projects



- Monocacy Boulevard Center Section
  - \$16 million share between County & City
  - Connects I-70 to Riverside Research Park
  - Opens up land for employment development
  - Improves access for business to municipal airport
- US 15/Monocacy Boulevard Interchange
  - Construction to start winter/spring 2015. Complete in 2017/2018
  - Construction cost - \$63.8 million
- I-70 Widening from MD 144 and MD 85/East Street interchanges
  - \$45 million project
- Carroll Creek Park (Urban Park Bike/Pedestrian Pathways)
  - Phase II Construction Awarded November 2013
  - \$15.7M project scheduled for 2015 completion
- US340 Bridge to Jefferson Technology Park
  - County provided TIF financing
  - Scheduled for completion this winter
- MD 180/351 lane widening and expanded bridge over US 340/15
  - City & County to collect developer funds as seed money

# Road Improvements

## Monocacy Boulevard



- ❖ Major Arterial Ring Road
- ❖ Local Traffic Reliever
- ❖ Access to Fort Detrick & NCI
- ❖ Access to NCI@Riverside
- ❖ Access to I-70, US15, MD26, US40
- ❖ New Interchanges at US15 & I-70

# 2014 Market Analysis Report

## 2014 Economic Demographic & Real Estate Dynamics Analysis

SAGE POLICY GROUP

**Purpose:** Provide relevant and current data on demographics, market trends, real estate, and recommendations.

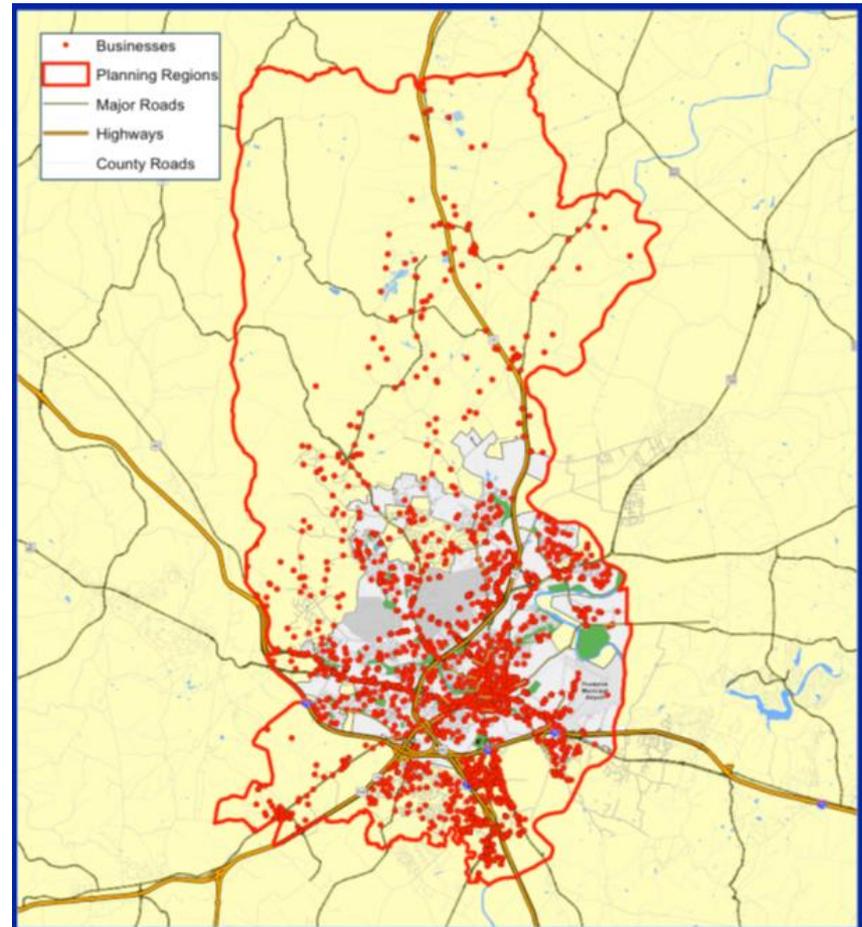
[Note: This is an update to the Market Study done in 2007-08 by BBP]

### 1. Industry Type

- Office
- Flex/Industrial
- Retail

### 2. Geographic Boundaries

- Frederick Planning Region
- The City of Frederick
- Downtown
- The Golden Mile
- East Frederick Rising



# 2014 Market Analysis Report

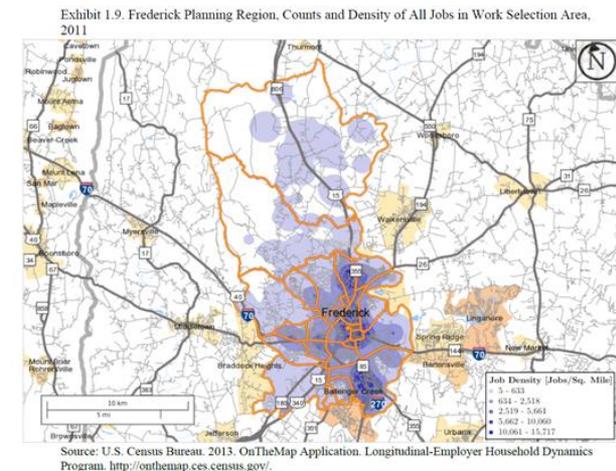
## EMPLOYMENT

Exhibit 1.7 shows that the city was responsible for 49.6 percent of countywide employment in 2011. The city has two-thirds or more of countywide employment in utilities, public administration, healthcare/social assistance, finance/insurance, and information.

Exhibit 1.7. At-Place Employment by Industry, City of Frederick and Frederick County, 2011

Industry	City		County		City % of County
	No.	Share	No	Share	
Agriculture, Forestry, Fishing and Hunting	129	0.3%	507	0.6%	25.4%
Mining, Quarrying, and Oil and Gas Extraction	36	0.1%	59	0.1%	61.0%
Utilities	133	0.3%	136	0.2%	97.8%
Construction	1,485	3.3%	7,670	8.5%	19.4%
Manufacturing	1,301	2.9%	5,008	5.6%	26.0%
Wholesale Trade	1,034	2.3%	2,822	3.1%	36.6%
Retail Trade	4,759	10.7%	10,836	12.1%	43.9%
Transportation and Warehousing	281	0.6%	1,356	1.5%	20.7%
Information	831	1.9%	1,227	1.4%	67.7%
Finance and Insurance	4,397	9.9%	5,815	6.5%	75.6%
Real Estate and Rental and Leasing	369	0.8%	726	0.8%	50.8%
Professional, Scientific, and Technical Services	3,942	8.8%	9,587	10.7%	41.1%
Management of Companies and Enterprises	216	0.5%	527	0.6%	41.0%
Administration & Support, Waste Management and Remediation	1,757	3.9%	4,659	5.2%	37.7%
Educational Services	6,496	14.6%	11,682	13.0%	55.6%
Health Care and Social Assistance	7,520	16.9%	10,197	11.3%	73.7%
Arts, Entertainment, and Recreation	323	0.7%	1,163	1.3%	27.8%
Accommodation and Food Services	3,372	7.6%	7,859	8.7%	42.9%
Other Services (excluding Public Administration)	1,873	4.2%	3,262	3.6%	57.4%
Public Administration	4,357	9.8%	4,774	5.3%	91.3%
Total	44,611	100.0%	89,872	100.0%	49.6%

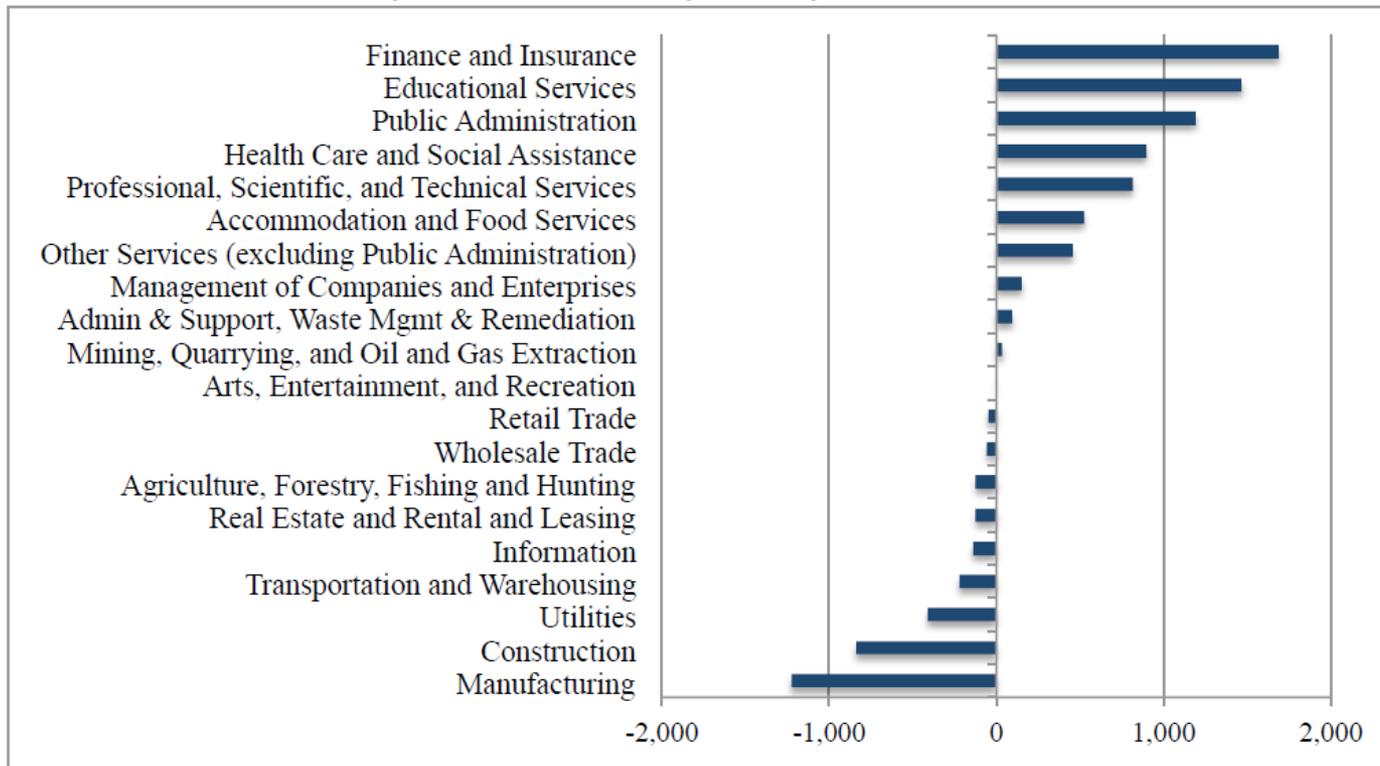
Source: U.S. Census Bureau. 2013. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. <http://onthemap.ces.census.gov/>.



# 2014 Market Analysis Report

## EMPLOYMENT

Exhibit 1.23. Growth in City of Frederick Jobs by Industry Sector, 2002-2011



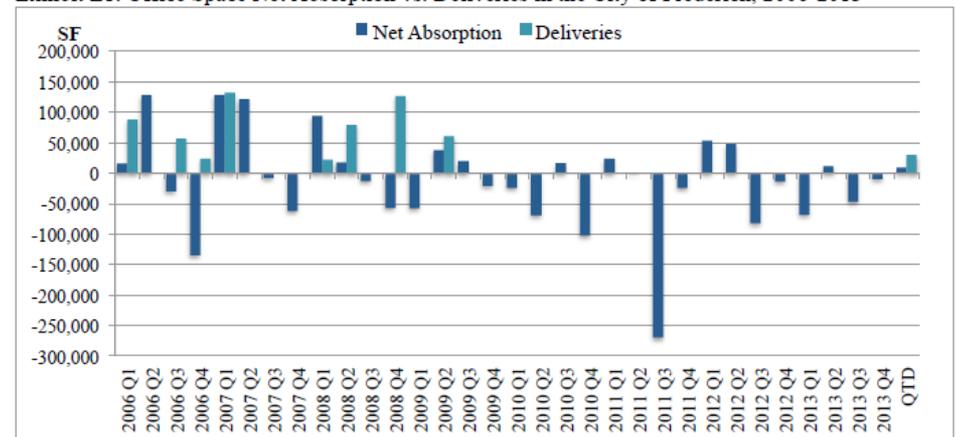
Source: U.S. Census Bureau. 2013. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. <http://onthemap.ces.census.gov/>.

# 2014 Market Analysis Report

## GENERAL FINDINGS

- The top four employers (21,000 jobs) are either attached to government or healthcare.
- Nearly half of all Downtown Frederick employment (47.6%) was in public administration (2011).
- Virtually no new office space has been delivered in the City since June 2009. Net office space absorption has been negative during recent quarters
- Retail rents are rising again but retail leasing activity has not quite returned to pre-recession levels

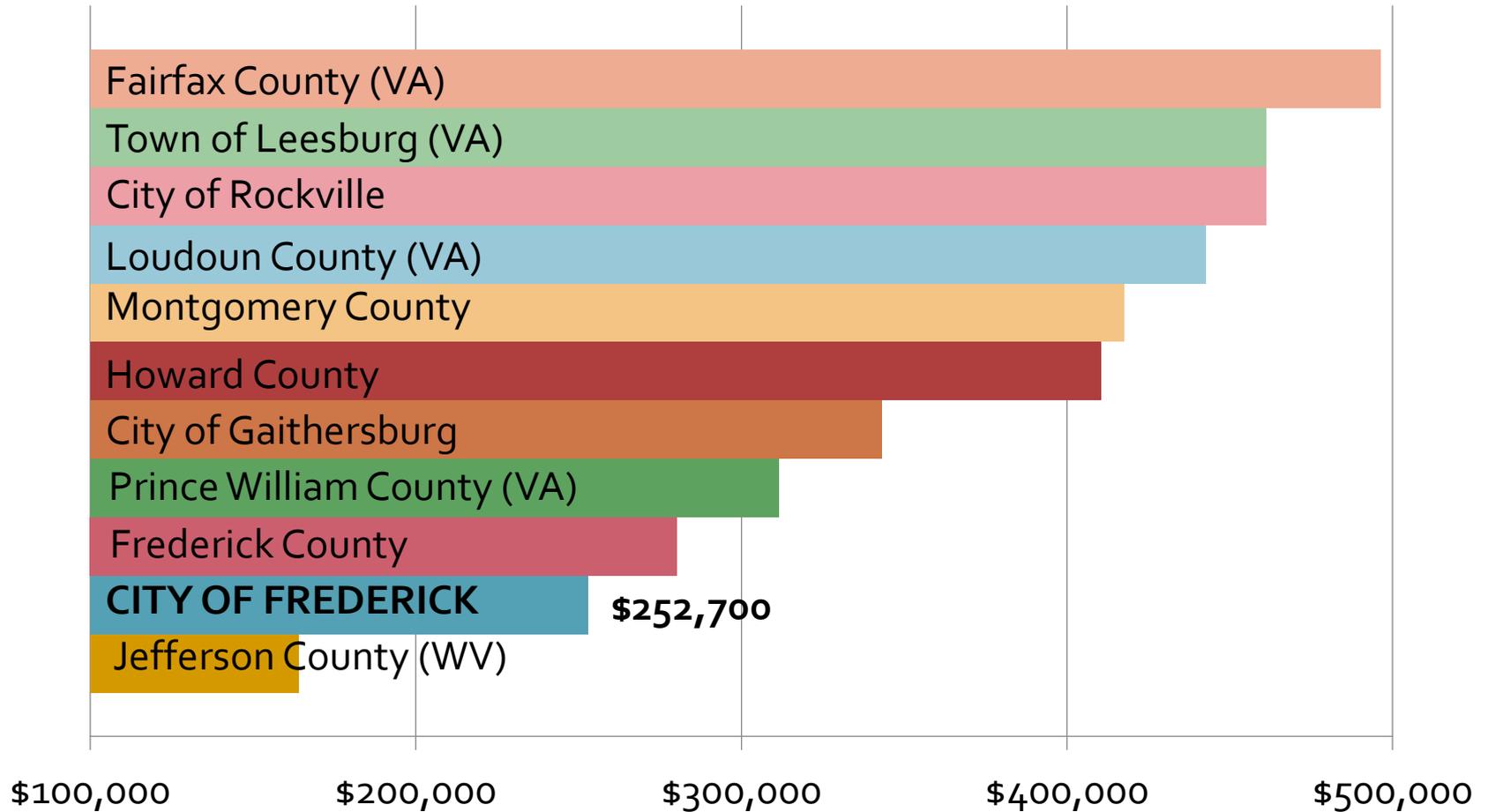
Exhibit E1. Office Space Net Absorption vs. Deliveries in the City of Frederick, 2006-2013



Source: Costar; Notes: 1. Net absorption measured in SF, Deliveries measured in rentable building area.

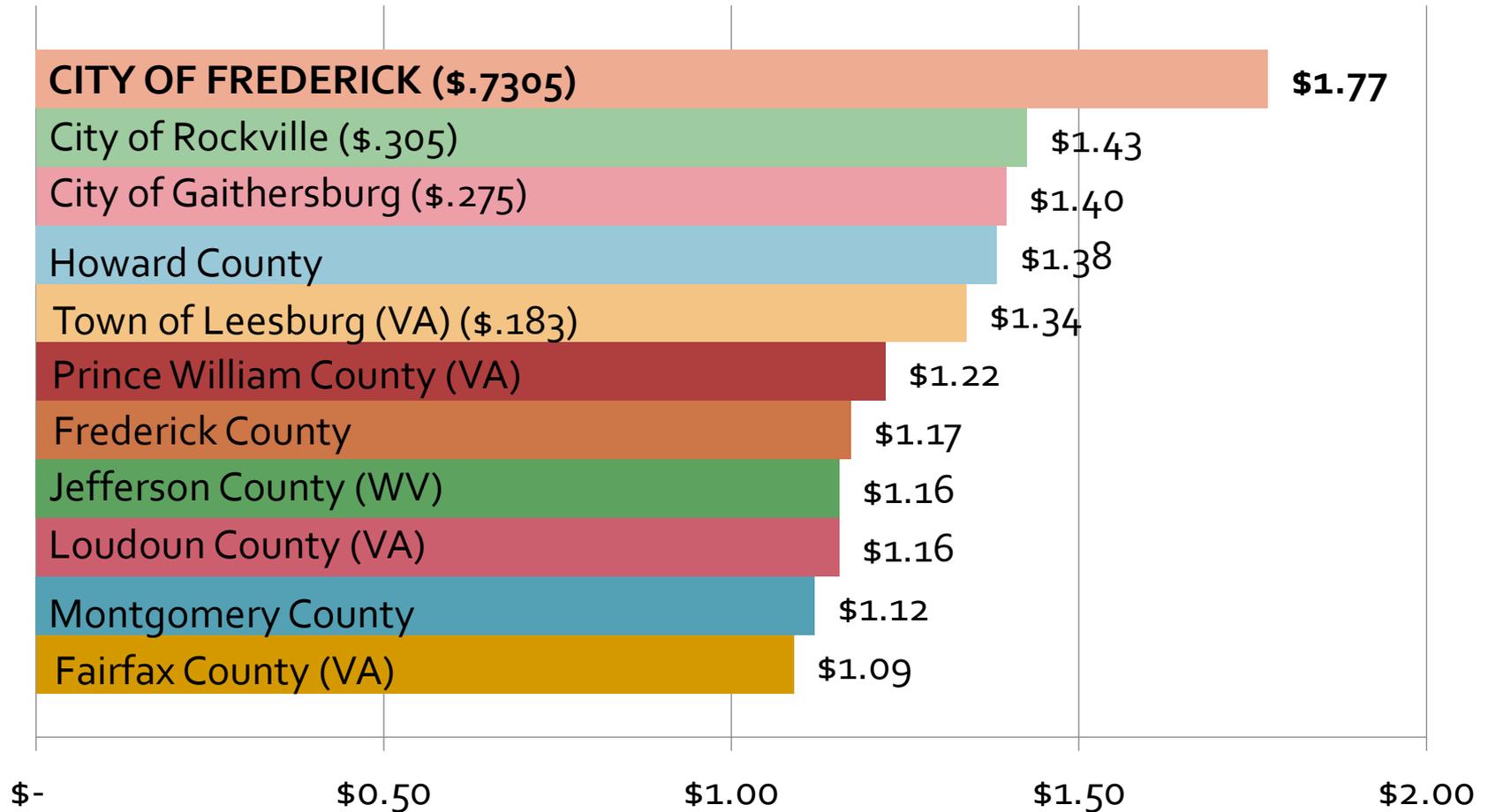


# Average Home Values

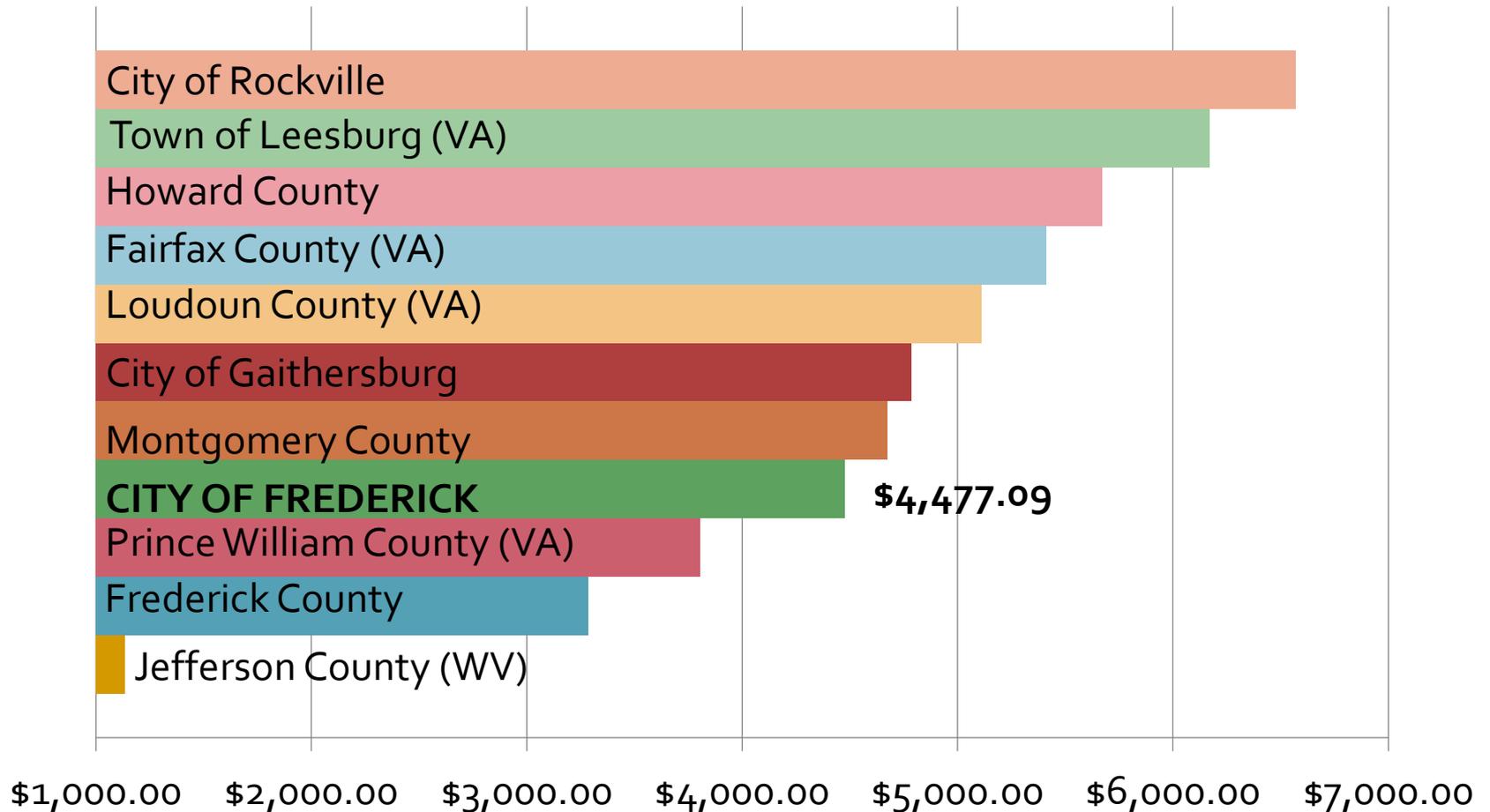


# Real Property Tax Rate

(State, County, Municipal -if applicable)



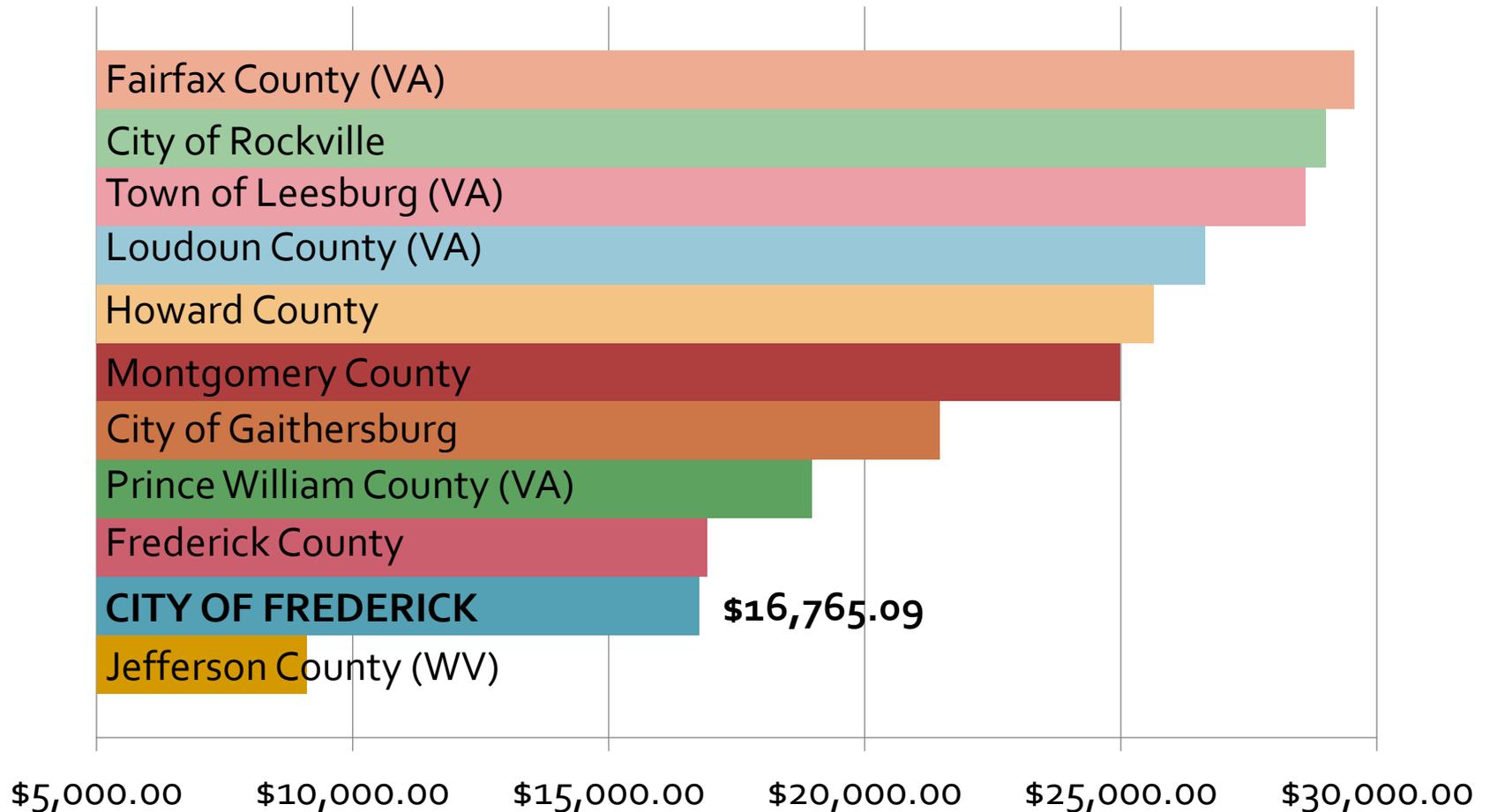
# Annual Real Property Taxes



Calculated based on average home value and current real property tax rates

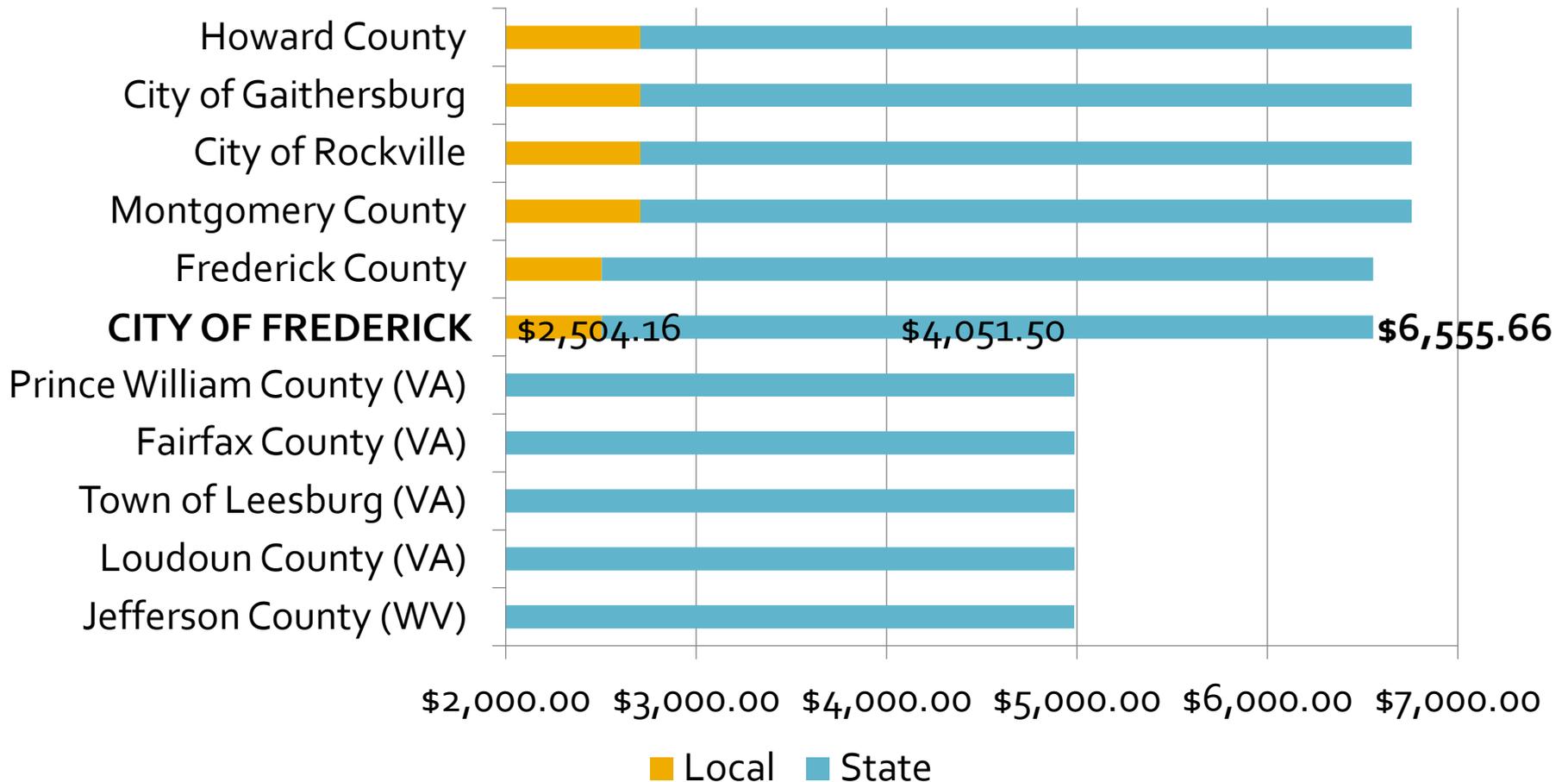
# Annual Housing Costs

(P+I & Real Property Taxes)



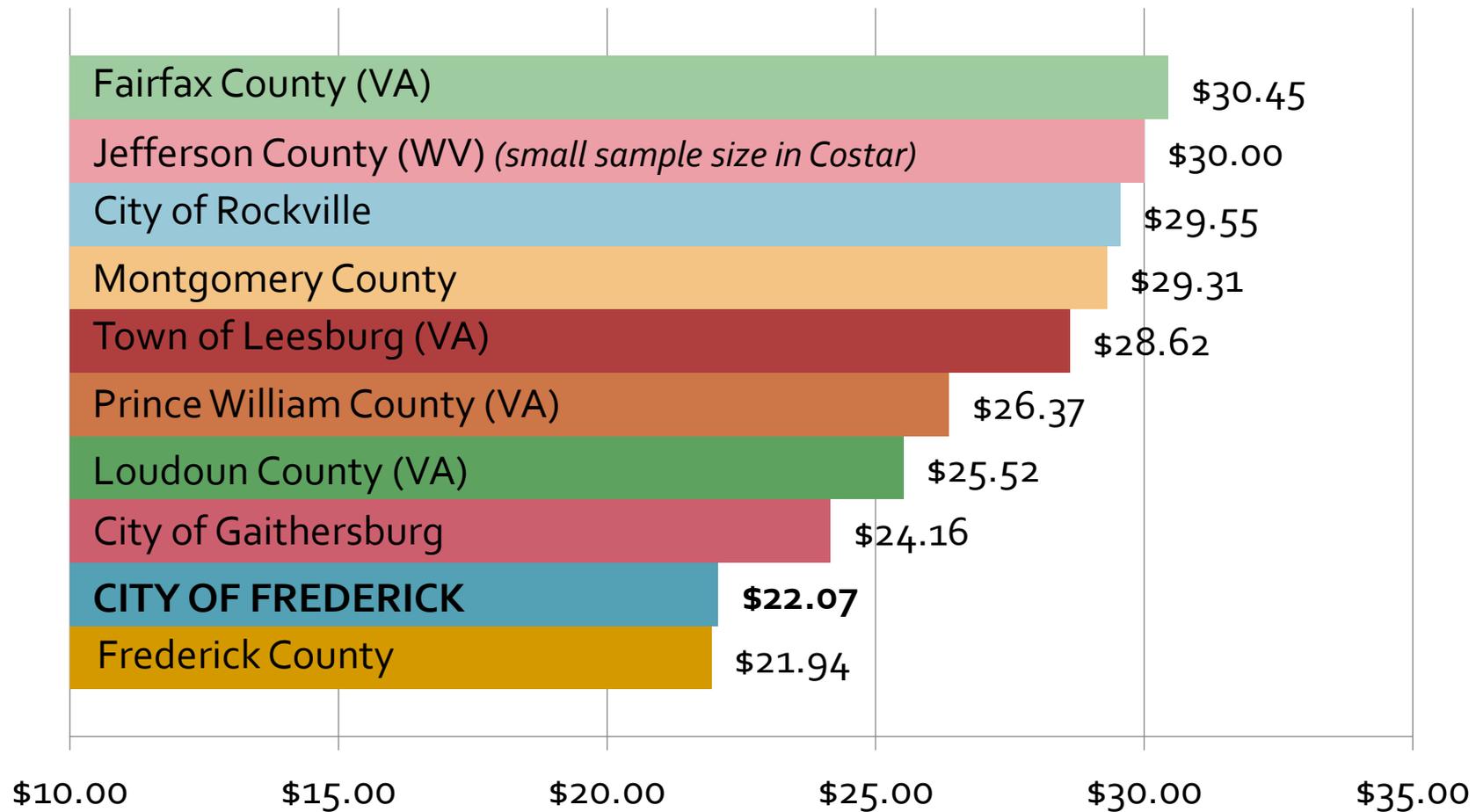
P+I based on average home value and corresponding property tax calculation

# State & Local Income Taxes



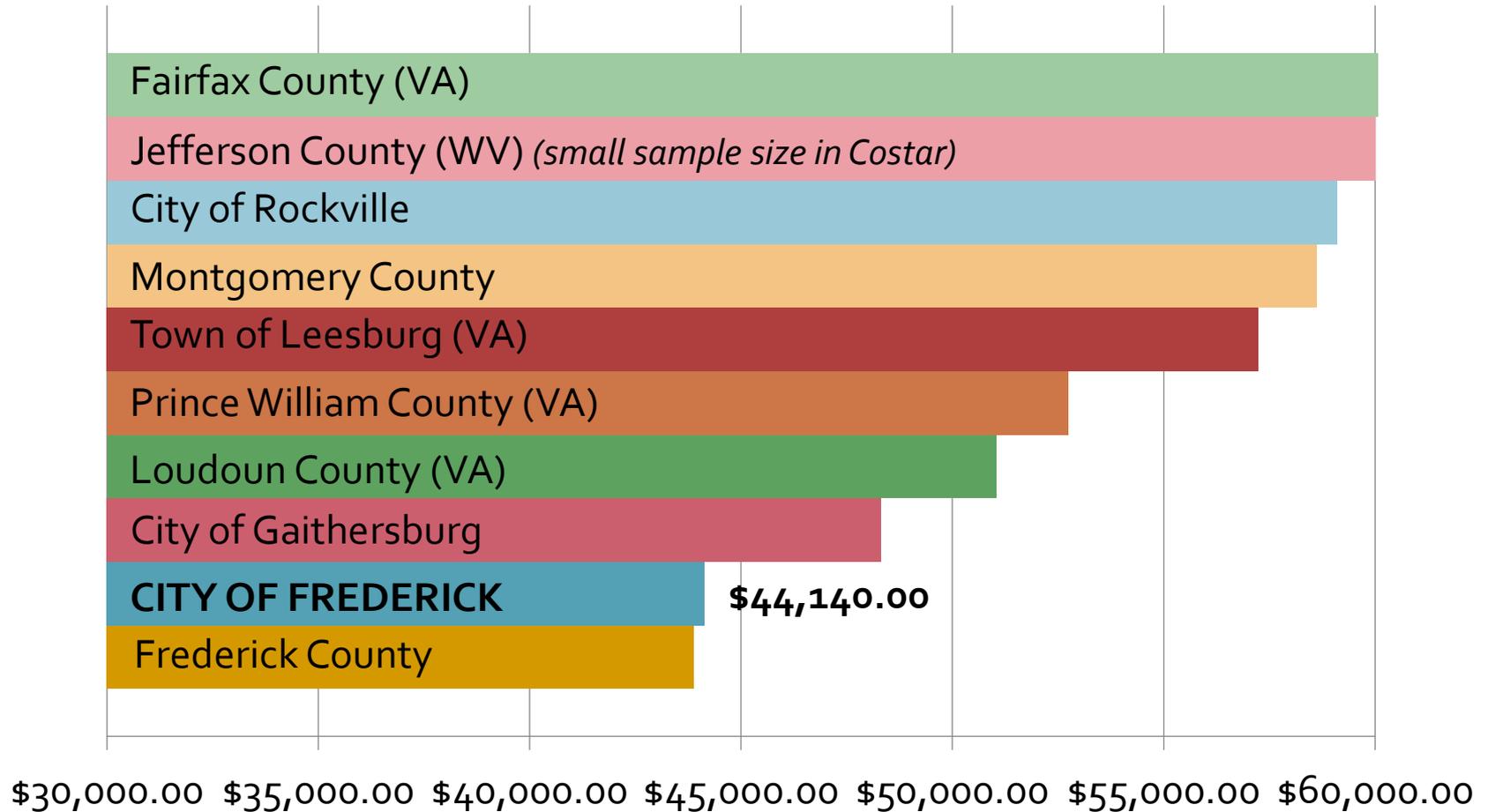
Based on \$100K HH income, married filed jointly, 1 dependent, standard deductions

# Full-Service Gross Office Lease



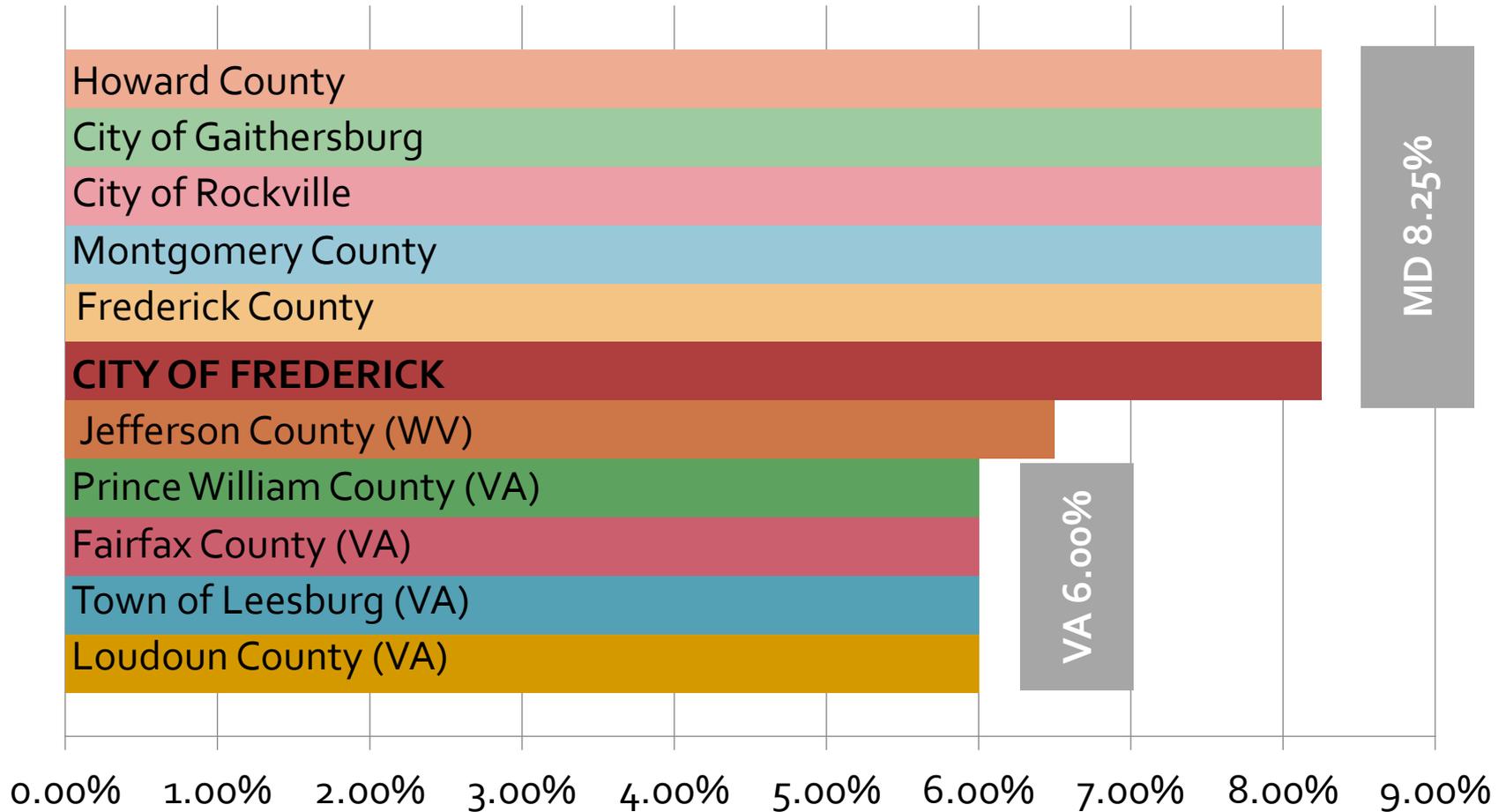
# Annual Full-Service Office Lease

2,000 SFT



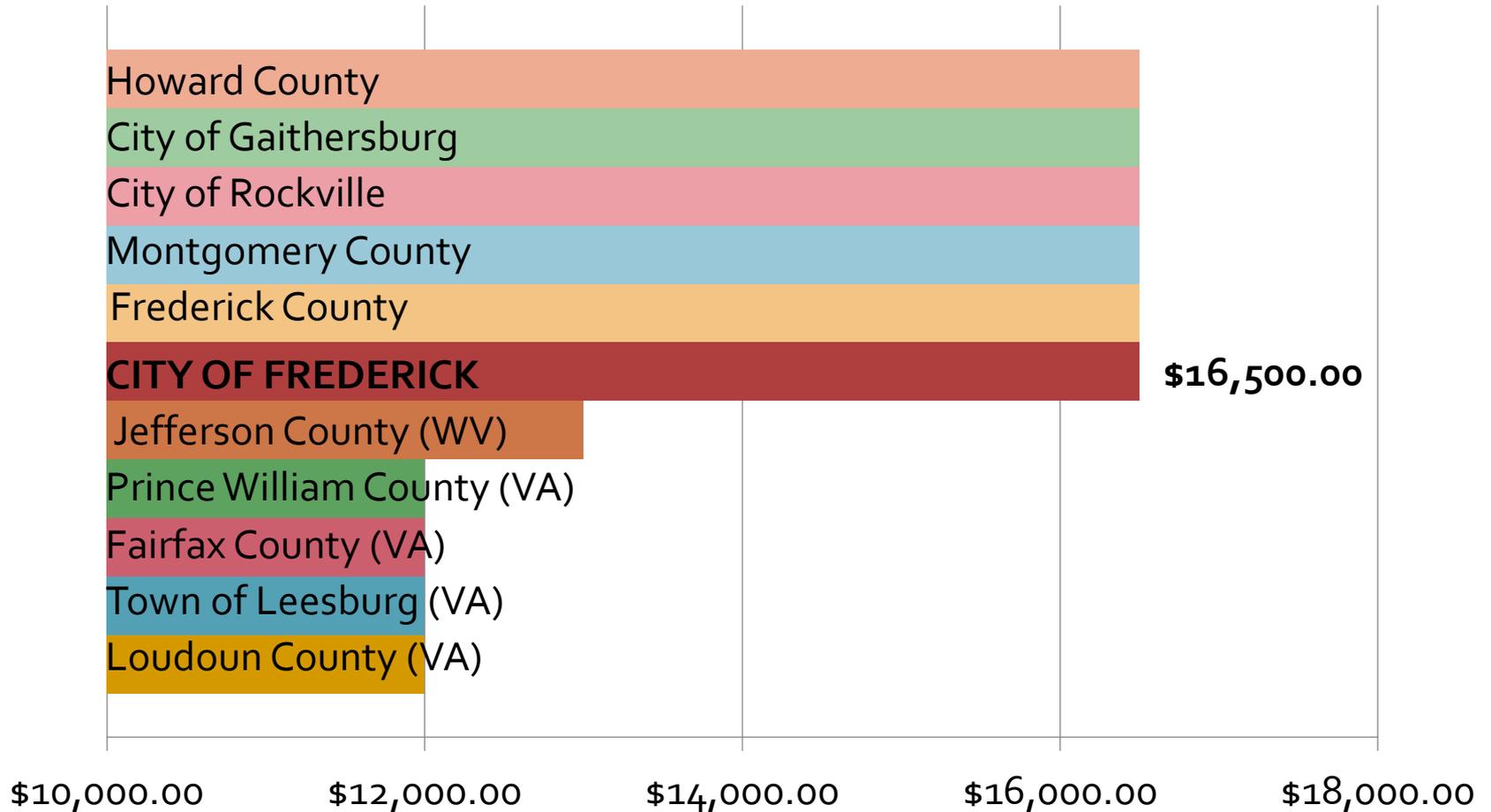
Based on Costar full-service lease rate for 2,000 SFT office space

# Corporate Income Tax Rate



Source: the jurisdictions

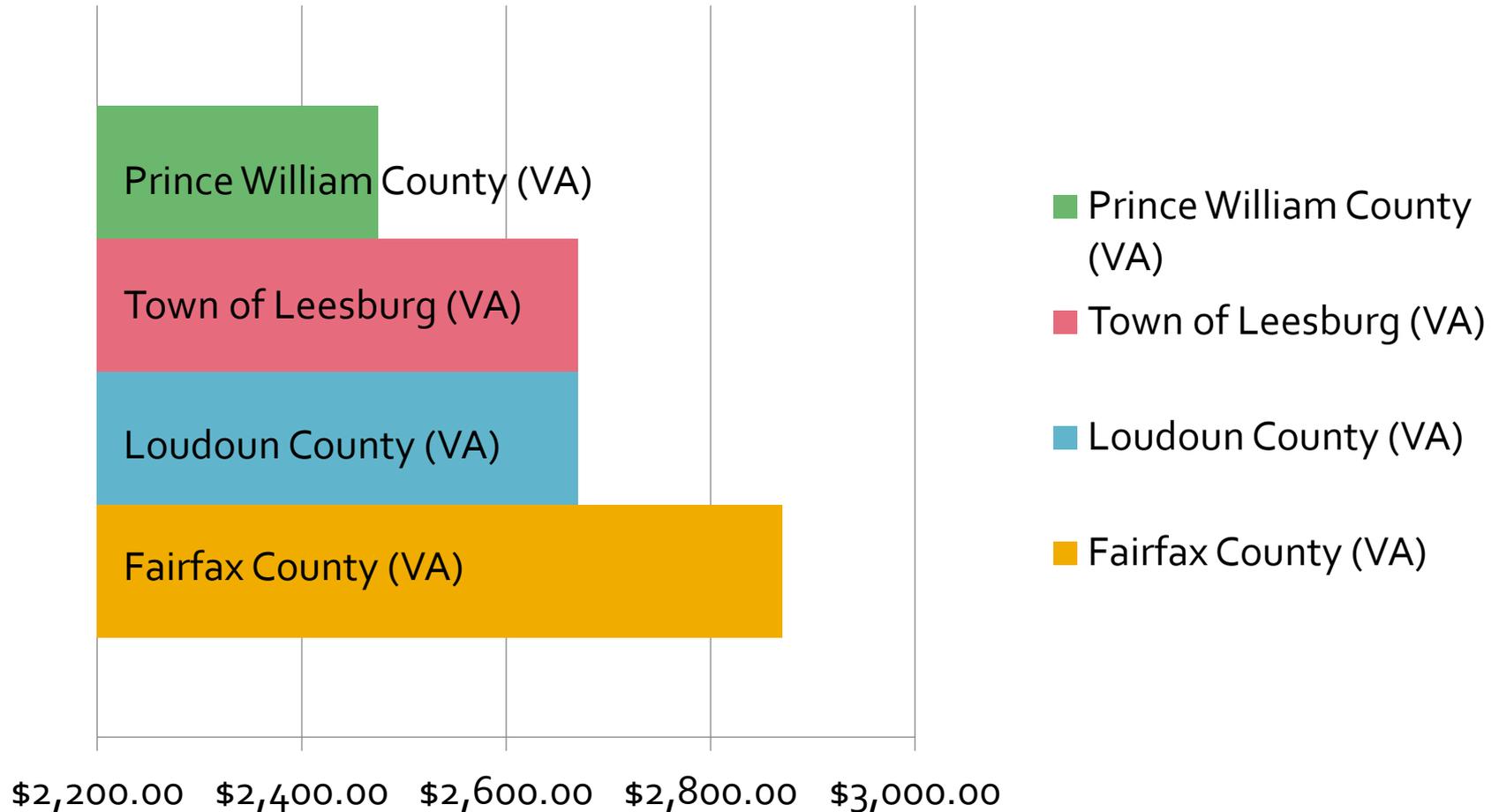
# State Corporate Income Taxes



Based on \$1M/year professional services business with \$200K net income

# Gross Receipts Tax

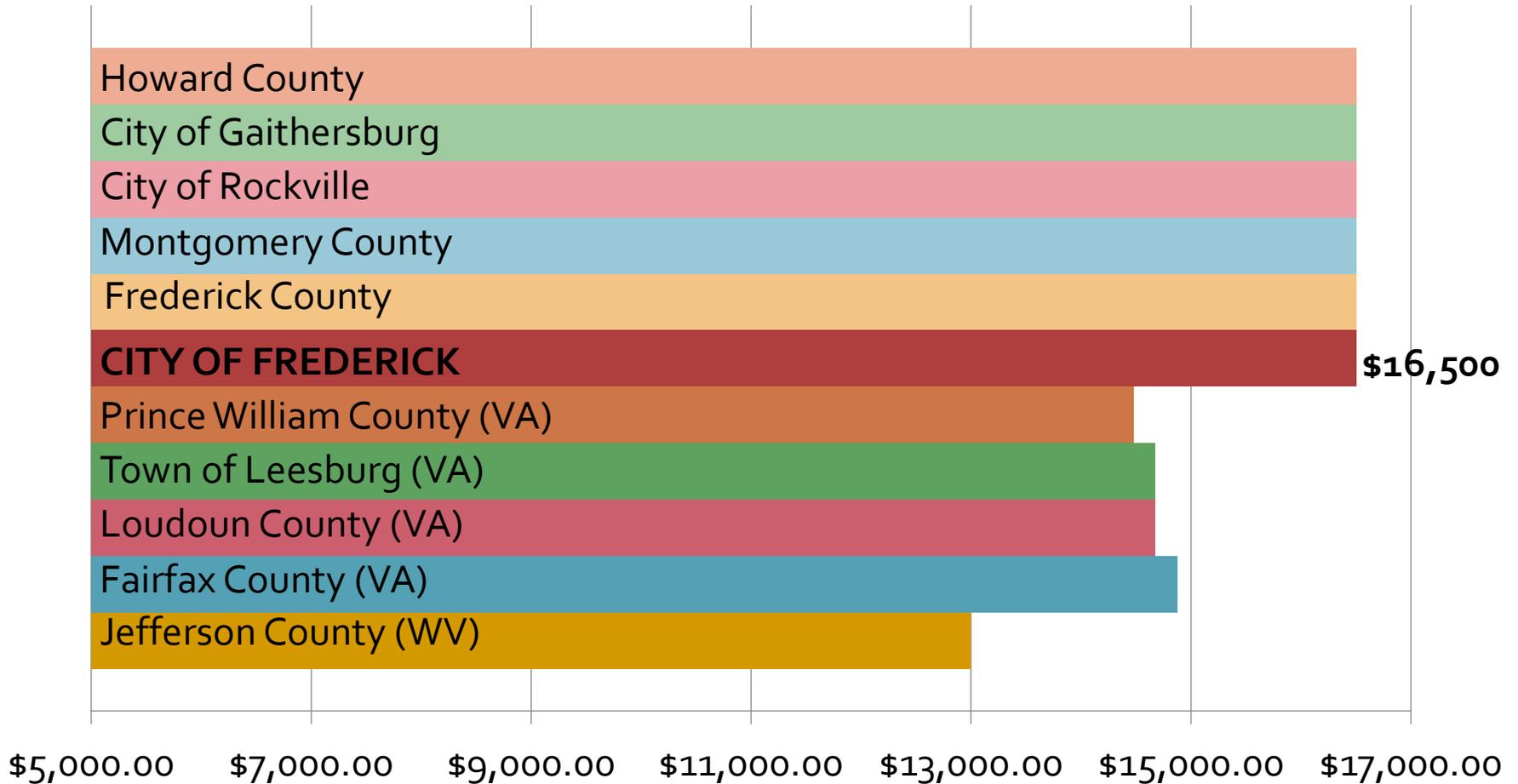
## Professional Services



Source: the jurisdictions, \$1M/year professional services business \$200K net income

# Total Business Taxes

Corporate + Gross Receipts



Based on \$1M professional services business with \$200K net income

# Business Personal Property Taxes

<b>Jurisdiction:</b>	<b>Rate (excluding exemptions/phase-outs):</b>
CITY OF FREDERICK	\$1.55
Frederick County	\$0
Montgomery County	\$1.83
City of Rockville	\$2.64
City of Gaithersburg	\$2.36
Howard County	\$2.54
Loudoun County (VA)	\$4.20
Town of Leesburg (VA)	\$5.20
Fairfax County (VA)	\$4.57
Prince William County (VA)	\$3.70

# Incentives: Local

	New Jobs	Enhanced New Jobs	Brownfields	Green Building (LEED)	Fast-Track Permitting	Incentive Fund (for State programs)	Local Incentive Funds & Other Property Tax Credits
<b>CITY OF FREDERICK</b>	X	X	X	*	X	X	Downtown Rehab, Historic, A&E, Golden Mile, Vacant Commercial
Frederick County	X	X	X		X		Agricultural Preservation, Downtown Rehab, Historic, A&E, Golden Mile, Vacant Commercial
Montgomery County	X	X	X	X		X	Incentive fund, small business revolving loan program, local piggyback of biotech and cyber credits, MOVE Program (\$4/ft)
City of Rockville	X			X		X	
City of Gaithersburg						X	Olde Towne enterprise zone, Toolbox, Opportunities Fund
Howard County						X	Substantial Investment tax credit (\$2M, 10+ jobs, strategic industry)
Loudoun County (VA)					X	X	50+ jobs, \$58K+, \$5M invest, target industry, part of VA package
Fairfax County (VA)						X	BPOL exemptions for software/r&d businesses
Prince William County (VA)						X	Incentive fund for site improvements/ infrastructure, workforce services, capital equip

Source: the jurisdictions (economic development), \* Public Hearing set for 12/4/2014,  
no local incentives cited in Jefferson County, WV, County programs available within municipalities

# 2014 Forward Frederick Survey

## Economy and Workforce

### Economy is stable & improving

- More than 50% believe the economy is improving
- 40% believe it is unchanged or stable

### Workforce will see growth and stability

- 45% are planning to hire new staffing
- 50% will keep employment stable
- Entry Level, Skilled Labor and Sales/Marketing are primary needs
- IT, Management, R&D and Customer support are also needed

### Frederick has the talent

- 75% believe Frederick has the workforce to meet their needs
- Nearly 20% said it does not have the talent, but is improving
- Employers actively recruit from local colleges and universities

### Take it easy

- 50%+ companies attract their workforce offering an attractive environment, flexibility & growth to differentiate themselves.

# 2014 Forward Frederick Survey

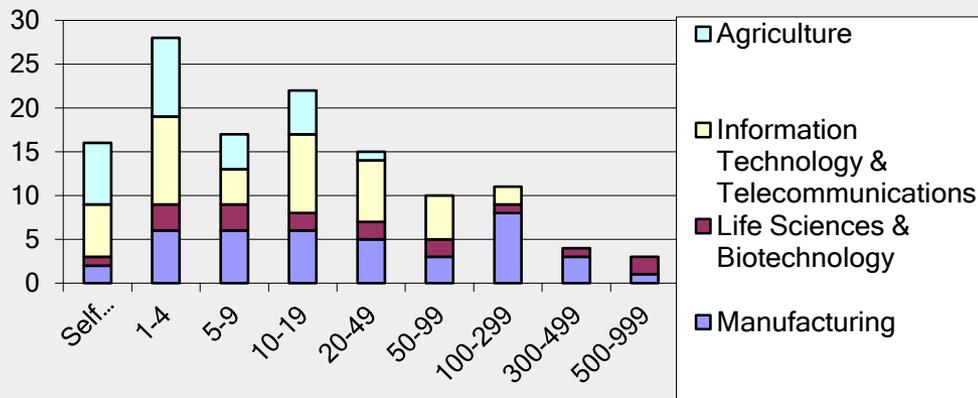
## Industry Demographics

Life Sciences and Manufacturing are the largest employers, but IT is growing.

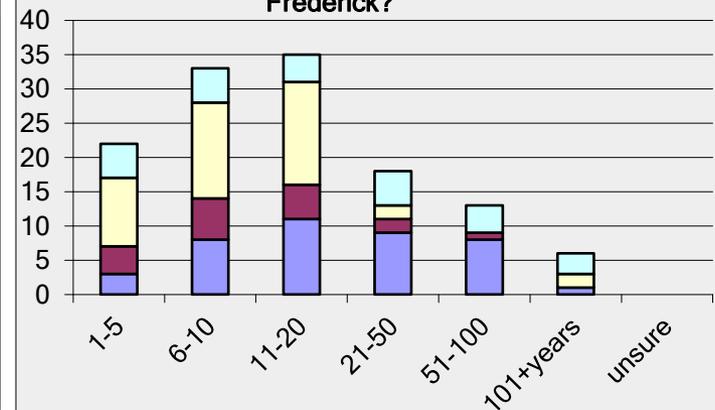
Agriculture rarely has more than 20 employees and the oldest

Manufacturing & Life Sciences are mature, but IT is also maturing.

How many full-time positions are employed at the company?



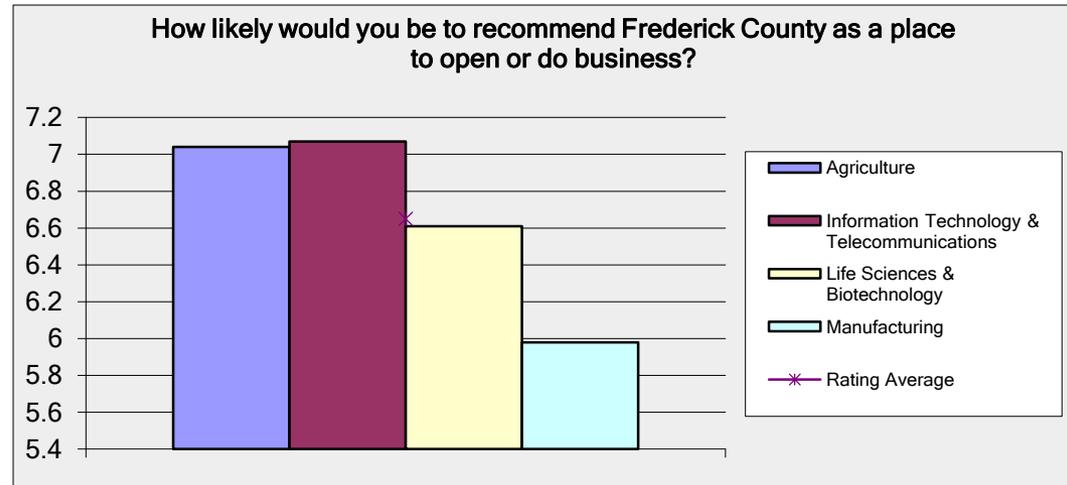
How many years has the company operated in Frederick?



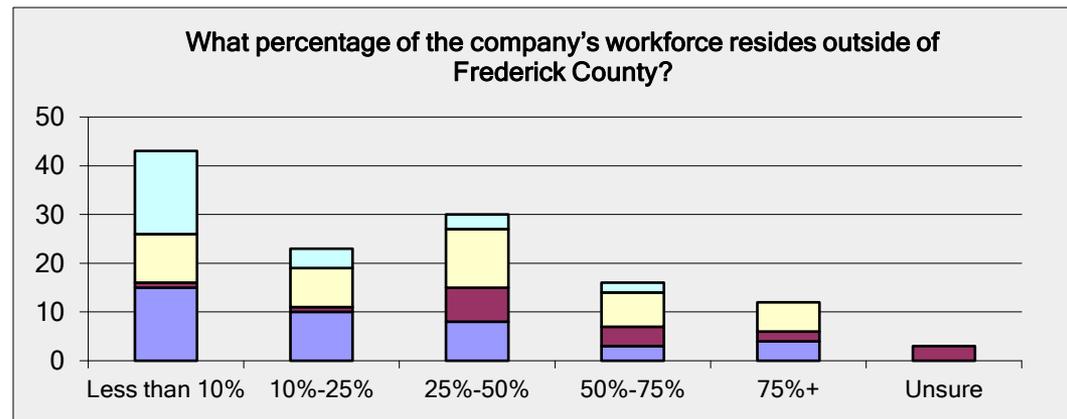
# 2014 Forward Frederick Survey

## Industries

Life Sciences & Manufacturing were less likely to recommend Frederick as place to do business with Agriculture & IT being in line with the average



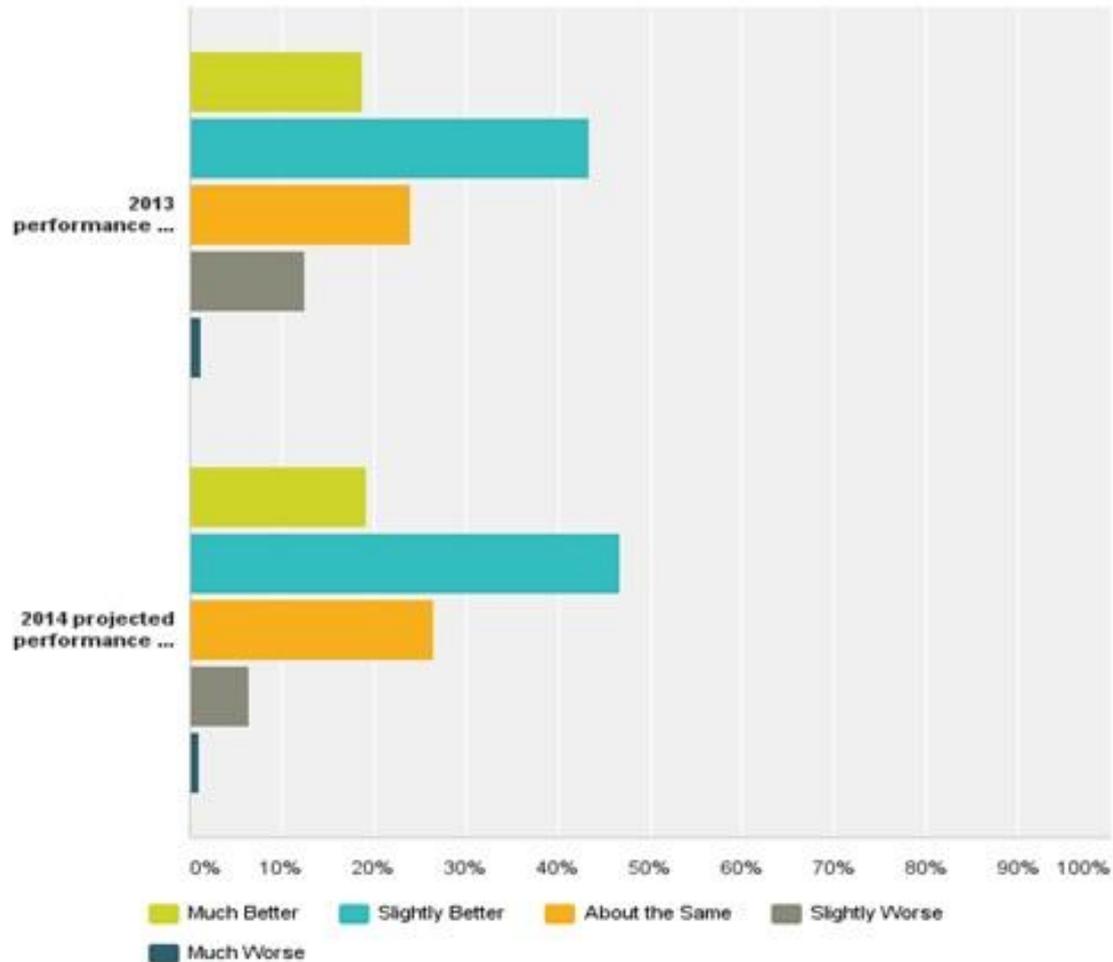
Nearly 1/2 of industries employ workers from out of the County with Life Sciences and Agriculture the largest.



# 2014 Forward Frederick Survey

## Answers

Q13: How does the company's 2013 performance compare to 2011 and 2014?



# 2014 Forward Frederick Survey

## Answers

Q15: How likely would you be to recommend Frederick County as a place to open or do business?

	<b>Not At All Likely</b>	<b>(no label)</b>	<b>(no label)</b>	<b>(no label)</b>	<b>(no label)</b>	<b>Neutral</b>	<b>Somewhat Likely</b>	<b>(no label)</b>	<b>Likely</b>	<b>(no label)</b>	<b>Extremely Likely</b>	<b>Total</b>	<b>Average Rating</b>
(no label)	<b>1.46%</b> 9	<b>0.98%</b> 6	<b>2.76%</b> 17	<b>1.63%</b> 10	<b>3.09%</b> 19	<b>14.31%</b> 88	<b>15.28%</b> 94	<b>5.85%</b> 36	<b>30.08%</b> 185	<b>8.46%</b> 52	<b>16.10%</b> 99	615	7.06

# 2014 Forward Frederick Survey

## Answers

Q17: How important are the following factors in the decision to operate facilities in Frederick?

	Not Important	Somewhat Important	Important	Very Important	Extremely Important	Total	Average Rating
Availability of Zoned Land or Buildings	23.30% 120	15.34% 79	28.74% 148	18.83% 97	13.79% 71	515	2.84
Availability of Utilities	16.44% 85	12.38% 64	32.88% 170	22.63% 117	15.67% 81	517	3.09
Availability of Skilled Workforce	9.69% 50	13.57% 70	32.56% 168	25.00% 129	19.19% 99	516	3.30
Timely Permitting, Licensing and Regulatory Environment	14.48% 75	11.97% 62	25.87% 134	23.75% 123	23.94% 124	518	3.31
Business Financial Incentives	17.02% 88	16.25% 84	31.33% 162	19.15% 99	16.25% 84	517	3.01
Critical Mass of Industry Sector	25.79% 131	20.08% 102	30.71% 156	16.73% 85	6.69% 34	508	2.58
Population Growth	15.44% 80	16.22% 84	30.50% 158	24.90% 129	12.93% 67	518	3.04
Business or Property Taxes	8.93% 46	11.46% 59	25.83% 133	24.66% 127	29.13% 150	515	3.54

# Frederick

M a r y l a n d

[www.businessinfrederick.com](http://www.businessinfrederick.com) | [www.discoverfrederickmd.gov](http://www.discoverfrederickmd.gov)



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