A nighttime photograph of a cityscape, likely Frederick, Maryland, with various buildings and streetlights illuminated against a dark sky. The image is used as a background for the top half of the slide.

# 2016 Bond Rating Economic Development Briefing

February 2016



# Trends & Initiatives

- Positive population growth
- Stabilized and increasing housing values
- Strong business growth
  - Bio/Lifesciences and Advanced Technology
  - Healthcare, Services, Retail
- Fort Detrick & National Cancer Institute – Frederick Expansion
  - National Interagency Biodefense Campus
  - Construction of new USAMRIID laboratory
- Downtown Frederick
  - Completion of Carroll Creek Linear Park (Phase II)
  - Rehabilitative and infill projects
- Golden Mile
  - Redevelopment of Frederick Towne Mall
- East Frederick
  - Small Area Plan development and planned residential and commercial taking shape

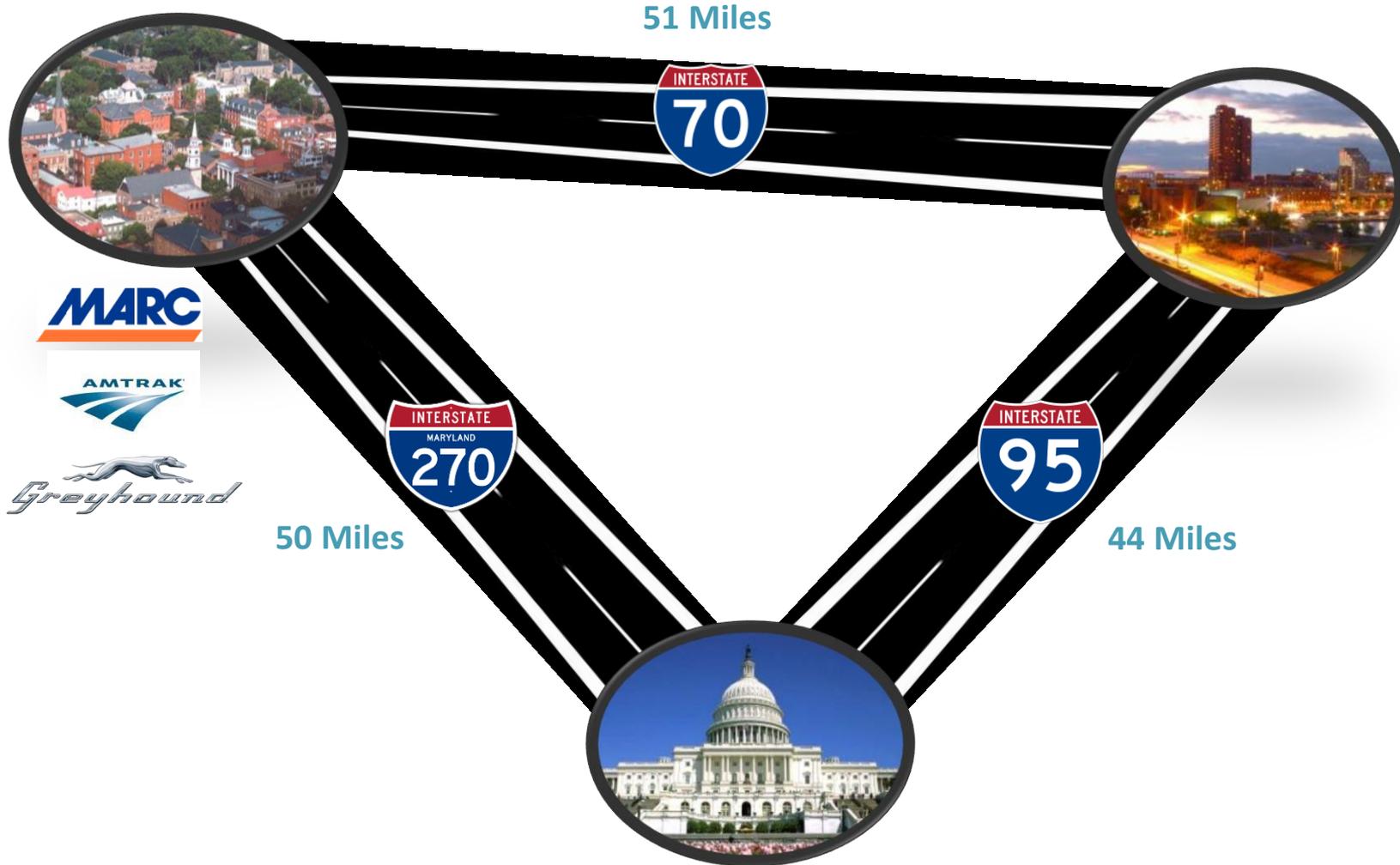
# Frederick Quick Facts

- Home to Fort Detrick & National Cancer Institute – Frederick
- Northern Anchor of I-270 Technology Corridor
- Frederick County Seat of Government
- Second Largest Municipality in Maryland

## Awards

- **2016 Top 50 Places in the South (20)** / *Southern Living*
- **2015 Top 100 Best Places to Live (32)** / *Livability.com*
- **2014 Top 10 Best Downtown (6)** / *Livability.com*
- **2013 Top 8 Small Town Comebacks** / *CNN*
- **2010 Top 25 Small Cities for Art** / *American Style Magazine*
- **2008 2<sup>nd</sup> Smartest City** (Bethesda-Gaithersburg-Frederick) / *Forbes*

# Baltimore/Washington/Frederick Area



# Labor Market

## Employment By Businesses Within Jurisdiction\*

	City of Frederick	Frederick County
2010 Employment	46,900	102,491
<b>2015 Employment</b>	<b>48,514</b>	106,357
	<b>+1,614</b>	<b>+3,866</b>

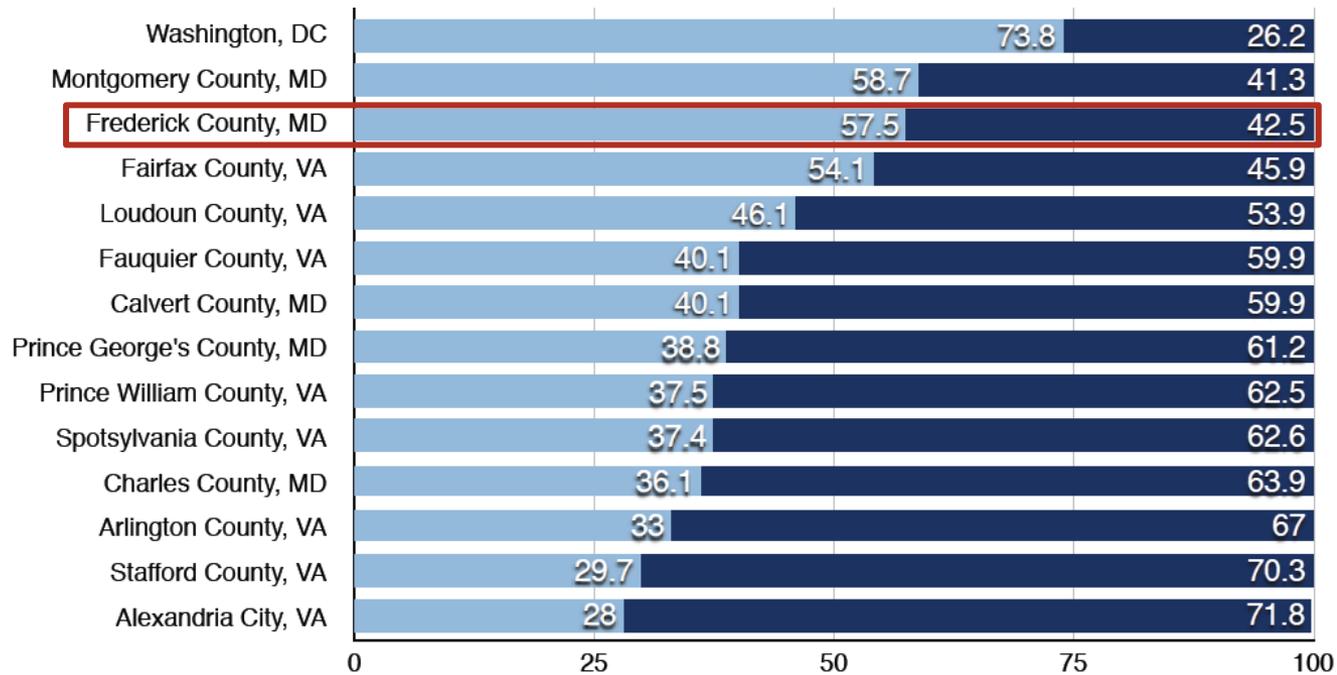
## Unemployment Rates for Residents Within Jurisdiction\*\*

	2011	2012	2013	2014	2015
Maryland	7.1	6.8	6.3	5.6	5.1
Frederick County	6.2	5.9	5.7	4.8	4.5
City of Frederick	6.7	6.2	6.0	5.2	4.9

Source: \*MWCOC Data Provided by City/County Planning Departments \*\*Maryland DLLR (October 2011, 2012, 2013, 2014, 2015)

# Commuting Patterns

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

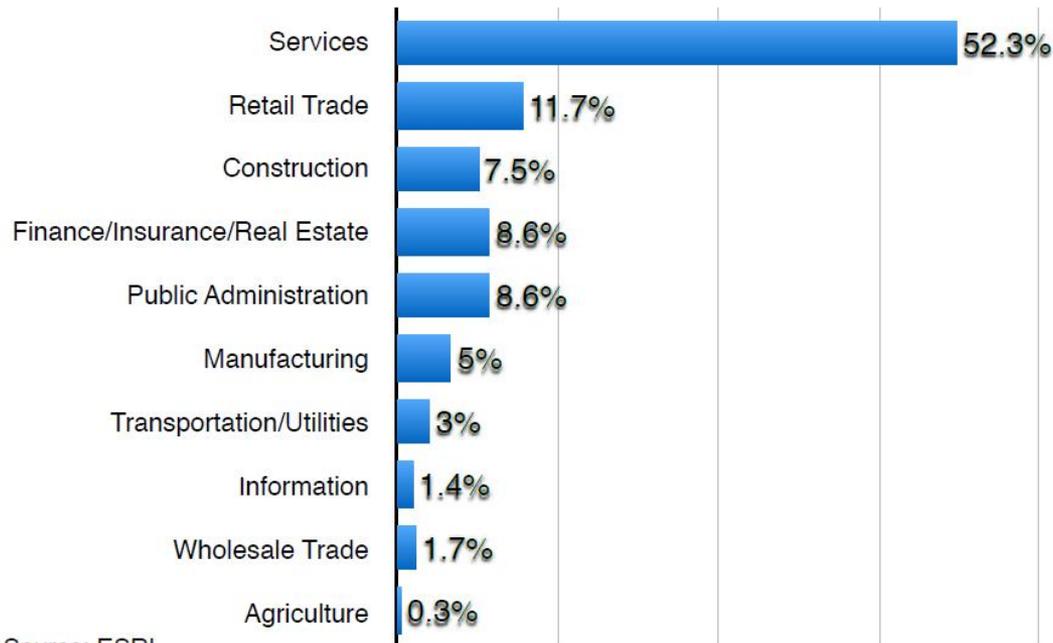


# Education

- Frederick County Public Schools
  - #1 2012 Statewide School Progress Index
  - +3 Graduation rate in Maryland (93.31%)
  - 73.5% of AP students scored high enough to qualify for college credit
  - All high schools made Newsweek's 2013 America's Best High School List
  - City enrollment – 9,766 (total enrollment 40,757)
  - 14 City schools (66 total)
  - 3,000 teachers
  - Cost per pupil - \$12,859
- 3 Institutions of Higher Education
  - Frederick Community College
  - Hood College
  - Mount St. Mary's University

# Industry Sector Diversity

- Continued Growth in Advanced Technology, Bio/Lifesciences, and Information Technology
  - **41** IT firms
  - **24** Bioscience firms (85 total in Frederick County, doubled since 2004)



Source: ESRI

# Major Employers

Business	Employees	Industry Sector
Fort Detrick	6,400	Military, Bioscience, Communications
Frederick County Board of Education	5,650	Public Education
NCI /Leidos Biomedical	2,700	Bioscience
Frederick Memorial Healthcare	2,232	Comprehensive Health Care
Frederick County Government	1,937	County Government
Wells Fargo Home Mortgage	1,742	Mortgage Loans & Service Center
Frederick Community College	992	Two-Year College
City of Frederick Government	842	Municipal Government
State Farm Insurance Corporation	832	Regional Headquarters - Insurance
United Healthcare	635	Health Insurance Provider
AstraZeneca / MedImmune	630	Biotech Manufacturing
Hood College	427	Four-Year College
Wegman's	400	Retail Supermarket
YMCA of Frederick County	395	Non-Profit, Full-Service Fitness & Health Facility
Stulz Air Technology Systems	388	Manufacturer of Precision A/C Equipment
Homewood Retirement Center	306	Retirement Community
Maryland School for the Deaf	300	Educational Institution for the Hearing Impaired
Fountain Rock Management Services	285	Restaurant Management
Morgan Keller	175	General Contractors
Home Depot	140	Home Improvement Retail Store

# Fort Detrick & National Cancer Institute

- Important to our Country
  - Cancer, AIDS, biological research & vaccine Development
  - Telecommunications
  - Medical protection for the Armed Forces
- Important to the region
  - Largest employer – 6,400 Ft. Detrick & 2,700 Leidos Biomedical / NCI-F
  - Economy - \$2.1B in Maryland (\$842 M in employee compensation)\*
  - Technology transfer – Commercialization of off-the-shelf technologies

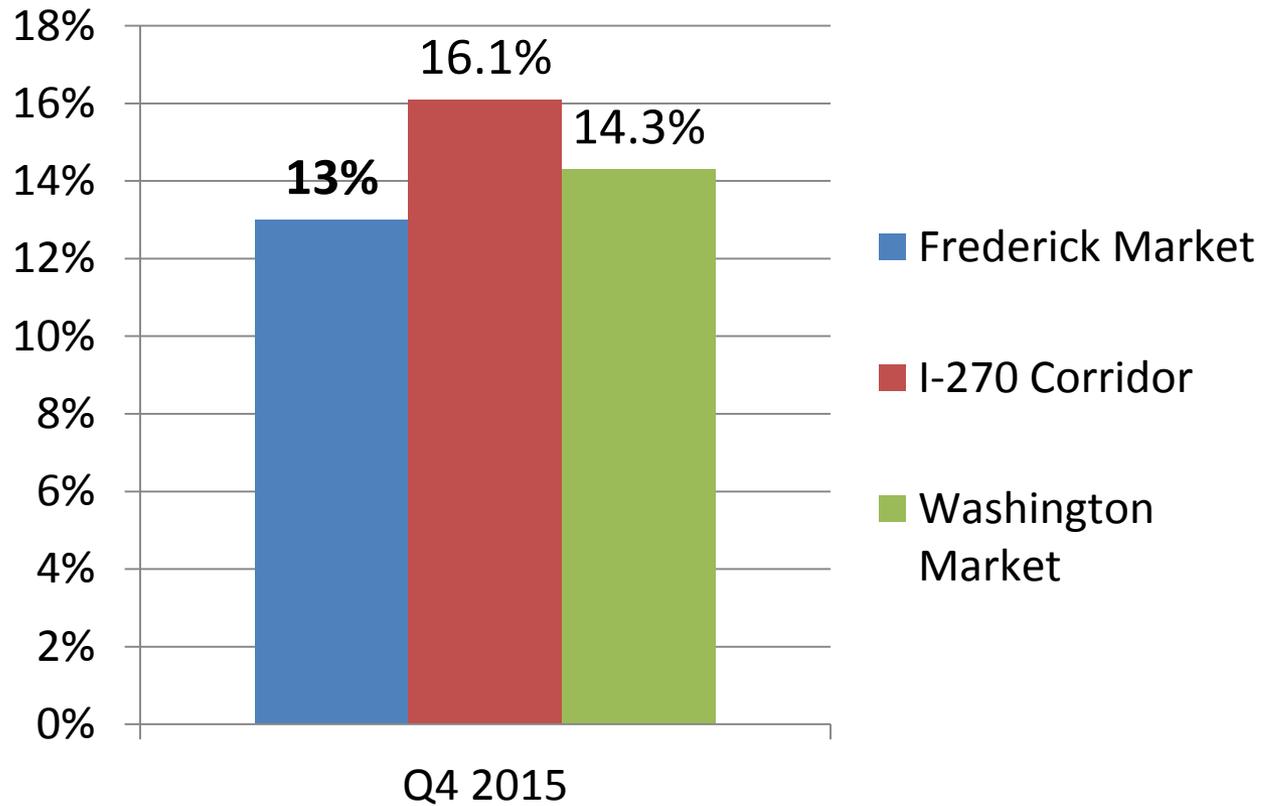


Source: Maryland Military Installation Economic Impact Study (Aug. 2015)

# Frederick Commercial Market (2013 v. 2015)

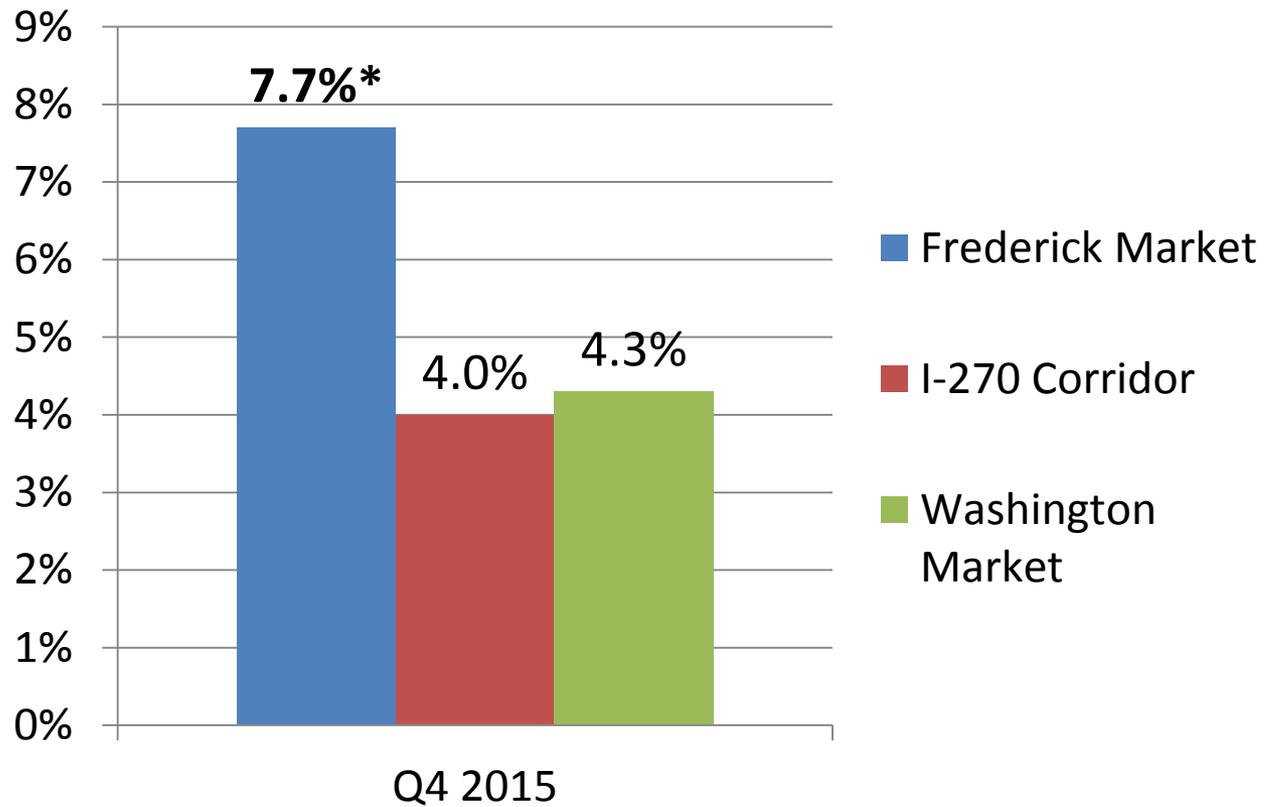
<b>Office</b>	<b># Buildings</b>	<b>Inventory (SF)</b>	<b>Available (SF)</b>	<b>Total Available (%)</b>	<b>Rent (Full-Service)</b>
Q42015	456	5,414,806	787,878	14.2%	\$21.51
Q42013	454	5,345,319	677,471	12.6%	\$20.89
<b>Flex</b>	<b># Buildings</b>	<b>Inventory (SF)</b>	<b>Available (SF)</b>	<b>Total Available (%)</b>	<b>Rent (Gross Rent)</b>
Q42015	56 Buildings	2,251,195	282,314	12.5%	\$10.35
Q42013	56 Buildings	2,251,195	380,847	16.9%	\$9.08
<b>Retail</b>	<b># Buildings</b>	<b>Inventory (SF)</b>	<b>Available (SF)</b>	<b>Total Available (%)</b>	<b>Rent (NNN)</b>
Q42015	587	7,569,067	1,080,511	14.1%	\$18.53
Q42013	587	7,569,429	804,176	10.6%	\$16.81

# Office Market Vacancy Data



Source: CoStar Q4 2015 Office Market Report

# Retail Market Vacancy Data



Source: CoStar Q4 2015 Retail Market Report *\*includes Frederick Towne Mall (redevelopment to begin spring 2016)*

# Business Incubator - FITCI

- 15,000 SFT High-Technology Business Incubator
- 25 offices
- 10 wet labs
- 30 tenants with 70-80 employees at any one time
- Economic Impact
  - Since inception, 268 jobs created with \$16.8M in payroll
  - Graduates lease over 68,000 SFT in Frederick community



# Frederick Municipal Airport (FDK)

- Vision – To be the preferred executive airport in the Baltimore/Washington region
- Economic Impact (2013 Maryland Aviation Administration Study)
  - 1,268 jobs (direct/indirect/induced)
  - \$110M business revenue
  - \$77M personal income
  - \$7M taxes
- 300+ businesses use FDK annually
- 2<sup>nd</sup> busiest airport in Maryland (1<sup>st</sup> - BWI) (90,000 aircraft operations in 2014)
- 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



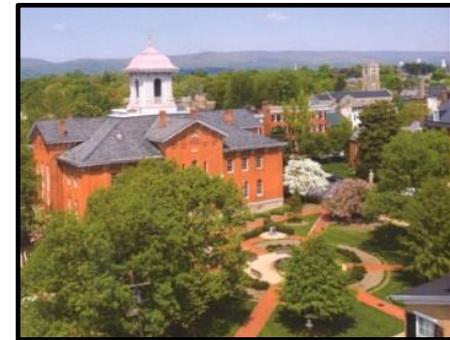
# Downtown Frederick

- Hub of culture, commerce, and government
- 850 businesses
- 6,800+ jobs
- Carroll Creek Park - \$15.8 M second phase of construction to be completed in Spring 2016
  - More than \$100M in new and renovated private construction is planned along new section
  - Anticipated to result in hundreds of new jobs and increased local and state tax revenues
  - Union Mills rehabilitation is underway along new section. Main tenant to occupy space in Q1 2016



# Downtown Frederick – Government Anchors

- County Government – Winchester Hall
- County Permitting – N. Market Street
- City Government – City Hall
- City Permitting – 140 W. Patrick Street
- Central Library – C. Burr Artz
- County Courthouse
- Social Services
- Frederick County Public School Headquarters
- Tourism Council of Frederick County / Visitors Center



# East Frederick

- 2,200 AC positioned for mixed-use neighborhoods
- Major planned developments include:
  - Frederick Brickworks – 65AC located at East Street & I-70
  - Renn Farm – 200 AC Mixed-Use residential and commercial project (1,500 residential units and 105,000 SF commercial)
  - Riverside Research Park – 177 AC world-class life sciences research park anchored by Frederick National Laboratory for Cancer Research. Planned expansion to include Riverside 6, 7, and 8



# Golden Mile

- Largest retail corridor in Frederick County
- Planned redevelopment of the former Frederick Towne Mall
  - Final site plan approved for 155K Super Walmart and additional out-parcel buildings
  - Expected to create 300 new jobs and \$4.2 million in local and state taxes
  - Project to begin in spring 2016
- Development underway of former Maryland State Police Barracks
  - Golden Mile Gateway to feature Wawa convenience store/fueling station and additional in-line retail opportunities



# MedImmune / AstraZeneca

- 1996 – MedImmune first entered Frederick with a 164K SF bio-manufacturing facility
- 2006 – MedImmune selected Frederick for a new \$600M and 385K SF biologics pharmaceutical manufacturing facility
- 2015 – AZ/MedImmune Began construction on \$200M expansion. Project will result in 300 new jobs
- Anticipated Phase II to current expansion to include a \$300M investment and additional 350 new jobs



# Distilleries, Breweries, Medical Cannabis

- Continued growth of craft brewery industry
  - Monocacy Brewing – located on N. Market Street
  - Olde Mother Brewing Co. – located on E. Patrick Street
  - Flying Dog – Anticipated to build new 150,000 SF brewery within City limits
- Emerging interest in craft distilleries
  - Legislative change enabled craft distilleries within Downtown Frederick
  - 1<sup>st</sup> Distillery (Dragon Distillery) officially opened in February 2016 with additional three distilleries to come online in 2016
  - Economic impact: tourism, manufacturing, entrepreneurship
- Interest from several medical cannabis firms interested in production capabilities in Frederick, pending State licensing decisions