

Economic Development Element

Introduction

Many of the elements of the 2008 Comprehensive Plan address the City's economic development and fiscal health issues. This chapter brings those discussions together in one place, and establishes the full set of goals, policies, and implementation actions for economic development in Hagerstown.

Goals

1. Attract higher-wage employment to the City.
2. Promote development and redevelopment of vacant and underutilized land in a way that contributes to the City's fiscal base.
3. Capture a larger share of the region's retail and tourism spending.
4. Reinforce downtown Hagerstown's position as the economic, institutional, and cultural center of the region.
5. Grow the City's fiscal base to support capital improvements, programs, and staffing needs.

Issues Addressed by this Element

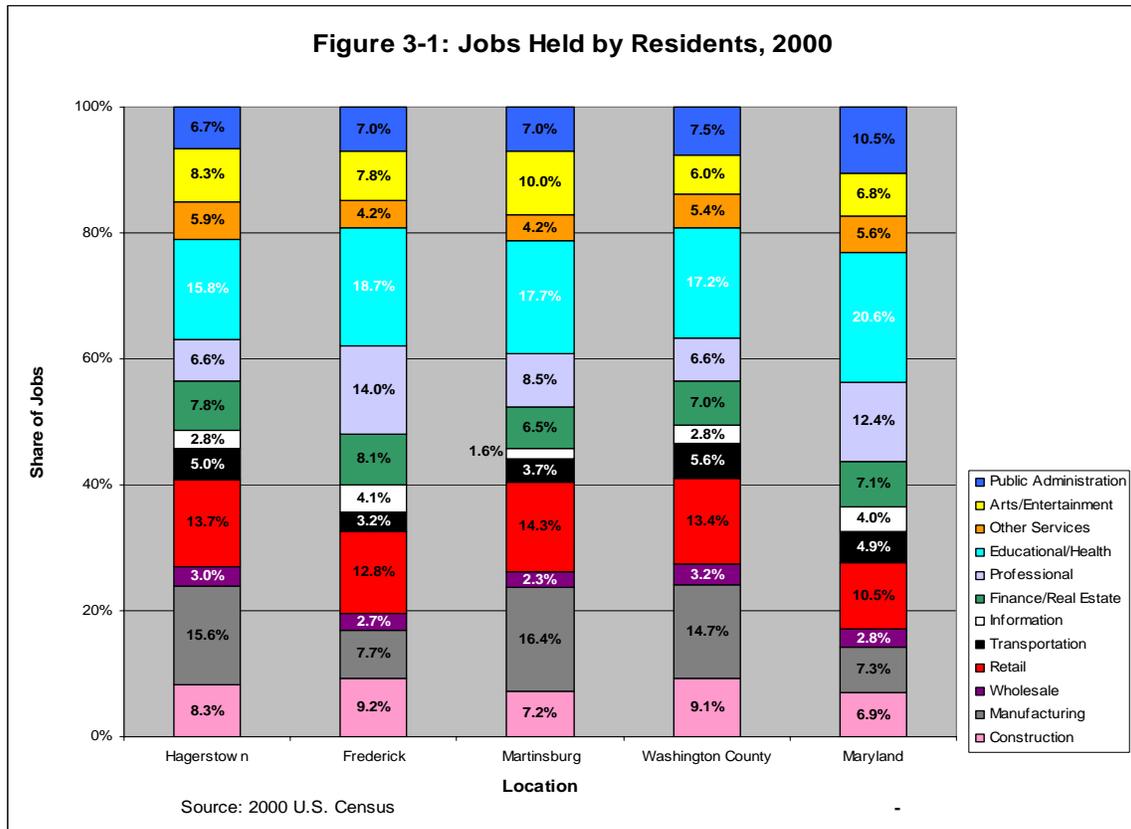
1. Large amounts of vacant and underutilized land exist in the City.
2. Limited high-wage and service-sector employment in Hagerstown.
3. Slow progress of Downtown revitalization.
4. The City's limited share of the region's retail and tourist activity.
5. The need for additional and/or specialized education to prepare citizens for employment in higher-paying industries.

Employment Recruitment and Land Availability

Hagerstown's postwar industrial strength brought prosperity to the City. Beginning in the 1960s, however, the national decline in manufacturing sapped some of the City's economic strength. The shift of manufacturing and heavy industry to modern, one-story facilities served by trucks and with access to the interstate highway system has made Hagerstown's industrial sites inadequate. This is apparent in the City's supply of vacant and underutilized land and buildings. As described in the Growth Management and Land Use Element, more than 1,000 acres of land within the City's corporate boundaries are in need of re-use and revitalization. Nearly half of this land is zoned for industrial uses.

Some of these vacant and underutilized industrial sites are “brownfield” sites—properties where redevelopment is made more difficult by actual or perceived environmental contamination. Brownfields revitalization is an important economic development concern in Hagerstown. The City’s current brownfield revitalization activities stem from its inclusion in the EPA’s Brownfields Assessment Demonstration Pilots Program in 1998. As of early 2006, two brownfield sites—the former Bock Oil property and a vacant parcel at 367 E. Franklin Street—were undergoing environmental site assessments, with re-use plans to follow. The Central Chemical plant (see Map 2-5 and Table 2-2) is also being studied for eventual cleanup and revitalization. The Central Chemical Community Liaison Panel meets regularly as part of the consensus process to remediate the site. A light industrial/commercial office park has been recommended as the land use that would best meet community needs and priorities.

Employment patterns reflect Hagerstown’s historic industrial strengths. As Tables 1-5 and 1-6 and Figure 3-1 show, manufacturing provided more than 15 percent of the jobs held by City residents in 2000, more than twice the state average. At the same time, the share of Hagerstown residents with service-sector jobs (professional/technical, information, health care, education, and other types of job) was approximately 10 percent lower than statewide figures and employment figures from Frederick. Manufacturing and service sector jobs typically provide higher wages than retail, wholesale, and other industries.



The Department of Economic Development works to recruit new businesses to Hagerstown, and places special emphasis on higher-wage jobs. As part of this effort, Hagerstown worked with Washington County to establish a Foreign Trade Zone (FTZ) on the proposed City Farm Business Park near Frederick Street. The intent of a FTZ is to reduce customs charges for products manufactured in the FTZ. Foreign and domestic goods can be allowed into foreign-trade zones without having to go through Customs entry procedures and without having to pay duties or federal excise taxes. Those products can also be exported from the U.S. (frequently as components of other products) without paying those taxes. The designated FTZ area is currently undeveloped land, but the presence of a Foreign Trade Zone should give Hagerstown a competitive advantage in recruiting businesses that rely on international imports and exports. These businesses are frequently technology-based enterprises that provide higher-paying jobs.

Most of the downtown, the Wesel Blvd corridor, and the Burhans Blvd corridor are part of the City's Enterprise Zone (see map in the plan Appendix). Administered by the Maryland Department of Business and Economic Development, and managed locally by the Hagerstown-Washington County Economic Development Commission, the Enterprise Zone is an area where state and local tax credits and other economic incentives exist to attract new businesses and to encourage existing businesses to create more jobs (see the plan Appendix for details). The City should inform minority and women-owned business enterprises about available incentive programs and educational opportunities to help this segment of the business community capture a larger share of the market in their industries and gain financial independence through entrepreneurship.

Hagerstown also recognizes that regional economic development initiatives are important for local job creation. Thus, the City works with the Hagerstown-Washington County Economic Development Commission, the Hagerstown-Washington County Industrial Foundation (CHIEF), the Hagerstown-Washington County Chamber of Commerce, and the Maryland Department of Business and Economic Development to recruit new businesses and jobs to the City and Washington County. Regional economic development efforts also involve balancing the City's growth needs with the County's economic development needs and target areas (please see the Growth Management and Land Use Element).

The City of Hagerstown recognizes the need to provide greater educational opportunities to the local workforce to ensure that the available labor pool is prepared for employment in higher paying industries. This preparation is critical to our community's goals to recruit new businesses with higher paying jobs and to provide suitable employment in our community for our citizens. It is recommended that public-private partnerships be explored to provide specialized and technical professional training for the local workforce, for formerly incarcerated local residents reentering the workforce, and for high school students. The Board of Education's partnership with the Washington County Association of Builders and Contractors' Barr Training Center on North Locust Street is one example of a program that pools resources to provide high school students with professional training in the trades. Other professional training programs for exploration could include culinary arts, hotel management, information technology, technical support for the arts, etc.

This Comprehensive Plan responds to the City's economic development issues by classifying land use areas specifically to be attractive to new businesses, as described in Table 2-5, and shown on Figure 2-6.

- The Business-Employment (BE) areas are intended to attract non-retail businesses that generate significant amounts of employment. These areas are ideal for offices, office parks, light industrial parks, research and development facilities, and communication and high-technology facilities. In the Hopewell Valley area, these areas would also be appropriate for trucking and distribution facilities. Locations and lot sizes in the BE areas within the existing corporate limits of the City will support the needs of small businesses—those with fewer than 200 employees.
- Mixed Use (MXD) areas and the Downtown (D) are intended to attract businesses that are naturally attracted to urban settings like Hagerstown where they benefit from retail, residential, and government functions in close proximity to each other.

Many of these business-oriented land uses occur on vacant and underutilized land, especially former industrial land near the downtown. The specific land uses and urban design elements in Mixed Use areas will be developed through special master planning efforts. Examples to date include the East End Redevelopment Plan¹ and the South Side Redevelopment initiative.²

Downtown and Regional Spending

Capturing a larger share of the region's retail and tourist spending will help to strengthen Hagerstown's economic base. Valley Mall and Prime Outlets are the region's major shopping destinations, but are located outside of the City. The Hagerstown region is also a popular tourist destination, especially tourists who visit Antietam National Battlefield and other Civil War resources. However, Hagerstown receives little economic or fiscal benefit from retail and tourist activity at these locations. The challenge is to attract more retail and tourist spending to the City itself.

The Downtown Element of this Comprehensive Plan emphasizes the continued revitalization of downtown as a response to this challenge. As a regional center, the downtown has an important influence on citywide economic development. The City and County government—two of the region's largest employers—are in the downtown, as is the region's largest concentration of office space. Some of the City's recent economic development successes have been spurred by redevelopment in and revitalization of downtown Hagerstown. New facilities such as the University System of Maryland (USMD)'s Hagerstown campus, Board of Education facilities, expansion of the Central Library, creation of a public high school for the arts (Barbara Ingram School for the Arts), new shops and restaurants in the downtown, and increasing numbers of downtown residents add life and activity to the streets.

¹ This plan was prepared by a private-sector investment group, and has not been adopted by the Mayor and City Council.

² This effort is part of a 2006 American Institute of Architects Sustainable Design Assessment Team project, addressing the Lee/Sycamore Special Planning Area (see Figure GM-6).

To continue downtown's progress, and to generate additional economic activity in the City, the Downtown Enhancement Plan—included in the Downtown Element—emphasizes the concentration of specialty retail stores, restaurants, and arts institutions (such as the Maryland Theater) to offer shopping and entertainment resources not available at other retail locations. Additional downtown housing will increase activity on the street and provide incentives for new business establishments, including technology-related businesses that will build on retail while supporting the City's efforts to attract higher wage employment. The emphasis on arts and culture builds on the existing Smart Growth Arts & Entertainment District. This state-designated program covers the area around the Public Square, and provides tax incentives for artists and arts- and entertainment-related businesses.

Hagerstown's two and a half centuries of history, its National Register historic districts, and its Industrial Revolution-era buildings are also important tools for attracting tourist dollars to Hagerstown. As described in the Downtown Element, the City is part of the Heart of the Civil War Heritage Area. Hagerstown has an approved Management Plan for this area, and was certified by the Maryland Heritage Areas Authority on July 13, 2006. The Heritage Areas program encourages communities to identify, protect, and promote their unique heritage and to capitalize on that heritage through economic development tourism initiatives. State funds and assistance will be made available for interpretive and infrastructure improvements in State-approved heritage areas. As part of the Heart of the Civil War Heritage Area, a Target Investment Zone (TIZ) has been designated in downtown Hagerstown (see Figure 6-2), and the Downtown Element lists specific revitalization strategies for the TIZ.

Economic Development Policies

- Policy 3-1.** Hagerstown will continue to recruit service-sector, high-technology, and other businesses that offer high wages and strengthen the City's economic and fiscal base.
- Policy 3-2.** The City will pay special attention to the needs of small businesses (those with fewer than 200 employees) that are particularly attracted to locating in cities.
- Policy 3-3.** Support efforts to attract new businesses by encouraging redevelopment and re-use of vacant and underutilized land, including brownfield and large commercial sites, especially in those areas designated for Business Employment and Mixed Use in Figure 2-6.
- Policy 3-4.** Hagerstown's local economic development efforts will continue to contribute to County and regional economic development initiatives.

Policy 3-5. Hagerstown will continue to emphasize downtown revitalization and development, to reinforce the downtown's role as the region's economic, cultural, and institutional center.

Policy 3-6. Hagerstown will continue to assist minority- and women-owned business enterprises gain better positioning for entry into local financial markets through training on available opportunities and resources to strengthen their endeavors.

Economic Development Implementation Actions

- Action 3-1.** Pursue zoning changes to implement the Comprehensive Plan’s recommendations for new Business-Employment, Mixed Use, and Downtown land uses.
- Action 3-2.** Encourage and facilitate the redevelopment of brownfield sites and explore the potential reuse of lands owned by railroads for appropriate non-residential uses.
- Action 3-3.** Facilitate the creation of small-lot business parks (e.g., <5 acres per lot) and the re-use of underutilized properties to attract small businesses to Hagerstown.
- Action 3-4.** Pursue regional economic development strategies and programs through continued cooperation with the Hagerstown-Washington County Economic Development Commission (including the Enterprise Zone), the Hagerstown-Washington County Industrial Foundation (CHIEF), the Foreign Trade Zone, the Maryland Department of Business and Economic Development, the Hagerstown-Washington County Chamber of Commerce, the Convention and Visitors Bureau, and other appropriate organizations.
- Action 3-5.** Consider using comprehensive redevelopment strategies such as the East End Redevelopment Plan as tools for promoting economic development in specific neighborhoods or areas.
- Action 3-6.** Encourage additional downtown housing development—including owner-occupied and renter-occupied units—with a diversity of prices.
- Action 3-7.** Implement the revitalization and development strategies and actions in the Downtown Element of this Comprehensive Plan.
- Action 3-8.** Explore public-private partnerships to provide specialized and technical professional training for the local workforce and for high school students.
- Action 3-9.** Consider providing training programs on “how to start up a business” to educate interested citizens on the challenges and opportunities of entrepreneurship as a means of gaining financial independence while providing a marketable service.