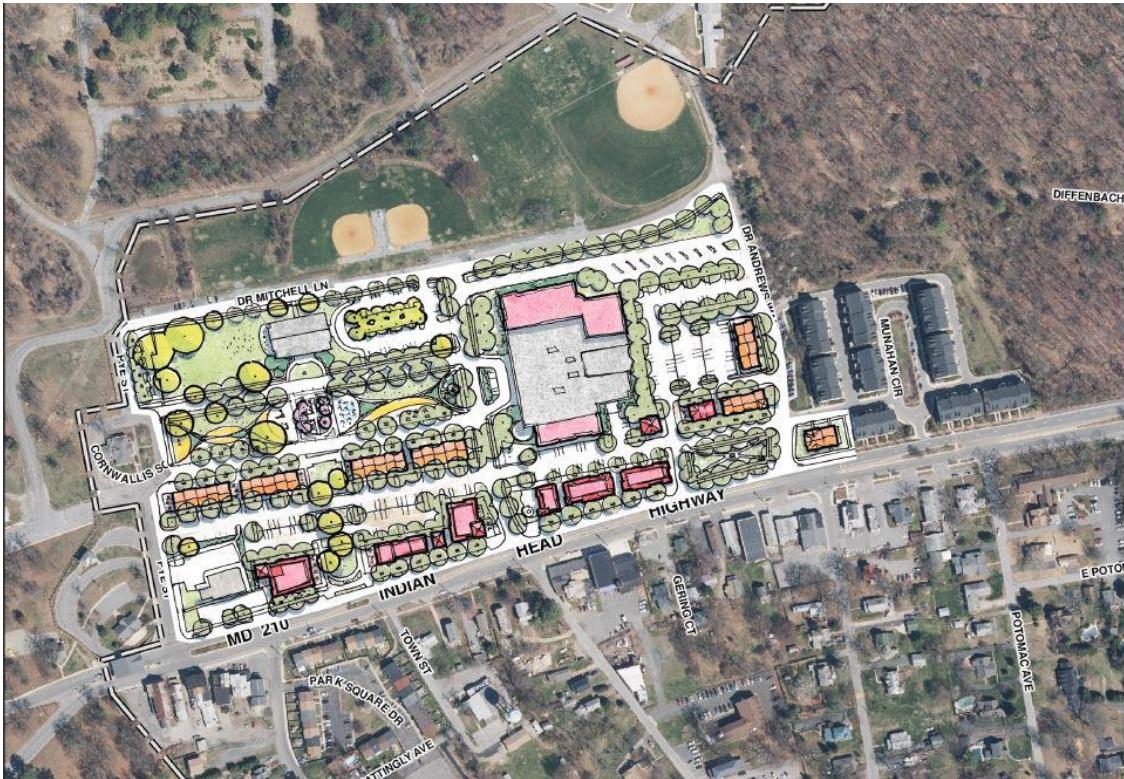


Town of Indian Head Innovation Center/Mixed Use Development Implementation Strategy



Source: ULI Washington

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Executive Summary

INTRODUCTION

- In December, 2016, a stakeholder meeting was held to begin a process to develop a coordinated strategy to revitalize Indian Head.
- During the meeting, consensus was reached that the Naval Surface Warfare Center Indian Head Explosive Ordnance Disposal Technology Division's (NSWC IHEODTD) "Velocity Lab" project could serve as an effective catalyst for Indian Head's revitalization efforts, and eventually comprise a key element of a larger, mixed use project.

CURRENT CONDITIONS

- The Indian Head Highway corridor is characterized by a preponderance of vacant and underutilized commercial properties.
- The condition of several significant buildings warrants demolition, creating the opportunity for redevelopment to new land uses which could positively alter the blighted conditions.

SOCIOECONOMIC CHARACTERISTICS

- With a total employment base of roughly 3,000, Naval Support Facility Indian Head is not only the top employer in Indian Head, but one of the top two employers in Charles County.
- Indian Head's population grew 10% from 2010 to 2015, from 3,844 to 4,259.

MARKET SUMMARY

- A Technical Assistance Panel (TAP) conducted by the Urban Land Institute (ULI) in the Fall of 2016 concluded that there are no obvious market-based opportunities for or drivers of development in Indian Head, meaning that public/private partnerships will be crucial despite their difficulty in implementation.
- The ULI TAP found that there is a disconnect between the perceived value of real estate in the Town and the actual value of that property, distorting the incentives discerned by landowners.
- The Velocity Lab concept presents a unique opportunity for a viable public/private partnership that can yield brick and mortar results for Indian Head, given the potential for federal and state funding.

OPPORTUNITY SITES

- Indian Head has a number of vacant, underutilized, and unimproved parcels that are appropriate candidates for mixed use development and/or redevelopment.

DEVELOPMENT CONCEPTS

- **Velocity Lab:** The Velocity Lab is a concept developed by NSWC IHEODTD that will provide working space "outside the gate" for collaboration, seminars, and training. The Velocity Lab could serve as an anchor tenant in a larger, technology oriented facility.
- **Innovation Center:** The Innovation Center concept envisions a multi-tenant space that accommodates the Velocity Lab along with complementary users such as a higher education tenant,

high-technology research and development tenants, and even a limited service food and beverage establishment.

- **Mixed Use Development:** A market supportable residential component could provide additional leverage for the Innovation Center, and otherwise serve as the cornerstone to a more comprehensive revitalization effort. The mixed use concept leverages the Velocity Lab and associated public partners' resources to develop a high impact project that contains a mix of economically viable, market supportable uses.

IMPLEMENTATION STRATEGY

- **Steering Committee:** A steering committee should be formed to guide all phases of implementation for the Velocity Lab/Innovation Center mixed use concept.
- Rezoning: It is recommended that the Town consider rezoning strategically located properties to Town Center Mixed Use in order to enhance their redevelopment potential and candidacy for the mixed use development concept proposed herein.
- **Refine the Innovation Center Concept:** Identify various public sector, private sector, and institutional entities' interest in the project, elicit their intentions and plans with regard to participation, and determine if their contribution will be material or otherwise.
- **Private Sector Partner(s) Solicitation and Selection:** A Request for Expressions of Interest (RFEI) will be issued to key property owners, as well as local and regional real estate professionals and developers. The selection of a private partnership team and development site will inform the refinement of the Innovation Center mixed use concept building program.

NEXT STEPS

- More clearly defined public/private partnership participants;
- Financial feasibility analysis of mixed-use development concept;
- Fiscal and economic impact analysis of mixed-use development concept;
- A business plan that identifies the organizational structure of the entity(s) (e.g., agency, institution, P3) that will ultimately manage and operate the Velocity Lab and Innovation Center;
- Ongoing funding;
- Allocation of monetary and non-monetary resources.

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INTRODUCTION

In September 2016, the Charles County Economic Development Department (EDD) teamed with the Town of Indian Head, Maryland to cosponsor a Technical Assistance Panel (TAP) that was conducted by the Urban Land Institute (ULI). This multidisciplinary panel, comprised of experts in land use planning and real estate development, was tasked with addressing the challenges Indian Head faces in attracting development and achieving broad economic revitalization. The two-day process concluded with a presentation of findings and preliminary recommendations from panel, and the issuance of a final report in December 2016.

The final report, titled “Economic Development Opportunities in Indian Head” includes a market analysis, framework plans and concepts, and implementation recommendations. The implementation recommendations are presented as short-, mid-, and long-term strategic initiatives. A key short-term strategic initiative is to step up outreach to investors and property owners to achieve awareness of and support for Town plans and vision, including the possibility of blight mitigation through strategic tear-downs of vacant structures, and possible joint development projects. Included in the long-term strategic initiatives is a recommendation to implement an investment plan for developing an “Innovation Center.”

The Innovation Center concept is an outgrowth of a separate initiative proposed by the Naval Surface Warfare Center Indian Head Explosive Ordnance Disposal Technology Division (NSWC IHEODTD), known as the “Velocity Lab.” The Velocity Lab’s chief function is to provide an off-base collaboration space for NSWC IHEODTD, and is described in greater detail in subsequent sections of this document. The Innovation Center concept envisions a larger facility that would house multiple tenants including the Velocity Lab, a higher education partner, and other high-tech tenants. The Innovation Center concept is also described in greater detail in subsequent sections.

In December, 2016, Ms. Betsy Bossart, the District Director of U.S. Congressman Steny Hoyer, called a meeting of stakeholders to discuss the Velocity Lab and Innovation Center concepts. The purpose of the meeting was to bring interested parties together to begin to develop a coordinated strategy to implement the concept in the context of a broader revitalization strategy for Indian Head. The meeting was held in Waldorf, Maryland on December 20th and attended by the following individuals:

- Federal
 - Betsy Bossart, Office of Congressman Steny Hoyer
 - Jim Notter, Office of Congressman Steny Hoyer
 - Daniel Pines, NSWC IHEODTD
 - Mike Adams, NSWC IHEODTD
 - Michael Hungerford, NSWC IHEODTD
- State of Maryland
 - Senator Mac Middleton
 - Delegate Edith Patterson
- Charles County
 - Taylor Yewell, Redevelopment Manager, Charles County Economic Development
 - Michelle DeSoto, Project Coordinator, Charles County Economic Development
 - John Bohanan, Cornerstone (EDD Consultants)
 - Jennifer Dionne, ASG (EDD Consultants)

- Town of Indian Head
 - Brandon Paulin, Mayor, Town of Indian Head
 - Ryan Hicks, Town Manager, Town of Indian Head
- Private Sector Advocates
 - Vince Hungerford, Western Charles County Business Alliance
 - Brian Klaas, Military Alliance Council

During the meeting, consensus was reached that the projects could serve as effective catalysts for Indian Head's revitalization efforts, and eventually comprise a key element of a larger, mixed use project. Various mechanisms for implementation were discussed, including the formation of public/private partnerships and public funding sources including federal, state, county and local. The group concluded that in order to effectively pursue and procure public and private investment, an action plan would be necessary to market the concept to potential investors.

CURRENT CONDITIONS

The Town of Indian Head is an independent municipality located approximately 30 miles south of Washington, D.C., in Charles County, Maryland. The 1.23-square-mile town is located on a peninsula that is bordered to the north by the Potomac River, to the west by the Naval Support Facility (NSF) Indian Head, and to the south by Mattawoman Creek. Indian Head is bisected by Maryland Route 210, generally known as Indian Head Highway. Indian Head Highway is the main connector from Indian Head to the Washington D.C. metropolitan transportation network, running north from Indian Head to the Capital Beltway. Because Indian Head highway terminates at the naval base, the town cannot benefit from through-traffic, but must be a destination in its own right.

Commercial land uses are most prevalent on the Indian Head Highway corridor, characterized by a combination of small highway strip centers and free standing buildings, with the exception of a residential condominium complex on the southbound side of the highway and several small apartment buildings on the northbound side of the highway. Beyond the highway frontage are primarily residential neighborhoods comprising single family detached dwellings.

There are several notable indicators of the blight in the Town of Indian Head. Over the years for example, depressed economic conditions have resulted in the vacancies of major businesses such as CVS, SuperFresh Supermarket, the Indian Head Sheriff's Department and other notable sites such as the Ely Building, a former commercial/retail strip center. Expected services and amenities such as grocery stores and gas stations that are considered commonplace in most areas are currently non-existent. Indian Head residents must commute to other areas for most, if not all, of these and other basic shopping needs. Many remedies for this situation have been attempted, but the desired results have been elusive.

Vacant and underutilized sites in Indian Head offer the prospect of revitalization. The condition of several significant buildings warrants demolition, creating the opportunity for redevelopment to new land uses which could positively alter the blighted conditions, particularly along Indian Head Highway. Images of several of these opportunity sites are shown below.



Vacant former site of SuperFresh Grocery and CVS Pharmacy



Vacant commercial building, highway frontage and rear view (Ely's Building)



More vacant commercial buildings along Indian Head Highway

SOCIOECONOMIC CHARACTERISTICS

Revitalizing the Town of Indian Head is imperative to future economic growth and protecting the investment of the Town's major employer, Naval Support Facility (NSF) Indian Head. The following economic information was taken from various sources and is intended to provide a brief profile of the Town of Indian Head in order to analyze how to implement strategies for growth.

Indian Head is home to the NSF Indian Head. With a total employment base of roughly 3,000, NSF Indian Head is not only the top employer in Indian Head, but one of the top two employers in Charles County. Because the economic health of the base is essential to the economic vitality of Indian Head and Charles County, the NSF Indian Head is a very important factor in all current economic development and revitalization initiatives.

The U.S. Census Bureau reports that the population for the Town of Indian Head was 4,259 people in 2015, a increase of 10% from the population recorded in the 2010 census at 3,844 people. By comparison, the population of Charles County increased 6.5%, from 146,551 in 2010 to 156,118 in 2015. The Indian Head population should continue to grow as planned new residential developments are delivered.

Employment and household growth in the Washington, D.C. metropolitan area will continue to exert demand pressure for housing and services in Charles County in the years to come. A 2013 report from the George Mason University School of Public Policy Center for Regional Analysis titled *Housing the Region's Future Workforce 2012-2032* found that the D.C. metro will need to add an estimated 548,300 new housing units between 2012 and 2032 to accommodate all of its future workers. As the available inventory of greenfield development sites in Charles County are consumed, developers will increasingly focus on urban and suburban infill and redevelopment sites to invest in.

MARKET ASSESSMENT

Office Market — Charles County currently has an estimated 2.5 million square feet of office space in 239 buildings. Annual deliveries have averaged 17,754 square feet over the past five years, with an annual absorption of 26,060 square feet during the same five-year period. Vacancy is estimated at 257,356 square feet or 10.1%. The average gross rent is \$20.82 per square foot.

Most of the old, conventional office space in Indian Head is vacant, as previous occupants either moved "inside the gate" or to more suitable space in Waldorf, White Plains or La Plata. The condition of most of the existing office space in the town renders it unusable in its current state. The cost of rehabilitating existing buildings may not be justified in light of the short one- to three year leases typical of government contractors of the type that would support NSF Indian Head activities.

The ULI TAP report states as follows: "Attracting companies to occupy office space and provide professional services in Indian Head will require creating a critical mass of business activity to compete with the growing business clusters in nearby centers. A multi-sector "Innovation Center" is one way to accomplish this, but will require an investment plan that would combine commitments from county, state, and even federal government levels, along with higher education entities and private companies." The Innovation Center will also require a development plan that considers a mix of market supportable land uses to mitigate risk for the private investor(s).

Retail Market — The absence of retail combined with the presence of vacant retail space is a reliable indicator of retail market characteristics in a particular geography – for whatever reason, stores could not succeed in the local marketplace. The Town of Indian Head is constrained by its geography, located as it is at the end of a peninsula. This is most evident in the relocation of the CVS Pharmacy to the more accessible Bryans Road, seven miles north of Indian Head Highway. Although the Super Fresh Grocery was the victim of bankruptcy, its former space remains vacant.

The ULI Panel concluded that market conditions could support one or two additional casual dining establishments, but that any new retail development should be clustered within a single area to help create a critical mass of shopping and dining opportunities to induce pedestrian activity and liven up the streetscape. Furthermore, the Panel found that in order to attract major retailers, the Town must first provide for and attract more residents, more visitors, or some combination of the two.

Residential Market — In the ten-year period from 2006 through 2015, there were approximately 9,000 residential units permitted for construction in Charles County. During the same period, 151 residential building permits were issued in the Town of Indian Head, although none were issued after 2010. Cook Inlet Region, Inc. has proposed a 164-unit townhouse development on a 19.5-acre site, this new residential development is currently going through the approval process.

The ULI Panel found that the Indian Head housing market has been severely hindered by the economic downturn and economic decline of the last decade. The study pointed out that the cost of construction, currently about \$125-\$175 per square foot, exceeds the current sales prices in Indian Head, which range from about \$80-\$100 per square foot. Nonetheless, the study concluded that the Town needs mixed-use development that provides its own balance of residential, office and retail demand.

Market Summary — The Town of Indian Head faces many challenges in attracting development and achieving broad economic revitalization. The impact of NSF Indian Head is limited by security requirements and the uncertainty of government decisions on its future. The ULI TAP report concluded that there are no obvious market-based opportunities for or drivers of development, meaning that public/private partnerships will be crucial despite their difficulty in implementation. Furthermore, there is a disconnect between the perceived value of real estate in the Town and the actual value of that property, distorting the incentives discerned by landowners. The result is a condition in which major property owners, many of whom do not live in the community, find inactivity to be in their best interest, when their engagement is actually crucial to any change that will result in increased land value.

The aforementioned Velocity Lab and Innovation Center concepts present a unique opportunity for a viable public/private partnership that can yield brick and mortar results for Indian Head. Given the potential for federal and state funding for these types of projects, property owners who have been content to maintain the status quo may recognize a singular opportunity to capitalize on their assets in Indian Head. The following section identifies and describes specific redevelopment opportunity sites in Indian Head.

OPPORTUNITY SITES

Phillips' Properties — The Phillips' properties comprise four (4) improved and unimproved contiguous parcels totaling approximately 10.0 acres (See Figure 1). A 3.3-acre parcel fronting Indian Head Highway contains two vacant retail buildings, the former SuperFresh Grocery and CVS Pharmacy, comprising 61,805 square feet of improved space. The buildings appear to be in fair condition.

The three unimproved parcels are located within the Town Center Mixed Use (TCMX) zoning district, which provides for a mixture of residential and commercial, such as can be generally found located in a traditional town center or neighborhood setting. The 3.3-acre retail property is located in the General Commercial (GC) zoning district which provides for the location of area-wide oriented business with a variety of office and commercial uses.

Figure 1: Phillips' Properties



Ely's Properties — Ely's properties consist of a total of five (5) parcels located on the northbound and southbound sides of Indian Head Highway. Two of the parcels on the northbound side of Indian Head Highway are contiguous, the westernmost comprising 1.5 acres with a 5,040-square-foot single story building in what appears to be fair condition, the former Charles County Sheriff's office. The large center parcel on the northbound side is approximately 5.0 acres with a 61,805-square-foot building in what appears to be poor condition. This single story building previously housed retail, commercial office, and storage, and is currently vacant. A smaller building is also located on the parcel.

A 1.1-acre vacant lot is located to the east of the Ely's Building parcel, and a 1.4-acre vacant lot is located across from the Ely's Building parcel on southbound Indian Head Highway, adjacent to one of the Phillips' parcels (see figure 2).

All of the Ely's parcels on the northbound side of Indian Head Highway are located in the GC zoning district. The single parcel on the southbound side is located in the TCMX zoning district.

Figure 2: Ely's Properties



Wamsley and DBW Properties — The Wamsley properties comprise three small parcels on northbound Indian Head Highway just east of the NSF Indian Head main gate, totaling 24,394 square feet, or just over a half-acre. The westernmost parcel was recently subject to demolition of a building, the other parcels contain structures. A fourth parcel (green outline), referred to as the DBW parcel, is approximately 6,970 square feet, according to the Charles County Tax Assessor.

All four parcels are located in the TCMX zoning district, which provides for a mixture of residential and commercial, such as can be generally found located in a traditional town center or neighborhood setting.

Figure 3: Wamsley & DBW Properties



4135, 4145 & 4225 Indian Head Highway —

[1] 4135 Indian Head Highway: 1,973-square-foot, vacant, 1-story commercial building on a 3,963-square-foot parcel

[2] 4145 Indian Head Highway: 9,600-square-foot, vacant, 2-story commercial building on a 7,884-square-foot vacant parcel

[3] 4225 Indian Head Highway: 4,235-square-foot, vacant, 1-story commercial building on a 12,632-square-foot vacant parcel

All three parcels are located in the TCMX zoning district, which provides for a mixture of residential and commercial, such as can be generally found located in a traditional town center or neighborhood setting.

Figure 4: 4135, 4145 & 4225 Indian Head Highway



VELOCITY LAB AND INNOVATION CENTER

Velocity Lab — The Velocity Lab is a concept developed by NSWC IHEODTD that will provide working space “outside the gate” for collaboration, seminars, and training. According to NSWC IHEODTD, the objectives of the Velocity Lab are to “enable agile energetics development, facilitate external partnerships, retain/develop critical expertise, and drive cross-department collaboration.” NSWC IHEODTD has identified additional benefits to having access to an off-base facility:

- Will provide professional meeting space for impromptu meetings;
- Will provide access to commercial technology without government “red tape”;
- Will offer the potential to co-locate next to other “innovators” and potential teaming partners;

From a broader perspective, the Velocity Lab could serve as an anchor tenant in a larger, technology oriented facility such as that described below.

Innovation Center — The Innovation Center concept envisions a multi-tenant space that accommodates the Velocity Lab along with complementary users such as a higher education tenant, high-technology research and development tenants, and even a limited service food and beverage establishment. The space could comprise 10,000 to 20,000 square feet in a rehabilitated structure (possible early phase, short term) or preferably in a new building as part of a larger, mixed use project (possible later phase, long term). Private sector investment in the Innovation Center could be leveraged by public sector funds that could potentially be accessed for such a project. A market supportable residential component could provide additional leverage for the Innovation Center, and otherwise serve as the cornerstone to a more comprehensive revitalization effort.

MIXED USE CONCEPT

The mixed use concept leverages the Velocity Lab and associated public partners’ resources to develop a high impact project that contains a mix of economically viable, market supportable uses. The success of the mixed use concept will depend on the strategic application of public resources that can be brought to bear on a public/private partnership (P3) project that maximizes the development potential of a subject property.

A viable residential/commercial mixed use development project can be developed on a relatively small piece of real estate. A good example is the Cornerstone on the Square development in Lawrenceville, Georgia, 45 miles outside of Atlanta in Gwinnett County. The project occupies a single city block in downtown Lawrenceville, and comprises 43 residential townhouses and flats, and includes a ground floor commercial component. A key ground floor tenant is Novologic, which occupies 10,000 square feet and provides coworking space for its clients. Coworking allows individuals and small teams to work in an open, collaborative space, while providing an alternative to teleworking or leasing an office.

Although the Velocity Lab/Innovation Center concept differs in functionality from the coworking space at Cornerstone, the principle is the same. In the case of the Velocity Lab, an ongoing public subsidy will be required to cover monthly rent. The private sector investor(s) will require some assurance that the non-residential components of the project will be financially feasible.

IMPLEMENTATION STRATEGY

Steering Committee — A steering committee should be formed to guide all phases of implementation for the Velocity Lab/Innovation Center mixed use concept. At a minimum, the steering committee should include:

- Representatives of the Charles County Economic Development Department, including outside consultants;
- Representatives from the Town of Indian Head;
- Representatives from NSF Indian Head, and specifically from NSWC IHEODTD;
- Others, as appropriate.

Rezoning — The ULI TAP Report found that market conditions do not support the quantity of commercial space (much of which is vacant) now present in the Town. Furthermore, the Panel concluded that the Ely's/Phillips' property cluster (which is referred to as the "downtown" area) should be focused on residential with provisions for some office and retail. This mix of uses is supported in the TCMX zone but not the GC zone, in which most of the parcels reside. Therefore it is recommended that the Town consider rezoning these properties to TCMX in order to enhance their redevelopment potential and candidacy for the mixed use development concept proposed herein.

Refine the Innovation Center Concept — Various public sector, private sector, and institutional entities have expressed a desire to become involved in the Innovation Center concept in some measure. The purpose of this task will be to identify the various stakeholders' interest in the project, elicit their intentions and plans with regard to participation, and determine if their contribution will be material or otherwise.

Private Sector Partner(s) Solicitation and Selection — Under this task, key property owners will be approached in order to gauge their interest in participating in the Innovation Center mixed use development concept and willingness to enter into a public/private partnership with the objective of facilitating redevelopment. A Request for Expressions of Interest (RFEI) will be issued to key property owners, as well as local and regional real estate professionals and developers in order to cast as wide a net as possible and attract the interest of business entities with the experience and resources to undertake and successfully complete a project of this nature. Property owners will be encouraged to partner with experienced developers. Candidates will be given assurance that the public sector partners will actively pursue all project-relevant sources of public funding from federal down to local in order to facilitate the project's success. The selection of the private partnership team and site will inform the refinement of the Innovation Center mixed use concept building program.

POTENTIAL SOURCES OF FUNDING

A funding strategy will examine and prescribe a methodology for pursuing available and relevant public and private funding sources that will include, but not be limited to, the following:

Federal —

U.S. Economic Development Administration (EDA):

- Public Works
Empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversity local economies, and generate or retain long-term, private sector jobs and investments.
- Economic Adjustment
The EAA program provides a wide range of technical, planning, and public works and infrastructure assistance in regions experiencing adverse economic changes that may occur suddenly or over time. These adverse economic impacts may result from a steep decline in manufacturing employment following a plant closure, changing trade patterns, catastrophic natural disaster, a military base closure, or environmental changes and regulations.

U.S. Department of Defense, Office of Economic Adjustment (OEA):

- Compatible Use
OEA's Compatible Use program provides technical and financial assistance to State and local governments to plan and carry out community adjustments required to promote compatible community development and activities that support the continued operational utility of a military installation, including test and training ranges and associated airspace.
- Community Economic Adjustment Assistance for Reductions in Defense Spending
Technical and financial assistance to States and local governments to assess the impact of a Defense spending reduction, operate and maintain a community-based organization to represent an impacted area and its workers, businesses, and communities; prepare cost effective strategies and action plans for sustainable economic recovery; and/or carry out a community adjustment and economic diversification program; plan and carry out local economic adjustment programs, including, but not limited to: feasibility studies; organizational staffing, operating, and administrative expenses; redevelopment and economic development capacity-building; public outreach; and other activities necessary for a community to capably respond to the adverse impacts of Defense spending reductions on local schools, housing markets and central business districts, etc. Assistance may not be used to negate or contravene Department of Defense activities in carrying out a reduction in Defense spending.
- Community Economic Adjustment Assistance for Realignment or Closure of a Military Installation
Assist States and local governments to: plan and carry out adjustment strategies; engage the private sector in order to plan and undertake community economic development and base redevelopment; and, partner with the Military Departments in response to the proposed or actual expansion, establishment, realignment or closure of a military installation by the Department of Defense (DoD).

State —

Department of Housing and Community Development (DHCD):

- Community Development Block Grant Program

The Community Development Block Grant Program (CDBG) provides federally funded grants to local governments in rural areas of the State for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities, and/or improving community facilities and services. These "non-entitlement" areas do not have their own CDBG programs. Entitlement areas that administer their own CDBG funds include Anne Arundel, Baltimore, Harford, Howard, Montgomery, and Prince George's Counties and the cities of Annapolis, Baltimore, Bowie, Cumberland, Frederick, Gaithersburg, Hagerstown, and Salisbury. Entitlement areas receive a direct allocation from the U.S. Department of Housing and Urban Development (HUD) and are not eligible for the State program. Overall, CDBG activities are to primarily benefit low- and moderate-income persons.

- Community Legacy Program

The Community Legacy program provides local governments and community development organizations with funding for essential projects aimed at strengthening communities through activities such as business retention and attraction, encouraging homeownership and commercial revitalization.

- Neighborhood Business Development Program

The Neighborhood Business Development Program (NBDP), operating publicly as Neighborhood BusinessWorks (NBW), provides grants and loans to fund community based economic development activities in revitalization areas designated by local governments. The program provides gap financing to small businesses that are unable to finance 100% of a project's total costs through a traditional lender. The program leverages private and public capital by requiring a minimum 50% match from each grant or loan applicant. Borrowers must provide a 5% equity investment to receive a 5 to 15 year, competitively priced or deferred payment loan to pay for capital improvement costs or to pay for direct business functions such as working capital or capital equipment. \$1 million of the GO bond amount will provide funding for the Maryland Healthy Food Finance Initiative to bring grocery stores and fresh food to "food deserts" in Maryland's lower income communities.

- Strategic Demolition and Smart Growth Impact Project Fund

Provides grants to local governments and nonprofit organizations for redevelopment and revitalization projects in areas recommended by PlanMaryland for revitalization and growth. Funding for the Strategic Demolition and Smart Growth Impact Project Fund has been added to FY 2016 to continue demolition, land assembly and other revitalization activity in areas designated as a Sustainable Community, a BRAC Revitalization and Incentive Zone, or a transit oriented development (TOD) area.

Department of Commerce:

- Maryland Economic Development Assistance Authority Fund (MEDAAF)

Provides flexible broad-based support to companies with strategic and extraordinary development opportunities that are locating or expanding within Priority Funding Areas. Available

on a statewide, regional or local level, the Department may provide assistance to a local jurisdiction or to the Maryland Economic Development Corporations for strategic plans, feasibility studies, revolving loan funds and infrastructure projects.

- **Maryland Economic Adjustment Fund (MEAF)**

MEAF assists small businesses with upgrading manufacturing operations, developing commercial applications for technology, or entering into and competing in new economic markets. Eligible businesses include manufacturers, wholesalers, service companies, and skilled trades. Funds can be used for working capital machinery and equipment, building renovations, real estate acquisitions and site improvements. Funding assistance through MEAF is available to small businesses in all regions of the state.

- **ADVANCE Maryland**

ADVANCE Maryland, in partnership with the National Center for Economic Gardening, is a program for second-stage entrepreneurs that helps businesses address their unique challenges and identify new opportunities. Economic Gardening is a "grow from within" strategy targeting existing growth companies and offering them critical strategic information customized to their needs. This information can be key to propelling the company to its next phase of growth. ADVANCE Maryland is Maryland's adaptation of economic gardening.

ADVANCE Maryland provides a research team that analyzes information in five key areas - your core strategy, market dynamics, qualified sales leads, innovation and temperament. The research team mines sophisticated databases and leverages a number of high-end business development tools related to search engine optimization, social media marketing and geographic information systems. The team will work closely with selected companies to identify the scope and goals of their research. The process is conducted using private conference calls and secure online workspace.

- **Community Development Block Grant (CDBG)**

Provides funding to commercial and industrial economic development projects. Funds are dispersed to local jurisdiction in the form of a conditional grant and then used for public improvements or loaned to a business.

- **Base Realignment and Consolidation Revitalization and Incentive Zone (BRAC)**

To focus growth in areas that are already designated for growth; provide local governments with financial assistance for public infrastructure in these well-defined areas; and align other state resources and programs to local governments and businesses located in the BRAC zones for a coordinated State effort on making the zones the focus of BRAC growth.

- **TEDCO's Seed Investments**

TEDCO's Seed Investments exist to support certain types of Maryland companies in their effort to develop and commercialize new technology-based products. TEDCO makes investments in these companies so they can reach a critical milestone in their product development efforts and advance their technologies further along the commercialization pathway, which will increase the company's valuation and lead to follow-on investment, sustainability, and job creation.

- Maryland Economic Development Corporation (MEDCO)

The Maryland Economic Development Corporation (MEDCO) is an instrumentality of the State of Maryland created by the General Assembly to serve as a statewide economic development engine. MEDCO has real estate development and bond issuance powers as well as the ability to collaborate and create contemporary financial solutions to bring projects to life.

County —

- In-kind contributions in the form of personnel, time, and other resources – the Economic Development Department (EDD) has expended considerable effort toward the revitalization project that is the subject of this document. The EDD's military affairs consultant is dedicated primarily to the Town of Indian Head, working inside and outside NSF Indian Head.
- Possible material assistance (e.g. the Economic Development Department recently contributed \$7,500 in funding to the ULI TAP and the County contributed \$67,000 towards the Town's broadband network fiber project).

Town —

- Possible material assistance – the Town of Indian Head funded an additional \$7,500 in funding toward the ULI TAP.
- In-kind contributions, such as the rezoning of key parcels, in the form of personnel, time, and other resources.

Institutional, Private Sector —

The implementation strategy will seek to minimize the amount of public investment, while leveraging the maximum amount of private and institutional investment to achieve the desired objectives.

NEXT STEPS

As the project's implementation phase progresses, a more organized and refined approach will be required to ensure the success of the effort. This will include, but not be limited to, the following:

- More clearly defined public/private partnership participants;
- Financial feasibility analysis of mixed-use development concept;
- Fiscal and economic impact analysis of mixed-use development concept;
- A business plan that identifies the organizational structure of the entity(s) (e.g., agency, institution, P3) that will ultimately manage and operate the Velocity Lab and Innovation Center;
- Ongoing funding;
- Allocation of monetary and non-monetary resources.