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May 3, 2016



A Proactive Approach to Shaping the Economic Future of Charles County, Maryland

Prepared for:



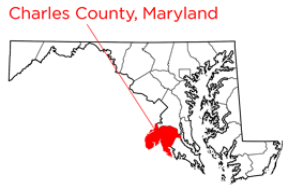
TABLE OF CONTENTS

| | |
|---|----|
| Executive Summary | 2 |
| Chapter 1: Where Charles County Stands as a Place for Business | 5 |
| Chapter 2: Optimal Targets for Charles County | 21 |
| Target 1: Federal Contracting & High-Value Professional/Business Services | 23 |
| Target 2: Health Services..... | 26 |
| Target 3: Entrepreneurial & Retail Development..... | 29 |
| Target 4: R&D, Engineering & Computing | 32 |
| Chapter 3: What's Next? A Proactive Approach: Observations & Recommendations..... | 40 |
| Enhance the Product (Product Improvement)..... | 43 |
| Execute Effectively (Organizational) | 47 |
| Tell the Story (Marketing) - DCI | 53 |
| Chapter 4: Conclusion..... | 62 |
| Recommendations Summary | 63 |
| Appendix: Metrics Template..... | 67 |



EXECUTIVE SUMMARY

In September 2015, the Charles County, Maryland, Department of Economic Development (EDD) retained the firms of Development Counsellors International (DCI) and Garner Economics, LLC to develop an Economic Development Strategy. The focus of this engagement was to help Charles County understand how it can leverage its strengths and mitigate challenges to create economic opportunities for its citizens. The resulting plan, *A PROACTIVE APPROACH TO SHAPING THE ECONOMIC FUTURE OF CHARLES COUNTY, MARYLAND*, provides a roadmap that details the product improvement, marketing, and organizational changes the County must make to ensure that Charles County strengthens its competitive position and is able to attract and retain the types of businesses that will create jobs and opportunities for its population.



Specifically, the process to build the economic development strategic plan included the following:

1. A comprehensive and holistic assessment of key forces driving the economy and its shifting dynamics;
2. An Assets and Challenges Assessment (A&C) of Charles County from the perspective of a site-location consultant that facilitates investment decisions; and
3. A set of implementable recommendations that the leadership in the County can take to make Charles County a more desirable business location for the identified business targets and to market the County as such.

Figure 1 illustrates the process to build the strategy.

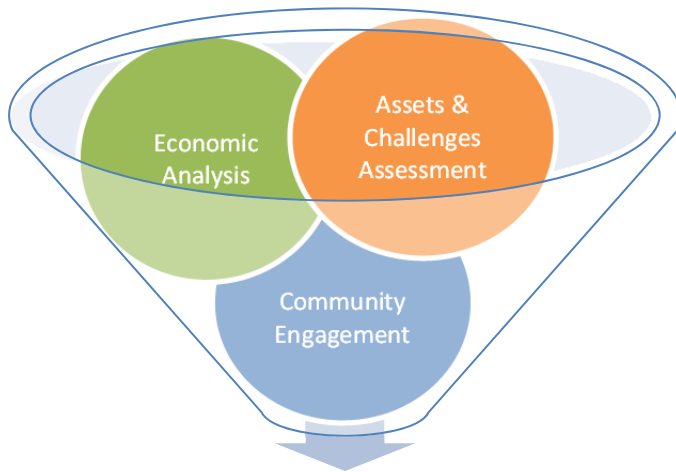
FIGURE 1: PROJECT PHASES & METHODOLOGY

| | |
|--|--|
| Phase I: Discovery | <p>Evaluate Charles County’s competitive position from an economic development perspective:</p> <ul style="list-style-type: none"> • Economic and Labor Analysis • Retail Leakage Analysis • Local Specialization, Competitiveness & Growth Assessment • Community Assets and Challenges Assessment (A&C) <p>Compare Charles County to Frederick and Howard counties, Maryland, the Washington D.C. MSA, and the nation</p> <p>Prepared the Competitive Realities Report (a summary of Phase I)</p> |
| Phases II and III: Strategy and Implementation Recommendations | <p>Position Charles County to achieve success through an actionable strategy, including short- and long-term tactics (5 years) addressing:</p> <ul style="list-style-type: none"> • Business retention and growth • Product improvement initiatives for Charles County • Entrepreneurship • Business recruitment and marketing • Workforce needs • Internal and external metrics to track success of both the County’s economic development efforts and the economic health of Charles County <p>Present the final report.</p> |



Analysis and Assessments

The strategic plan is a compilation of local and regional facts and data points. Combined with the A&C, a Community Engagement process; an Economic and Labor Analysis; a Retail Leakage Analysis; and a Local Specialization, Competitiveness & Growth Assessment, this process informed the work to identify target business sectors for the County. These “building blocks” also are the basis upon which the strategic recommendations were built. The assessments and their key findings are presented in greater detail in Chapter 1.



A Proactive Approach to Shaping the Economic Future of Charles County, Maryland

Target Business Sectors

The above analysis revealed that Charles County has many assets upon which to build. The Target Business Sector analysis provides the rationale for four (4) target business sectors for the County that will diversify Charles County’s economic base, as well as build on current areas of strengths. These targets are “best fits” for the County based on the current economic and business climate conditions and are recommended given its attributes and assets.

The identified county target business sectors are:

- **Federal Contracting & High-Value Professional/Business Services**
- **Health Services**
- **R&D, Engineering and Computing**
- **Entrepreneurial & Retail Development**



Recommendations

In conducting this analysis, the team found that Charles County has many assets to build upon and has the opportunity to set itself apart as a competitive place for several types of industries beyond its traditional strengths. The result is a set of implementable recommendations that will help Charles County better focus its economic development service delivery to attract identified business targets and be better positioned for the next wave of economic growth. They reflect items Charles County should undertake to mitigate negative perceptions of the County by site-location advisors or companies looking to invest in the County, as well as tactics the EDD can use to effectively market the County to the recommended business targets.

The strategic recommendations are broken into three (3) categories:

- 1. Policy changes and investments that should be made to strengthen the County’s product;**
- 2. Improved economic development service delivery; and,**
- 3. Tactics to better market the region.**

The resulting recommendations identify areas where the EDD can act as a catalyst to lead initiatives to improve the area’s economic development service delivery, and initiatives for which the EDD will serve as a facilitator or participant to improve the overall business climate. By taking steps to balance its economy and better highlight its unique advantages, Charles County can shape its economic future and ensure that there are sufficient economic opportunities for its residents.

FIGURE 2: RECOMMENDATIONS

| Recommendations | |
|--|---|
| Enhance the Product | Execute Effectively |
| <ul style="list-style-type: none"> 1. Advocate for funding sources to improve the County’s economic development infrastructure 2. Enhance the water and wastewater capacity and availability and extend it to identified sites 3. Provide free, public high-speed Internet access throughout Charles County 4. Improve gateways into the County 5. Support improvement of Maryland Airport | <ul style="list-style-type: none"> 1. Staff a County business investment and retention ombudsman 2. Reorganize the County’s Department of Economic Development 3. Create a one-stop permitting office 4. Advocate for, and develop a realistic and sustainable incentive policy 5. Conduct community benchmarking visits 6. Create a culture of entrepreneurship among the County’s youth |
| Tell the Story | |
| <ul style="list-style-type: none"> 1. Define Charles County’s key assets for target audiences 2. Develop a “Marketing Toolkit” to showcase Charles County’s strengths 3. Use Earned Media to help tell the Charles County story 4. Update digital marketing efforts to reflect findings from this strategy 5. Continue to build site-selection consultant and commercial broker relationships 6. Strengthen relationships with the local business community through regular engagement and communication 7. Start a lead generation program and start engaging with corporate level executives from target industry sectors | |



CHAPTER 1: WHERE CHARLES COUNTY STANDS AS A PLACE FOR BUSINESS

A SUMMARY OF THE *COMPETITIVE REALITIES REPORT*

This chapter summarizes the team’s findings in the discovery phase of the assignment. Presented as a **COMPETITIVE REALITIES REPORT** of Charles County, the assessment is an objective and subjective evaluation of where the County stands as a place for business. To build the report, the team collected data, conducted on-site visits, and solicited opinions and feedback from the County’s stakeholders from a site-selection perspective. The team used the same criteria and measures that potential companies looking to invest or expand in Charles County would employ. Additionally, the County’s economic position was compared against the two (2) benchmark economies selected by the EDD—Frederick and Howard Counties, Maryland—as well as the Washington, D.C. MSA and the United States. Three primary vehicles were used to make the assessment: an Asset and Challenges Assessment, a Labor, Demographics and Economic Analysis, and research comprised of a series of focus groups and an electronic survey.

By knowing where Charles County stands, the EDD knows the County’s strengths and can better market them in its efforts to attract and retain investment. Conversely, by knowing what challenges and gaps exist, the EDD can take steps to mitigate negative situations, strengthen its overall “product,” and have a more attractive business climate.

| Chapter Data | |
|---------------------------------------|----|
| What Stakeholders Think..... | 5 |
| Assets and Challenges Assessment..... | 13 |
| Economic Trends..... | 16 |

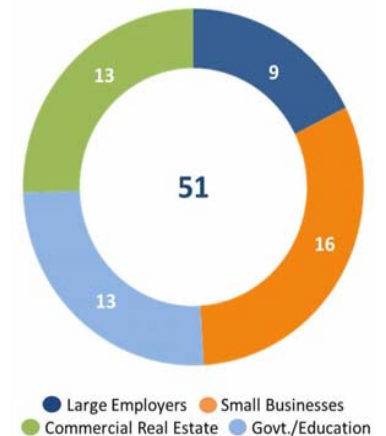
What Stakeholders Think

To provide a context around the data accumulated in Phase I, Garner Economics held four (4) focus group sessions with stakeholders in Charles County to solicit their perceptions and opinions of the area’s business climate. Fifty-one people participated in the focus groups. As indicated in Figure 3, the focus groups were organized into the following categories: Large Employers, Small Businesses, Government and Education, and Commercial Real Estate.

The EDD identified and invited participants given their knowledge of issues impacting the County’s business climate and its effect on companies and employers.

Additionally, the EDD solicited broader community input through an electronic survey based on the focus group responses. The survey was open October 16-30, 2015, and was completed by 510 people.

FIGURE 3: FOCUS GROUP PARTICIPANTS



There were several areas of agreement among the two (2) groups. Survey respondents tended to focus on broader quality-of-place assets and issues, while focus group respondents had deeper comments and concerns over particular economic assets or challenges, such as local permitting and regulatory procedures, policies, or business needs. The themes may not necessarily be statements of fact, but represent opinion or perception. The overarching key themes that emerged include:

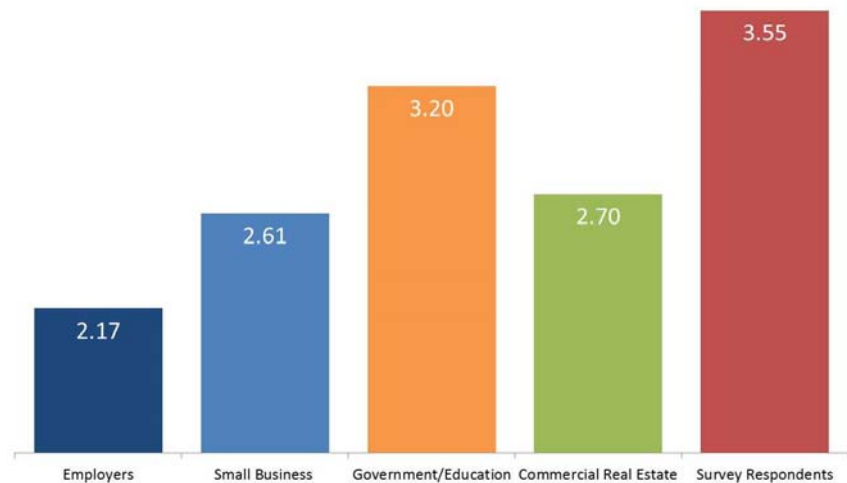
- Charles County needs a consensus vision for its future—and must act on it. County leadership must convey clearly the rationale for major decision so that those decisions are not misconstrued. Many in both groups (focus groups and survey) have the perception that Charles County’s current elected leadership is ambivalent towards growth; however, focus group participants believe that remaining only a bedroom community for the Washington Metro area cannot be an option, especially given the many assets and resources the County has to offer. More so than the focus group participants, survey respondents were divided as to the benefits/consequences of encouraging growth. Those opposed to growth encourage the County leadership to take steps to maintain quality and avoid generic sprawl.
- The County needs to be more proactive in guiding and directing economic growth. Both groups called for targeted incentives to attract new companies, as well as initiatives to improve the business climate in the County for existing and new companies.
- Private-sector and industry leadership is needed. Most believe that Charles County would greatly benefit from more private-sector leadership/engagement in driving quality growth. Focus group participants noted that, given the lack of will or interest in defining and driving growth among the County leadership, no one will lead initiatives or ensure they are acted upon if the private sector does not step up.

- Charles County has many assets upon which it could build. Many recognize the wealth of assets the County could leverage to attract businesses and talent to Charles County, including the County’s highly educated population, the affluence of the community, the surrounding natural environment, and the intellectual property and innovation occurring in Indian Head (Naval Base). However, as Figure 4 illustrates, all groups find that the County’s business climate is generally at or below average (with a 3.0 being average).

FIGURE 4: BUSINESS CLIMATE SCORES FOR CHARLES COUNTY

By Group

Focus group participants and survey respondents were asked to rank the business climate of Charles County on a scale of 1-5—from very weak to very strong—with 5 being very strong.



- Economic development leaders (EDD) should be given authority to make change and should be resourced appropriately. Focus group participants noted a history of ambivalence at the County Commission level as to the role and need for an economic development office. The majority believe that economic development activity in the County should be prioritized and that staff should be given the authority to execute policy if the economic development program is to be effective. (The issue was posed as a response option in two (2) of the questions in the survey. There was a high level of agreement in the survey that economic development efforts should be more proactive.)
- Efforts should be made to attract companies that can take advantage of the existing labor pool and geographic proximity. Participants and respondents believe that Charles County has an opportunity to leverage its quality of place, educated residents, the research and innovations taking place at Indian Head, and the proximity to the Washington Metro to attract more companies. In addition to lessening out-commuter patterns, they believe such attraction efforts should improve the County's tax base.

The graphs on the following pages highlight the feedback in terms of the overall competitive position of the County. A detailed summary of the community engagement input was provided in the **COMPETITIVE REALITIES REPORT**.

"We need to write a Comprehensive Plan that is truly comprehensive—that shows the County's commitment to protecting our valuable natural resources that are unique in the Washington Metropolitan area. Demonstrating the high quality of life available in Charles County should encourage both citizens and business to want to be a part of this community."

—Survey Respondent

FIGURE 5: PRIORITIES TO STRENGTHEN CHARLES COUNTY’S COMPETITIVE POSITION AS A PLACE FOR BUSINESSES AND TALENT

When asked to indicate the top items they would like to see the County leadership take on to strengthen Charles County’s ability to attract and retain quality companies and talent to the County—without worrying about money or politics—the two (2) groups responded as follows:

Responses given by focus groups:

- Follow through on current plans
- Have an effective, efficient, business-friendly government
- Build and implement a vision for Charles County that includes industry input and leadership
- Attract a major employer to Charles County
- Bring more mass transit to the County and improve the transportation infrastructure
- Build out the water and sewer infrastructure so as to encourage more growth
- Recruit a four (4)-year institute of higher education with a strong research component
- Provide reliable broadband throughout the County
- Create destinations and amenities to encourage community-building and attract others to visit
- Build true regional cooperation
- Change the form of government to include a County Executive
- Create a consensus-building political and execution process

Most frequently noted by survey respondents:

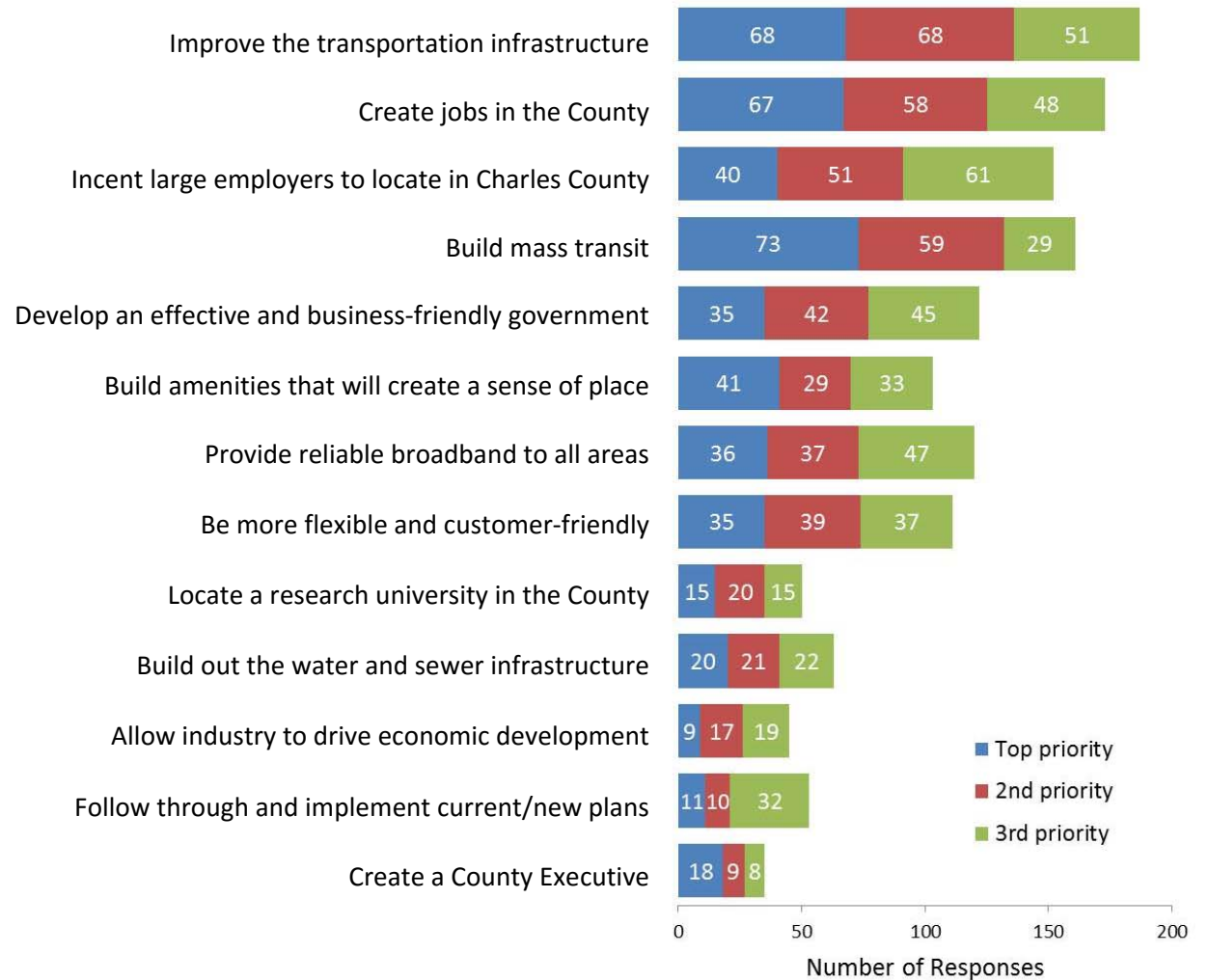




FIGURE 6: PERCEIVED STRENGTHS

When asked to name Charles County's strengths, the two (2) groups responded as follows:

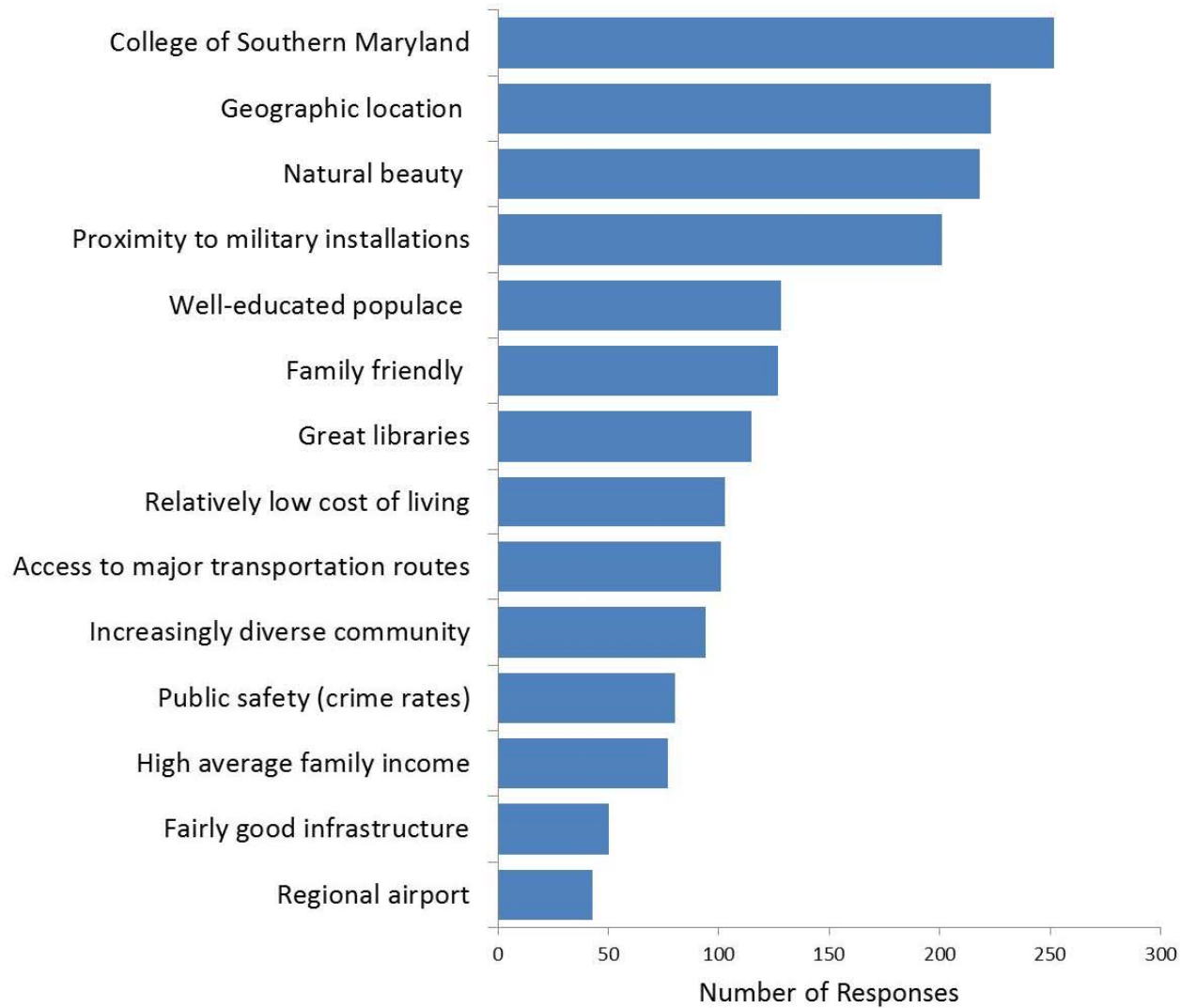




FIGURE 7: PERCEIVED INHIBITORS

When asked to indicate issues that inhibit Charles County from attracting investment, the two (2) groups responded as follows:

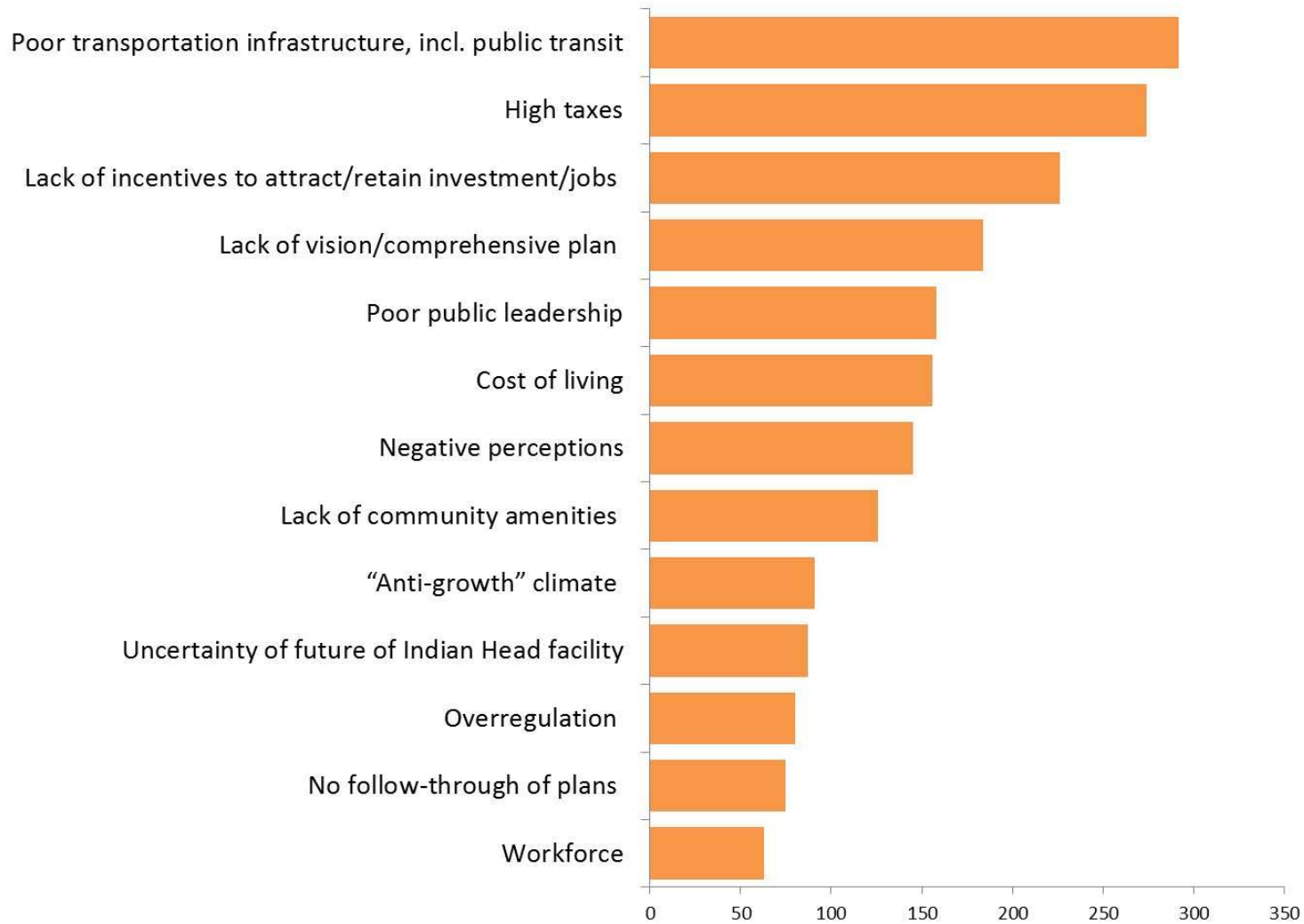




FIGURE 8: TARGET BUSINESS SECTORS

When asked what types of business sectors would be a good fit for the County, the two (2) groups responded as follows:

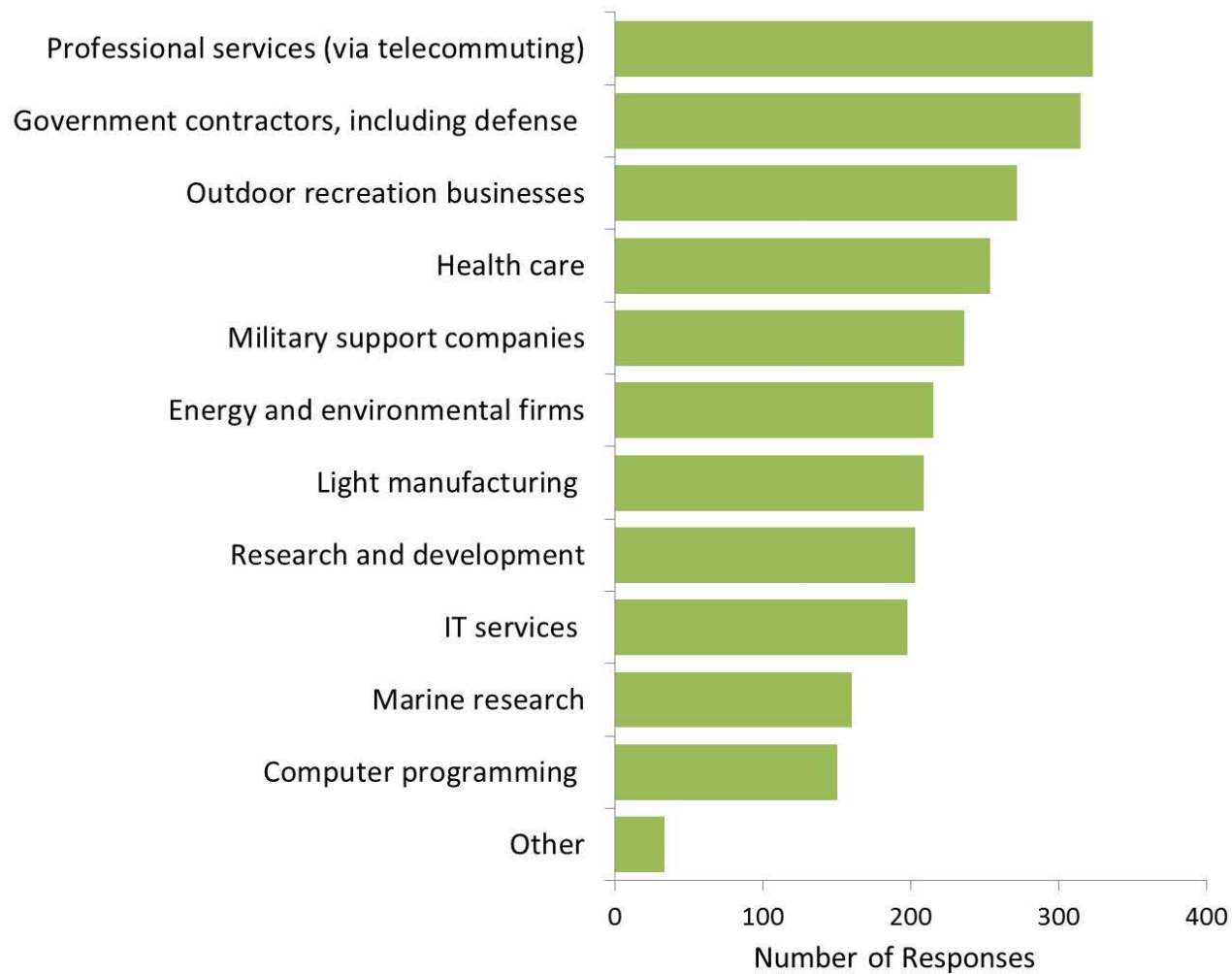
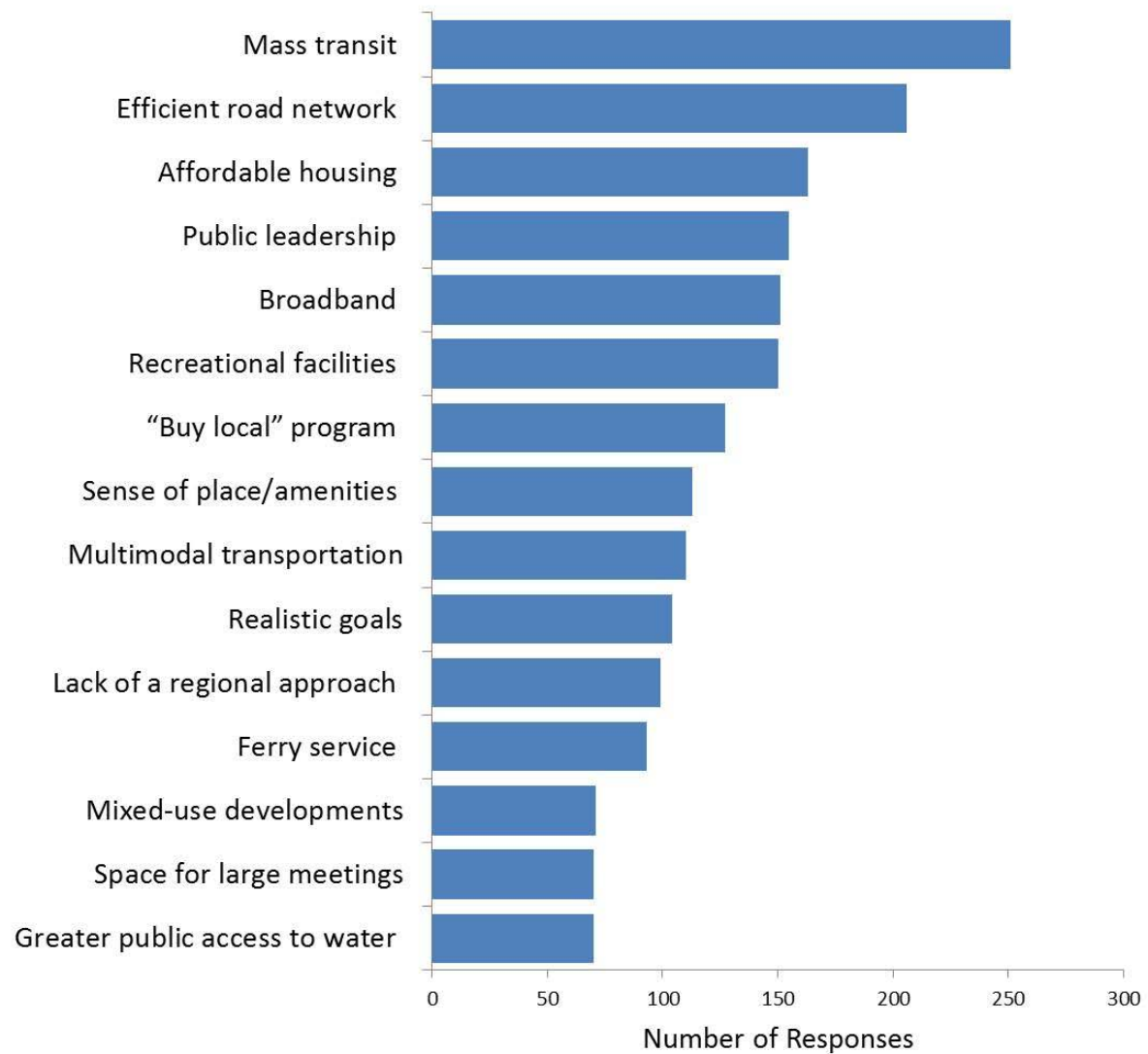




FIGURE 9: LACKING INFRASTRUCTURE

When asked what hard or soft infrastructure is weak or missing in Charles County, the survey respondents and focus group participants ranked the items as follows:*



*Hard infrastructure was defined as the physical networks such as roadways, sewer, broadband Internet, airports, and/or ports. Soft infrastructure was defined as institutions or places that support the economic, health, and cultural climate of a place, such as the education system, the health care system, system of government, and/or parks.

Assets and Challenges Assessment

Grounded by decades of economic development, site-location analysis, and industry cluster targeting experience, Garner Economics began the project to assess Charles County by using a rigorous set of techniques based on fully sourced and reliable datasets to completely understand the County's current economic state. The main component of this phase was the **ASSETS AND CHALLENGES ASSESSMENT (A&C)**, which is a compilation of local facts and data points with quantitative analysis and some subjective opinions. These are typically the same variables that are used when we conduct a locational assessment on behalf of a corporate client.

Garner Economics analyzed 50 community factors as part of the assessment. Ratings were identified by evaluating the County's position for each of the factors against the D.C. MSA, the United States, and, in many instances, the benchmarked counties of Frederick and Howard, Maryland.

Of the 50 variables analyzed, 17 are considered an Asset and 14 a Challenge (19 rated as Neutral). Fourteen challenge rankings puts the asset-to-challenge ratio in a dangerous position for an expeditious solution to the challenges based on the volume. Additionally, the County has too many in the neutral column based on the ratio of an economically healthy, dynamic county. The combination of neutral and challenge ratings may define the County as average, which is a rating that may stymie the County in competing globally over time. The goal in the future will be for those policymakers engaged in local economic development to move the bar with the neutral rankings from neutral to an asset and the challenge ranking to neutral (or better).

To enable a summary overview of the **ASSETS AND CHALLENGES ASSESSMENT'S** main findings for readers, a set of dashboard icons was presented. Each finding has an accompanying icon to assist with interpretation. The tables on the following pages summarize the assessment of the County.

REPORT DASHBOARD



Indicates the County is better (more positive) compared to a majority of the benchmark geographies or points to a positive trend or asset within the area.






Indicates the County is neutral or normal, neither positive nor negative. Indicator may represent an observation or be in the middle of the benchmark geographies.






Indicates the County is worse compared to a majority of the benchmark geographies or points to a negative trend or challenge within the area.

FIGURE 10: CHARLES COUNTY'S ASSETS AND CHALLENGES

Detailed data and rationale for the ratings can be found in the *COMPETITIVE REALITIES REPORT*.

| |  Assets |  Challenges |  Neutral |
|------------------------------|---|---|---|
| Access to Markets | <ul style="list-style-type: none"> Centrally located for major regional market access Centrally located for national market access Well positioned to serve international markets Within 1 hour of commercial air passenger service | <ul style="list-style-type: none"> Lack of interstate highway(s) Low broadband availability and speeds | <ul style="list-style-type: none"> Rail service Port facilities (inland and/or water) General aviation airport capable of handling corporate aircraft |
| Labor | <ul style="list-style-type: none"> Availability of technicians and scientists Cost of labor Availability of post-secondary vocational training | <ul style="list-style-type: none"> Lack of skilled industrial workers Lack of skilled clerical workers Not within ½ hour of major university/college Lack of an engineering program | <ul style="list-style-type: none"> Availability of managerial personnel |
| Access to Resources | <ul style="list-style-type: none"> Availability of agricultural products for food processing | <ul style="list-style-type: none"> Lack of manufacturing processes | <ul style="list-style-type: none"> Availability of business and professional services |
| Economic Development Program | No relative Assets; see Challenges and Neutral rankings | <ul style="list-style-type: none"> Lack of involvement of both public and private sectors Local economic development organization lacks a strategic plan (until now) Low level of cooperation between various public and private organizations involved in economic development activity | <ul style="list-style-type: none"> Adequate level of professional staff Level of awareness of community regarding economic development Level of funding for local economic development program |



| |  Assets |  Challenges |  Neutral |
|--------------------------------------|--|--|---|
| Access to Space | <ul style="list-style-type: none"> • Availability of fully served and attractive office sites and properties | <ul style="list-style-type: none"> • No relative Challenges; see Assets and Neutral rankings | <ul style="list-style-type: none"> • Availability of fully served and attractive industrial sites and properties |
| Access to Capital | <p>No relative Assets; see Challenges and Neutral rankings</p> | <ul style="list-style-type: none"> • Lack of venture capital from local sources for business startups | <ul style="list-style-type: none"> • Availability of tax credits and incentives • Availability of low-interest loans for small business |
| Government Impact on Business | <ul style="list-style-type: none"> • Condition and maintenance of local streets • Quality of post-secondary education | <ul style="list-style-type: none"> • Lack of availability/capacity of water and wastewater treatment • Cumbersome business permitting procedures and costs • Perception of relatively high local property taxes | <ul style="list-style-type: none"> • SAT scores |
| Quality of Place | <ul style="list-style-type: none"> • Availability of executive-level housing • Availability of moderate-cost housing • Availability of apartments • Cost-of-living index • Availability of recreational opportunities | <p>No relative Challenges; see Assets and Neutral rankings</p> | <ul style="list-style-type: none"> • Level of crime • Level of cultural activity • Attractiveness of the physical environment • Availability of major shopping facilities • Availability of adequate medical facilities • Availability of first-class hotels, motels, and resorts • Local restaurant diversity and options |








Economic, Demographic, Retail, and Labor Trends










In addition to assessing Charles County against criteria and measures employed by site selectors, work during Phase I examined the area’s economic position against Frederick and Howard counties, Maryland—as well as the D.C. MSA and the United States. Because Charles County must compete with other geographies in and around the Washington Metro area to attract investment and talent, it is important to know how it compares to those competitors. These benchmark geographies were selected by the EDD.

Garner Economics used data that can be verified and, for which, comparisons with other cities or areas can be made at the level of detail preferred by most site-selection professionals. The most detailed demographics data, industry statistics, and comparative rankings were used because businesses considering Charles County will do the same.

As the scorecards presented in the **COMPETITIVE REALITIES REPORT** (and replicated below) indicate, Charles County has mixed results in terms of demographics, labor, and economics.

| Demographic & Labor Dynamics | |
|---|---|
|  | Charles County, Maryland, has grown by 16,187 over the past decade and 7,629 over the past five years. At a growth rate of 11.7%, Charles County is in the middle of benchmarks behind Howard County and the Washington MSA, while growing at a faster pace than Frederick County, the state, and nation. |
|  | Charles County is showing a trend of growth from 2010 to 2014 within the 25- to 34-year-old age group, along with an increase in most other age groups, except those 35–44 and those under age 9, as well as a slight decrease in those aged 85 and over. Charles County has similar age distribution among benchmark counties, and the median age is comparable to benchmarks. |
|  | An overwhelming 93.4% of the County’s population are <i>High School Graduates</i> or higher. Relative to benchmark geographies, Charles County has the highest percentage of its population aged 25 and over in the <i>High School Graduate</i> and <i>Some College or Associate Degree</i> categories. Although well-educated, Charles County falls behind benchmarks in higher education. |
|  | More than 15,500 new residents were estimated to have moved to or within Charles County one year earlier (at the time of survey). The County had the lowest amount of new residents that moved within its borders amongst benchmark geographies. |
|  | Median age of new residents is fairly young. Charles County’s oldest median age (30.2) was for those that moved from <i>Abroad</i> . |



| Demographic & Labor Dynamics <i>(continued)</i> | |
|---|--|
|  | At 54.3%, Charles County has nearly double the percentage of newcomers with <i>Some College</i> or <i>Associate Degree</i> than all other benchmarks. |
|  | Charles County has the highest percentage of new residents (individuals) making \$25,000 to \$49,999; however, it also had the lowest percentage of new residents making \$24,999 or under (half of the national rate). |
|  | Charles County has the highest percentage of households in categories earning \$75,000 to \$149,000, and a Median Household Income of \$88,803—ahead of the nation, state, and Frederick County. |
|  | Charles County has the highest percentage of individuals in categories earning \$50,000 to \$99,999 and is above the nation and state for those earning \$100,000 or more. |
|  | For 2014, the per capita income in Charles County was \$35,978, which was higher than the nation. This figure is within \$1,000 of the state and Frederick County, but well behind the Washington MSA and Howard County. |
|  | Charles County has the lowest percentage of its population below the poverty level, well below the nation and state and slightly under Frederick and Howard Counties. Charles County falls in the middle of the benchmark geographies for <i>Children Under 18 Below Poverty Level</i> . |
|  | For 2014, Charles County has a violent crime rate (per 100,000 residents) below the state and the nation, but higher than the benchmark counties and the Washington MSA. The County has a property crime rate of 1,969 incidents reported per 100,000 residents—below the state, nation, and Washington MSA. |
|  | Generally speaking, the benchmark communities and Washington MSA have a higher Cost-of-Living Index than the national average of 100. Overall, Charles County has a lower composite Cost-of-Living Index than other benchmarks and has the lowest index cost in the <i>Housing</i> and <i>Transportation</i> categories. |
|  | Charles County has good access to broadband, although the lowest amount of DSL access for the households within the County. Speeds for <i>Medium and Large Businesses</i> were below other local benchmarks and <i>Small Business</i> speeds were high; however, they were calculated from a small test group. |



Retail Leakage

| | |
|--|--|
| | <p>Overall, Charles County’s average percentage of leakage is 56.6, indicating that shoppers from the region spend approximately 43.4% of all dollars in the region. A review of each of the 14 major retail categories in Charles County shows nine (9) retail categories with 50% or higher leakage.</p> |
|--|--|

Labor Market Analysis & Employment Trends

| | |
|--|--|
| | <p>The labor force for Charles County has steadily grown since 2005; however, the size of the labor market is smaller than the comparative benchmarks of Frederick and Howard Counties.</p> |
| | <p>As of 2015, according to a calculation of a 45-minute drive-time from Waldorf in Charles County, the estimated active residential workforce is 1,507,102 people—more than the benchmark community of Frederick County and less than Howard County.</p> |
| | <p>Charles County has a labor participation rate of 68%—above the state and nation; however, it is below other benchmark geographies.</p> |
| | <p>Of all the total families in the labor force, Charles County has 39.7% of families with two (2) income earners—higher than the nation and slightly below the state, but behind other benchmarks. Charles County has the highest percentage of <i>Married Women in the Labor Force with One Income</i> at 6.5%. The County also has the highest number of both <i>Unmarried Women and Men, With Children Under 18</i> categories—at 13.7% and 3.4% respectively.</p> |
| | <p>In Charles County, 36.2% of the residents worked within the County, the lowest rate among all benchmark geographies.</p> |



| Labor Market Analysis & Employment Trends <i>(continued)</i> | |
|--|---|
| | <p>Charles County has a significantly higher mean commute time of 44.2 minutes compared to 34.5 minutes in the Washington MSA and 26 minutes for the nation. Charles County also has the highest percentage of its population traveling 45 minutes or more to work, compared to all other benchmarks.</p> |
| | <p>The percentage of workers <i>Living and Working in Charles County</i> has declined since 2005. However, since 2009, this percentage has been steadily increasing.</p> |
| | <p>Charles County is keeping pace with the Washington MSA and Maryland over the past year regarding employment change.</p> |



Local Specialization, Competitiveness & Growth

- ✓ Over the last five years, the largest absolute industry jobs gains in Charles County came from *Health Care & Social Assistance* (+605 jobs/12 percent) and *Government* (+525 jobs/5 percent).
- ✓ Other significant gains were made in *Accommodation & Food Services* (+399 jobs/8 percent); *Professional, Scientific & Technical Services* (+343 jobs/15 percent); *Construction* (+311 jobs/8 percent); and *Transportation & Warehousing* (+250 jobs/19 percent).
- ✓ There were significant job losses in four sectors: *Finance & Insurance* (-361 jobs/33 percent); *Retail Trade* (-300 jobs/3 percent); *Manufacturing* (-156 jobs/19 percent); and *Administrative & Support, Waste Management & Remediation Services* (-147 jobs/10 percent).
- ✓ Industrial average earnings in Charles County are below the national same-industry average in all major sectors except four: *Government* (+10.5 percent); *Administrative, Support, Waste Management & Remediation Services* (+8.7 percent); *Construction* (+6.7 percent); and *Other Services* (+0.9 percent).
- ✓ Five industry sectors in Charles County have wages that are less than half as much as national averages: *Management of Companies and Enterprises* (-171.8 percent); *Arts, Entertainment & Recreation* (-141.9 percent); *Educational Services* (-116.1 percent); *Information* (-71.4 percent); and *Finance & Insurance* (-64.8 percent).
- ✓ Overall, wages in Charles County are 19.8 percent lower than the all-industry average for the United States.
- ✓ Over the last five years, the largest absolute occupational gains in Charles County came from *Education* (+381 jobs/10 percent) and *Food Preparation & Serving Related* (+369 jobs/8 percent). Other top occupational gains were made in *Transportation & Material Moving* (+224 jobs/8 percent); *Healthcare Practitioners & Technical* (+222 jobs/11 percent); and *Installation, Maintenance and Repair* (+202 jobs/9 percent).
- ✓ The greatest occupational category job loss came from *Sales & Related* (-228 jobs/4 percent).
- ✓ A comparison of the same-occupation median hourly earnings in Charles County to the national median wages revealed that only four occupations were under the national level: *Military*; *Sales & Related*; *Legal*; and *Arts, Design, Entertainment, Sports & Media*.
- ✓ Overall, occupational earnings were 6.67 percent above the national all-occupations total.
- ✓ There are six industry sectors with a level of local specialization above 1.0 that grew within the last five years: *Utilities*, *Construction*, *Government*, *Accommodation & Food Services*, *Other Services*, and *Transportation & Warehousing*.
- ✓ The *Utilities* sector has the highest local specialization at 3.82. This could be attributed to the power generation plant and new St. Charles CPV facility.

CHAPTER 2: OPTIMAL TARGETS FOR CHARLES COUNTY



The optimal business sectors target selection is based on the site-specific characteristics of the Charles County economy. The recommended targets are for those engaged in recruiting new business to the County and to prioritize resources with these industry sectors that offer the most promise. These optimal targets hold a competitive advantage to the community and, thus, help policymakers prioritize the region's community and economic development strategy.

In selecting optimal targets, Garner Economics uses a desirability and feasibility screening matrix to determine the recommended targets (Figure 10). Desirability includes the types of business sectors the community would like to see in Charles County. Feasibility includes what the area can actually achieve in the short-to mid-term, based on current or planned locational assets and in conducting an analytical review of the local and regional economy.

Using results from the previously completed **COMPETITIVE REALITIES REPORT**, the **ASSETS AND CHALLENGES ASSESSMENT**, focus groups, and field visits, four (4) business and industry groups were chosen that best match the unique competitive advantages in the area to the needs of particular industry sectors. Special attention is given to sectors in the midst of significant change or innovative transformation, with the strong likelihood that there will be increased interest in adding, growing, or moving operational sites. Each sector selected has some sort of competitive advantage in the marketplace. Some sectors are already well established in the area and are positioned for additional growth. For others that are not as well established, there are opportunities to leverage Charles County's assets in order to either attract existing businesses or to encourage entrepreneurs to start new ventures. For all targeted businesses, the County's competitive advantages are presented, along with recent and projected performance of the targets at the national level. In some cases, target

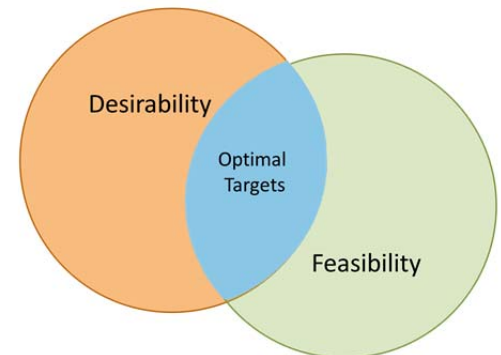
sectors are actually losing jobs nationally, but Charles County's particular set of economic development assets still puts it in position to capture demand.

Because economies are dynamic and impossible to precisely predict, these four (4) optimal targets offer opportunities across several non-competing sectors, affording a means to diversify economic development strategies and avoid risky overconcentration.

The target information is presented in a practical and workable format, avoiding complex analysis and extensive projections of future outcomes. Instead, the justifications for the targets should be clearly apparent and make sense to the average practitioner. Under each major target sector, a list of individual subsectors is provided with accompanying NAICS classifications. A full description for each subsector target can be found in Table 9. Detailed subsector targets help to bridge the gap from broad economic concepts to a workable means for identifying specific prospective industries and firms.

For each target, a bulleted list of rationales is presented and identified as appealing to the needs of prospects (P) or the community (C). This material can be used in marketing and community support efforts or to help economic development personnel prioritize targeting efforts.

FIGURE 10: OPTIMAL TARGET SCREENING PROCESS





OPTIMAL TARGETS FOR CHARLES COUNTY



MAJOR SUBSECTORS



- Management, Scientific, and Technical Consulting Services
- Facilities Support Services
- Electronic and Precision Equipment Repair and Maintenance
- Accounting, Tax Preparation, Bookkeeping, and Payroll Services
- Management of Companies and Enterprises
- Office Administrative Services
- Business Support Services



- Offices of Physicians, Dentists, and Other Health Practitioners
- Health Services Educational Institutions
- Outpatient Care Centers
- Medical and Diagnostic Laboratories
- Home Health Care Services
- Nursing and Residential Care Facilities



- Co-Working and Remote Office Centers
- Traveler Accommodations
- Restaurants and Other Eating and Drinking Places
- Scenic and Sightseeing Transportation
- Specialty Food Stores
- High-End Boutique Retail
- Stationery and Gift Stores
- Miscellaneous Store Retailers



- Architectural, Engineering, and Related Services
- Scientific Research and Development Services
- Software Publishers
- Computer Systems Design and Related Services
- Data Processing, Hosting, and Related Services
- Internet Publishing and Broadcasting and Web Search Portals
- Specialty and Light Manufacturing

For each target that follows, a bulleted list of rationales is presented and identified as appealing to the needs of prospects (P) or the community (C).



TARGET 1: FEDERAL CONTRACTING & HIGH-VALUE PROFESSIONAL/BUSINESS SERVICES



Charles County's unique assets make it a competitive location for a range of companies. As a lower cost market located in proximity to Washington and Baltimore, the County is well positioned for growth among firms that do not have

to be located in larger and/or more expensive markets.

This target's core is the Washington area's federal contracting industry, which is well established as the top location in the United States for doing business with the government in management consulting, cybersecurity, facilities management, and other sectors. While recent funding reductions have slowed contracting activity, there has also been a shift toward smaller and nimbler companies. This trend favors lower-cost

locations like Charles County. The County's prospects for this target are also boosted by the presence of Naval Support Facility (NSF) Indian Head and its proximity to NSF Dahlgren.

Charles County is also poised to build a base of smaller professional businesses that serve the broader region. There are several models for successful businesses: providing services to local residents, supporting businesses in larger cities, or moving to the area to take advantage of its assets. The County's appeal will differ somewhat for each specific sector. Accounting firms will be able to take advantage of local population growth. Administrative and business support services companies can perform outsourced functions for companies in Washington, Baltimore, or elsewhere. Consulting firms can offer high-paying jobs for local residents who want to shorten their commutes.

Rationales

- Well located for national and international markets (P)
- Proximity to Washington and Baltimore markets (P)
- Proximity to regional and international airports (P)
- Presence of Indian Head and access to other military sites (P)
- Availability of managerial personnel (P)
- Availability of post-secondary vocational training (P)
- Low cost of labor relative to larger markets (P)
- Availability of fully served & attractive office sites and properties (P)
- Low local property taxes (P)
- Availability of housing at all price points (P)
- High rate of population and labor force growth (P)
- Young and diverse population base (P)
- High rate of educational attainment (P)
- High median household income level (P)
- Entrepreneurship opportunities for local residents (C)
- Increasing employment and specialization in the *Professional, Scientific & Technical Services* sector (P)
- Competitive wages in the *Professional, Scientific & Technical Services* and *Management of Companies and Enterprises* sectors (P)
- Opportunity to leverage presence of retired military, government, and contractor personnel (C)
- Opportunity to attract/retain large base of high-wage earners who presently out-commute (C)
- Average target subsector 2015 national earnings of \$80,196 (C)
- Average target subsector 10-year past job growth of 25.8% (C)
- Average major subsector projected 10-year job growth of 14.8% (C)
- Strong existing local pool of high-demand occupations (Table 2) (P)
- Quality-of-place assets: moderate cost of living, recreational opportunities, cultural activity, lower crime rate, access to shopping, access to health care, diversity of restaurant options (P)

Table 1: Federal Contracting & High-Value Professional/Business Services Target Subsectors

| NAICS | Description | National Earnings, 2015 | 2005–2015 National Job Growth | 2015–2025 National Job Growth Forecast | National Job Count, 2015 (Millions) |
|---------------------------------|--|-------------------------|-------------------------------|--|-------------------------------------|
| 5412 | Accounting, Tax Preparation, Bookkeeping, and Payroll Services | \$61,577 | 13.0% | 7.6% | 1.31 |
| 5416 | Management, Scientific, and Technical Consulting Services | \$74,145 | 40.5% | 24.8% | 1.59 |
| 5511 | Management of Companies and Enterprises | \$125,386 | 30.7% | 11.1% | 2.40 |
| 561110 | Office Administrative Services | \$62,992 | 26.4% | 18.8% | 0.81 |
| 561210 | Facilities Support Services | \$52,074 | 10.8% | 18.2% | 0.17 |
| 5614 | Business Support Services | \$39,324 | 16.2% | 14.9% | 1.24 |
| 81121 | Electronic and Precision Equipment & Maintenance | \$50,685 | -0.3% | 3.6% | 0.17 |
| WEIGHTED AVERAGES/TOTALS | | \$80,196 | 25.8% | 14.8% | 7.51 |

Source: EMSI, Garner Economics



**Table 2: Federal Contracting & High-Value Professional/Business Services
Charles County at place employment by High-Demand Occupations – 2015**

| Occupation | Employed in Charles County |
|---|----------------------------|
| Secretaries and Administrative Assistants, Except Legal, Medical, and Executive | 1,173 |
| General and Operations Managers | 775 |
| Office Clerks, General | 688 |
| Customer Service Representatives | 618 |
| First-Line Supervisors of Office and Administrative Support Workers | 563 |
| Management Analysts | 494 |
| Bookkeeping, Accounting, and Auditing Clerks | 464 |
| Accountants and Auditors | 432 |
| Receptionists and Information Clerks | 425 |
| Sales Representatives, Services, All Other | 332 |
| Business Operations Specialists, All Other | 316 |
| Financial Managers | 177 |
| Chief Executives | 163 |
| Executive Secretaries and Executive Administrative Assistants | 129 |
| Office and Administrative Support Workers, All Other | 96 |
| Billing and Posting Clerks | 85 |
| Financial Analysts | 67 |
| Electrical and Electronics Repairers, Commercial and Industrial Equipment | 27 |
| Budget Analysts | 24 |

Source: EMSI, Garner Economics

Note: This data represents the people currently employed in Charles County, not the available workforce, which includes those who live in Charles County as well as within commuting distance in the Washington D.C. Metro Area.

TARGET 2: HEALTH SERVICES



The Health Services target already represents a large and growing component of the Charles County economy. The *Health Care & Social Assistance* sector represents 15% of the County's private employment base, and this sector added more than 600 jobs from 2010-

2015. With further rapid population growth anticipated in Charles County, this industry group should continue to grow in the future.

In spite of the major presence and growth prospects of this cluster, the primary challenge for Charles County will be to grow the *Health Care* target beyond its local orientation. Although University of Maryland Charles Regional Medical Center is a major employer and economic force, its services are primarily geared toward the local population, so its growth

prospects are limited by the demographics of its service area. In order to build economic opportunities, the presence of the hospital will need to be leveraged to attract more doctors, health support services, diagnostic centers, etc.

The hospital's affiliation with the University of Maryland will be an essential component of its growth and the growth of the overall health care target. Recent and planned expansions of the hospital, such as the Regional Rehabilitation Center, the Urgent Care Center, and the Outpatient Imaging Center will help the hospital extend its reach. The presence of the College of Southern Maryland is also a strong asset for this target, as it offers training programs for a range of occupations in the health services field.

Rationales

- Centrally located for regional markets (P)
- Availability of technicians and scientists (P)
- Availability of post-secondary vocational training (P)
- Availability of fully served & attractive office sites and properties (P)
- Low local property taxes (P)
- Availability of housing at all price points (P)
- High rate of population and labor force growth (P)
- High rate of growth among age 55+ population (P)
- Young and diverse population base (P)
- High rate of educational attainment (P)
- High median household income level (P)
- Presence of UM-Charles Regional Medical Center (P)
- High rate of employment growth in *Health Care* sector (P)
- Competitive wages in *Health Care* sector (C)
- Strong growth for *Healthcare Practitioners and Technical* and *Healthcare Support* occupations (P)
- Average target subsector 2015 national earnings of \$58,574 (C)
- Average target subsector 10-year past job growth of 33.4% (C)
- Average major subsector projected 10-year job growth of 23.6% (C)
- Strong existing local pool of high-demand occupations (Table 4) (P)
- Quality-of-place assets: moderate cost of living, recreational opportunities, cultural activity, lower crime rate, access to shopping, access to health care, diversity of restaurant options (P)



Table 3: Health Services Target Subsectors

| NAICS | Description | National Earnings, 2015 | 2005–2015 National Job Growth | 2015–2025 National Job Growth Forecast | National Job Count, 2015 (Millions) |
|--------|--|-------------------------|-------------------------------|--|-------------------------------------|
| 611519 | Other Technical and Trade Schools | \$40,981 | 17.0% | 10.6% | 0.11 |
| 621111 | Offices of Physicians (Except Mental Health Specialists) | \$101,436 | 20.5% | 18.7% | 2.72 |
| 621112 | Offices of Physicians, Mental Health Specialists | \$76,050 | 14.9% | 12.1% | 0.11 |
| 621210 | Offices of Dentists | \$61,185 | 16.9% | 17.4% | 0.98 |
| 6213 | Offices of Other Health Practitioners | \$45,387 | 43.4% | 24.4% | 1.44 |
| 6214 | Outpatient Care Centers | \$68,561 | 57.1% | 33.0% | 0.78 |
| 621511 | Medical Laboratories | \$69,199 | 38.4% | 26.1% | 0.21 |
| 621512 | Diagnostic Imaging Centers | \$72,069 | 10.2% | 12.2% | 0.08 |
| 621610 | Home Health Care Services | \$29,536 | 67.5% | 38.3% | 1.80 |
| 623110 | Nursing Care Facilities (Skilled Nursing Facilities) | \$38,213 | 4.8% | 14.0% | 1.66 |
| 623311 | Continuing Care Retirement Communities | \$33,380 | 53.7% | 31.3% | 0.47 |
| 623312 | Assisted Living Facilities for the Elderly | \$28,757 | 32.1% | 23.6% | 0.44 |
| | WEIGHTED AVERAGES/TOTALS | \$58,574 | 33.4% | 23.6% | 10.80 |

Source: EMSI, Garner Economics



Table 4: Health Services
Charles County at place of employment by High-Demand Occupations – 2015

| Occupation | Employed in Charles County |
|---|----------------------------|
| Post-secondary Teachers | 580 |
| Registered Nurses | 512 |
| Nursing Assistants | 340 |
| Home Health Aides | 269 |
| Medical Assistants | 181 |
| Dental Assistants | 172 |
| Physicians and Surgeons, All Other | 156 |
| Licensed Practical and Licensed Vocational Nurses | 150 |
| Massage Therapists | 140 |
| Pharmacy Technicians | 139 |
| Clinical, Counseling, and School Psychologists | 124 |
| Dentists, General | 111 |
| Pharmacists | 106 |
| Dental Hygienists | 91 |
| Radiologic Technologists | 83 |
| Physical Therapists | 55 |
| Emergency Medical Technicians and Paramedics | 52 |
| Family and General Practitioners | 51 |
| Mental Health Counselors | 50 |
| Opticians, Dispensing | 49 |
| Physician Assistants | 33 |
| Surgical Technologists | 32 |
| Career/Technical Education Teachers, Secondary School | 32 |
| Medical Transcriptionists | 31 |
| Medical Records and Health Information Technicians | 31 |
| Nurse Practitioners | 29 |
| Medical and Clinical Laboratory Technologists | 23 |
| Medical and Clinical Laboratory Technicians | 17 |

Note: This data represents the people currently employed in Charles County, not the available workforce, which includes those who live in Charles County as well as within commuting distance in the Washington D.C. Metro Area.

Source: EMSI, Garner Economics

TARGET 3: ENTREPRENEURIAL & RETAIL DEVELOPMENT



Charles County has a well-established base of retail and hospitality businesses clustered along US Route 301 in the County's northern half, from Waldorf to La Plata. The County is home to a major regional mall in St. Charles Towne Center and more than 10 national flag hotels. However, the County lacks a full-service hotel and has somewhat limited options for high quality lodging and dining. Charles County already has high job concentrations in the two (2) primary sectors under this target: *Accommodation & Food Services* and *Retail Trade*. It also has strong concentrations in occupations related to this cluster and a significant population of entry-level workers who are willing to work in these sectors.

In spite of these strengths, Charles County lacks a true destination for visitors—it has no significant historic downtown areas (e.g., Annapolis,

Alexandria), nor does it have a major entertainment destination to rival National Harbor in Prince George's County. Charles County does have a rich history and is part of the Southern Maryland Heritage Area, but the County must do more to develop these assets and promote entrepreneurship opportunities around them.

Another facet to this target is the effect of teleworking, co-working, and other emerging trends. There are a growing number of individual employees who are able to work remotely, but still seek an office environment outside their homes. Charles County is an excellent location to attract these types of workers. Among the 47,000 commuters who leave the County every day—mostly traveling north on US 301—many may be entrepreneurs-in-waiting, and others may be able and interested in working out of shared office space or co-working facilities.

Rationales

- Centrally located for regional and national markets (P)
- Local and regional traffic along US Route 301 (P)
- Availability of post-secondary vocational training (P)
- Availability of housing at all price points (P)
- High rate of population and labor force growth (P)
- High rate of growth among age 55+ population (P)
- Young and diverse population base (P)
- High rate of educational attainment (P)
- High median household income level (P)
- Opportunity to improve quality of hotels/lodging facilities (C)(P)
- Opportunity to reduce retail leakage from the market (C)
- High rate of employment growth and specialization in *Accommodation & Food Services* sector (P)
- Entrepreneurship opportunities for local residents (C)
- Opportunity to attract/retain large base of high-wage earners who presently out-commute (C)
- Average target subsector 2015 national earnings of \$24,691 (P)
- Average target subsector 10-year past employment growth of 17.6% (C)
- Average target subsector projected 10-year job growth of 10.6% (C)
- An existing local pool of high-demand occupations (Table 6) (P)
- Quality-of-place assets: moderate cost of living, recreational opportunities, cultural activity, lower crime rate, access to shopping, access to health care, diversity of restaurant options (P)



Table 5: Entrepreneurial & Retail Development Target Subsectors

| NAICS | Description | National Earnings, 2015 | 2005–2015 National Job Growth | 2015–2025 National Job Growth Forecast | National Job Count, 2015 (Millions) |
|---------------------------------|---|-------------------------|-------------------------------|--|-------------------------------------|
| 4452 | Specialty Food Stores | \$27,790 | 2.8% | 5.9% | 0.32 |
| 4481 | Clothing Stores | \$23,210 | -0.6% | 13.2% | 1.18 |
| 453220 | Gift, Novelty, and Souvenir Stores | \$21,924 | -20.0% | -9.9% | 0.29 |
| 4539 | Other Miscellaneous Store Retailers | \$28,449 | 14.3% | 8.0% | 0.71 |
| 487110 | Scenic and Sightseeing Transportation, Land | \$35,402 | 93.6% | 35.1% | 0.02 |
| 531120 | Lessors of Nonresidential Buildings (Except Miniwarehouses) | \$66,248 | 43.0% | 16.6% | 0.89 |
| 7211 | Traveler Accommodation | \$33,158 | 5.2% | 5.2% | 1.94 |
| 7224 | Drinking Places (Alcoholic Beverages) | \$19,283 | 3.3% | 5.4% | 0.44 |
| 7225 | Restaurants and Other Eating Places | \$19,553 | 22.0% | 11.8% | 10.20 |
| WEIGHTED AVERAGES/TOTALS | | \$24,691 | 17.6% | 10.6% | 15.97 |

Source: EMSI, Garner Economics



Table 6: Entrepreneurial & Retail Development
Charles County at place employment by High-Demand Occupations – 2015

| Occupation | Employed in Charles County |
|--|----------------------------|
| Retail Salespersons | 2,378 |
| Cashiers | 1,963 |
| Combined Food Preparation and Serving Workers, Including Fast Food | 1,110 |
| Waiters and Waitresses | 1,106 |
| First-Line Supervisors of Retail Sales Workers | 1,071 |
| Property, Real Estate, and Community Association Managers | 562 |
| First-Line Supervisors of Food Preparation and Serving Workers | 473 |
| Maids and Housekeeping Cleaners | 436 |
| Cooks, Restaurant | 434 |
| Food Preparation Workers | 358 |
| Dishwashers | 248 |
| Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop | 213 |
| Bartenders | 187 |
| Food Service Managers | 183 |
| Counter Attendants, Cafeteria, Food Concession, and Coffee Shop | 175 |
| Dining Room and Cafeteria Attendants and Bartender Helpers | 120 |
| First-Line Supervisors of Housekeeping and Janitorial Workers | 103 |
| Amusement and Recreation Attendants | 77 |
| Chefs and Head Cooks | 68 |
| Lodging Managers | 49 |
| Hotel, Motel, and Resort Desk Clerks | 45 |
| Tour Guides and Escorts | 23 |

Source: EMSI, Garner Economics

Note: This data represents the people currently employed in Charles County, not the available workforce, which includes those who live in Charles County as well as within commuting distance in the Washington D.C. Metro Area.

TARGET 4: R&D, ENGINEERING & COMPUTING



This target group (Table 3) includes a mix of technology-oriented industry sectors that aim to capitalize on Charles County's skilled and educated workforce. As with Target 1, this cluster places a particular focus on those who live in the local area but commute to professional jobs in or closer to the District of Columbia. The industry groups found in this cluster are all poised to benefit from the convergence of global economic and technological forces. These subsector targets are responding to corporate clients' adaptation to rapid changes in customer expectations within an evolving technological landscape. The County's proximity to the Washington, D.C. region is an asset for this group of industries. With digital transactions, virtual

workplaces, and teleworking becoming the norm for many companies, lower cost areas close to Washington are poised to attract smaller businesses and/or startups from this cluster.

Charles County is also positioned to attract businesses that provide goods and services that support and/or complement the professional services economy in the Washington area. This includes firms that provide engineering services, website/data hosting, facilities support services, and manufacturing firms that produce specialty and/or high-tech products. The high wages paid by these industry sectors make them a particularly attractive target. Another target group is small niche manufacturers that require skilled workers but do not need to use large amounts of water for their processes. This includes electronic equipment and components, high-tech controls, electromedical devices, and medical equipment.

Rationales

- Well located for national and international markets (P)
- Proximity to Washington and Baltimore markets (P)
- Proximity to regional and international airports (P)
- Presence of Indian Head and access to other military sites (P)
- Availability of technicians and scientists (P)
- Availability of post-secondary vocational training (P)
- Low cost of labor relative to larger markets (P)
- Availability of fully served & attractive office sites and properties (P)
- Low local property taxes (P)
- Availability of housing at all price points (P)
- High rate of population and labor force growth (P)
- Young and diverse population base (P)
- High rate of educational attainment (P)
- High median household income level (P)
- Increasing employment and specialization and competitive wages in the *Professional, Scientific & Technical Services* sector (P)
- Opportunity to leverage presence of retired military, government, and contractor personnel (C)
- Opportunity to attract/retain large base of high-wage earners who presently out-commute (C)
- Average target subsector 2015 national earnings of \$108,218 (C)
- Average target subsector 10-year past job growth of 27.7% (C)
- Average major subsector projected 10-year job growth of 17.1% (C)
- Strong existing local pool of high-demand occupations (Table 8) (P)
- Quality-of-place assets: moderate cost of living, recreational opportunities, cultural activity, lower crime rate, access to shopping, access to health care, diversity of restaurant options (P)



Table 7: R&D, Engineering & Computing Target Subsectors

| NAICS | Description | National Earnings, 2015 | 2005–2015 National Job Growth | 2015–2025 National Job Growth Forecast | National Job Count, 2015 (Millions) |
|---------------------------------|---|-------------------------|-------------------------------|--|-------------------------------------|
| 33441 | Semiconductor and Other Electronic Component Manufacturing | \$116,334 | -16.5% | -0.5% | 0.38 |
| 33451 | Navigational, Measuring, Electromedical, and Control Instruments Mfg. | \$111,102 | -9.6% | 0.6% | 0.40 |
| 3391 | Medical Equipment and Supplies Manufacturing | \$90,636 | 6.7% | 6.8% | 0.33 |
| 511210 | Software Publishers | \$151,134 | 34.4% | 25.4% | 0.37 |
| 518210 | Data Processing, Hosting, and Related Services | \$96,089 | 18.1% | 9.7% | 0.38 |
| 519130 | Internet Publishing and Broadcasting and Web Search Portals | \$175,200 | 232.8% | 27.7% | 0.23 |
| 5413 | Architectural, Engineering, and Related Services | \$87,609 | 6.4% | 13.7% | 1.62 |
| 5415 | Computer Systems Design and Related Services | \$104,709 | 43.2% | 26.2% | 2.30 |
| 5417 | Scientific Research and Development Services | \$131,235 | 14.7% | 14.8% | 0.70 |
| WEIGHTED AVERAGES/TOTALS | | \$108,218 | 27.7% | 17.1% | 6.71 |

Source: EMSI, Garner Economics



**Table 8: R&D, Engineering & Computing
Charles County at place employment by High-Demand Occupations – 2015**

| Occupation | Employed in Charles County |
|--|----------------------------|
| General and Operations Managers | 775 |
| Computer Occupations, All Other | 324 |
| Civil Engineers | 147 |
| Computer Systems Analysts | 140 |
| Software Developers, Systems Software | 127 |
| Computer User Support Specialists | 124 |
| Network and Computer Systems Administrators | 108 |
| Computer Programmers | 101 |
| Office and Administrative Support Workers, All Other | 96 |
| Electrical Engineers | 95 |
| Computer and Information Systems Managers | 91 |
| Web Developers | 89 |
| First-Line Supervisors of Production and Operating Workers | 81 |
| Aerospace Engineers | 81 |
| Engineers, All Other | 78 |
| Software Developers, Applications | 76 |
| Mechanical Engineers | 75 |
| Architectural and Engineering Managers | 71 |
| Computer Network Support Specialists | 68 |
| Financial Analysts | 67 |
| Computer Hardware Engineers | 60 |
| Electronics Engineers, Except Computer | 58 |
| Electrical and Electronics Engineering Technicians | 53 |
| Civil Engineering Technicians | 49 |
| Electrical and Electronic Equipment Assemblers | 46 |

Note: This data represents the people currently employed in Charles County, not the available workforce, which includes those who live in Charles County as well as within commuting distance in the Washington D.C. Metro Area.

Source: EMSI, Garner Economics



Table 9: Target Subsector Descriptions

| Federal Contracting & High-Value Professional/Business Services | |
|--|---|
| NAICS 5412 | Accounting, Tax Preparation, Bookkeeping, and Payroll Services |
| This industry comprises establishments of accountants that are certified to audit the accounting records of public and private organizations and to attest to compliance with generally accepted accounting practices. Offices of certified public accountants (CPAs) may provide one or more of the following accounting services: (1) auditing financial statements; (2) designing accounting systems; (3) preparing financial statements; (4) developing budgets; and (5) providing advice on matters related to accounting. These establishments may also provide related services, such as bookkeeping, tax return preparation, and payroll processing. | |
| NAICS 5416 | Management, Scientific, and Technical Consulting Services |
| This industry comprises a range of establishments that provide consulting services related to one or more of the following fields: business, administrative management, human resources, marketing, logistics, or environmental. | |
| NAICS 5511 | Management of Companies and Enterprises |
| This industry comprises (1) establishments primarily engaged in holding the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing the management decisions or (2) establishments (except government establishments) that administer, oversee, and manage other establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise. | |
| NAICS 561110 | Office Administrative Services |
| This industry comprises establishments primarily engaged in providing a range of day-to-day office administrative services such as financial planning, billing and recordkeeping, personnel, and physical distribution and logistics for others on a contract or fee basis. These establishments do not provide operating staff to carry out the complete operations of a business. | |
| NAICS 561210 | Facilities Support Services |
| This industry comprises establishments primarily engaged in providing operating staff to perform a combination of support services within a client's facilities. Establishments in this industry typically provide a combination of services, such as janitorial, maintenance, trash disposal, guard and security, mail routing, reception, laundry, and related services to support operations within facilities. These establishments provide operating staff to carry out these support activities; but are not involved with or responsible for the core business or activities of the client. Establishments providing facilities (except computer and/or data processing) operation support services and establishments providing private jail services or operating correctional facilities (i.e., jails) on a contract or fee basis are included in this industry. | |
| NAICS 5614 | Business Support Services |
| This industry includes a range of sectors that provide services to other business types, including document preparation, telephone call centers, business service centers, collection agencies, credit bureaus, repossession, court reporting, and other related services. | |
| NAICS 81121 | Electronic and Precision Equipment & Maintenance |
| This industry comprises establishments primarily engaged in repairing and maintaining consumer electronics, such as televisions, stereos, speakers, video recorders, CD players, radios, and cameras, without retailing new consumer electronics. | |



| Health Services | |
|---|---|
| NAICS 611519 | Other Technical and Trade Schools |
| This industry comprises establishments primarily engaged in offering job or career vocational or technical courses (except cosmetology and barber training, aviation and flight training, and apprenticeship training). The curriculums offered by these schools are highly structured and specialized and lead to job-specific certification. | |
| NAICS 621111 | Offices of Physicians (Except Mental Health Specialists) |
| This industry comprises establishments of health practitioners having the degree of M.D. (Doctor of Medicine) or D.O. (Doctor of Osteopathy) primarily engaged in the independent practice of general or specialized medicine (except psychiatry or psychoanalysis) or surgery. These practitioners operate private or group practices in their own offices (e.g., centers, clinics) or in the facilities of others, such as hospitals or HMO medical centers. | |
| NAICS 621112 | Offices of Physicians, Mental Health Specialists |
| This industry comprises establishments of health practitioners having the degree of M.D. (Doctor of Medicine) or D.O. (Doctor of Osteopathy) primarily engaged in the independent practice of psychiatry or psychoanalysis. These practitioners operate private or group practices in their own offices (e.g., centers, clinics) or in the facilities of others, such as hospitals or HMO medical centers. | |
| NAICS 621210 | Offices of Dentists |
| This industry comprises establishments of health practitioners having the degree of D.M.D. (Doctor of Dental Medicine), D.D.S. (Doctor of Dental Surgery), or D.D.Sc. (Doctor of Dental Science) primarily engaged in the independent practice of general or specialized dentistry or dental surgery. These practitioners operate private or group practices in their own offices (e.g., centers, clinics) or in the facilities of others, such as hospitals or HMO medical centers. They can provide either comprehensive preventive, cosmetic, or emergency care, or specialize in a single field of dentistry. | |
| NAICS 6213 | Offices of Other Health Practitioners |
| This industry comprises a range of health care professionals, including chiropractors, optometrists, mental health practitioners, physical, occupational and speech therapists, audiologists, podiatrists, and other areas of expertise. | |
| NAICS 6214 | Outpatient Care Centers |
| This industry includes establishments that provide specialized outpatient treatment such as family planning, mental health, substance abuse treatment, kidney dialysis, ambulatory surgery, and emergency care. | |
| NAICS 621511 | Medical Laboratories |
| This industry comprises establishments known as medical laboratories primarily engaged in providing analytic or diagnostic services, including body fluid analysis, generally to the medical profession or to the patient on referral from a health practitioner. | |
| NAICS 621512 | Diagnostic Imaging Centers |
| This industry comprises establishments known as diagnostic imaging centers primarily engaged in producing images of the patient generally on referral from a health practitioner. | |
| NAICS 621610 | Home Health Care Services |
| This industry comprises establishments primarily engaged in providing skilled nursing services in the home, along with a range of the following: personal care services; homemaker and companion services; physical therapy; medical social services; medications; medical equipment and supplies; counseling; 24-hour home care; occupation and vocational therapy; dietary and nutritional services; speech therapy; audiology; and high-tech care, such as intravenous therapy. | |



| Health Services (continued) | |
|--|---|
| NAICS 623110 | Nursing Care Facilities (Skilled Nursing Facilities) |
| This industry comprises establishments primarily engaged in providing inpatient nursing and rehabilitative services. The care is generally provided for an extended period of time to individuals requiring nursing care. These establishments have a permanent core staff of registered or licensed practical nurses who, along with other staff, provide nursing and continuous personal care services. | |
| NAICS 623311 | Continuing Care Retirement Communities |
| This industry comprises establishments primarily engaged in providing a range of residential and personal care services with on-site nursing care facilities for (1) the elderly and other persons who are unable to fully care for themselves and/or (2) the elderly and other persons who do not desire to live independently. Individuals live in a variety of residential settings with meals, housekeeping, social, leisure, and other services available to assist residents in daily living. Assisted living facilities with on-site nursing care facilities are included in this industry. | |
| NAICS 623312 | Assisted Living Facilities for the Elderly |
| This industry comprises establishments primarily engaged in providing residential and personal care services (i.e., without on-site nursing care facilities) for (1) the elderly or other persons who are unable to fully care for themselves and/or (2) the elderly or other persons who do not desire to live independently. The care typically includes room, board, supervision, and assistance in daily living, such as housekeeping services. | |

| Entrepreneurial, Hospitality & Retail Development | |
|---|---|
| NAICS 4452 | Specialty Food Stores |
| This industry group comprises establishments primarily engaged in retailing specialized lines of food. | |
| NAICS 4481 | Clothing Stores |
| This industry group comprises establishments primarily engaged in retailing new clothing. | |
| NAICS 453220 | Gift, Novelty, and Souvenir Stores |
| This industry comprises establishments primarily engaged in retailing new gifts, novelty merchandise, souvenirs, greeting cards, seasonal and holiday decorations, and curios. | |
| NAICS 4539 | Other Miscellaneous Store Retailers |
| This industry group comprises establishments primarily engaged in retailing new miscellaneous specialty store merchandise, including pets and pet supplies, art and art supplies, tobacco, candles, and collectors' items. | |
| NAICS 487110 | Scenic and Sightseeing Transportation, Land |
| This industry comprises establishments primarily engaged in providing scenic and sightseeing transportation on land, such as sightseeing buses and trolleys, steam train excursions, and horse-drawn sightseeing rides. The services provided are usually local and involve same-day return to place of origin. | |
| NAICS 531120 | Lessor of Nonresidential Buildings (Except Miniwarehouses) |
| This industry comprises establishments primarily engaged in acting as lessors of buildings (except miniwarehouses and self-storage units) that are not used as residences or dwellings. Included in this industry are: (1) owner-lessors of nonresidential buildings; (2) establishments renting real estate and then acting as lessors in subleasing it to others; and (3) establishments providing full service office space, whether on a lease or service contract basis. | |
| NAICS 7211 | Traveler Accommodation |
| This industry comprises establishments primarily engaged in providing short-term lodging in facilities known as hotels, motor hotels, resort hotels, and motels. The establishments in this industry may offer food and beverage services, recreational services, conference rooms and convention services, laundry services, parking, and other services. | |



| Entrepreneurial, Hospitality & Retail Development (continued) | |
|---|--|
| NAICS 7224 | Drinking Places (Alcoholic Beverages) |
| This industry comprises establishments known as bars, taverns, nightclubs, or drinking places primarily engaged in preparing and serving alcoholic beverages for immediate consumption. These establishments may also provide limited food services. | |
| NAICS 7225 | Restaurants and Other Eating Places |
| This industry comprises establishments primarily engaged in one of the following: (1) providing food services to patrons who order and are served while seated (i.e., waiter/waitress service), and pay after eating; (2) providing food services to patrons who generally order or select items (e.g., at a counter, in a buffet line) and pay before eating; or (3) preparing and/or serving a specialty snack (e.g., ice cream, frozen yogurt, cookies) and/or nonalcoholic beverages (e.g., coffee, juices, sodas) for consumption on or near the premises. | |

| R&D, Engineering & Computing | |
|---|---|
| NAICS 33441 | Semiconductor and Other Electronic Component Manufacturing |
| This industry comprises establishments primarily engaged in manufacturing semiconductors and other components for electronic applications. Examples of products made by these establishments are capacitors, resistors, microprocessors, bare and loaded printed circuit boards, electron tubes, electronic connectors, and computer modems. | |
| NAICS 33451 | Navigational, Measuring, Electromedical, and Control Instruments Manufacturing |
| This industry comprises establishments primarily engaged in manufacturing navigational, measuring, electromedical, and control instruments. Examples of products made by these establishments are aeronautical instruments, appliance regulators and controls (except switches), laboratory analytical instruments, navigation and guidance systems, and physical properties testing equipment. | |
| NAICS 3391 | Medical Equipment and Supplies Manufacturing |
| This industry comprises establishments primarily engaged in manufacturing medical equipment and supplies. Examples of products made by these establishments are surgical and medical instruments, surgical appliances and supplies, dental equipment and supplies, orthodontic goods, ophthalmic goods, dentures, and orthodontic appliances. | |
| NAICS 511210 | Software Publishers |
| This industry comprises establishments primarily engaged in computer software publishing or publishing and reproduction. Establishments in this industry carry out operations necessary for producing and distributing computer software, such as designing, providing documentation, assisting in installation, and providing support services to software purchasers. These establishments may design, develop, and publish, or publish only. | |
| NAICS 518210 | Data Processing, Hosting, and Related Services |
| This industry comprises establishments primarily engaged in providing infrastructure for hosting or data processing services. These establishments may provide specialized hosting activities, such as web hosting, streaming services, or application hosting; provide application service provisioning; or may provide general time-share mainframe facilities to clients. This industry includes data centers. | |
| NAICS 519130 | Internet Publishing and Broadcasting and Web Search Portals |
| This industry comprises establishments primarily engaged in (1) publishing and/or broadcasting content on the Internet exclusively or (2) operating Web sites that use a search engine to generate and maintain extensive databases of Internet addresses and content in an easily searchable format (and known as Web search portals). | |

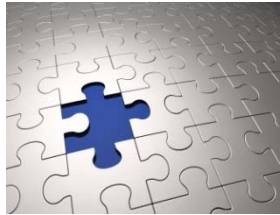


| R&D, Engineering & Computing <i>(continued)</i> | |
|---|---|
| NAICS 5413 | Architectural, Engineering, and Related Services |
| This industry comprises a range of establishments that provide architectural, landscape architectural, engineering, drafting, building inspection, geophysical surveying, mapping, surveying, and testing services. | |
| NAICS 5415 | Computer Systems Design and Related Services |
| This industry comprises establishments primarily engaged in providing expertise in the field of information technologies through one or more of the following activities: (1) writing, modifying, testing, and supporting software to meet the needs of a particular customer; (2) planning and designing computer systems that integrate computer hardware, software, and communication technologies; (3) on-site management and operation of clients' computer systems and/or data processing facilities; and (4) other professional and technical computer-related advice and services. | |
| NAICS 5417 | Scientific Research and Development Services |
| This industry comprises establishments primarily engaged in conducting research and experimental development in the physical, engineering, and life sciences, such as agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects. It additionally includes establishments primarily engaged in conducting research and analyses in cognitive development, sociology, psychology, language, behavior, economic, and other social science and humanities research. | |

Source: US Census Bureau, Garner Economics



CHAPTER 3: WHAT'S NEXT? A PROACTIVE APPROACH: OBSERVATIONS & RECOMMENDATIONS



As illustrated by the previously published **COMPETITIVE REALITIES REPORT**, Charles County has several economic assets upon which to build. However, the area suffers from many challenges that are impeding its ability to diversify its economy and attract high-quality companies.

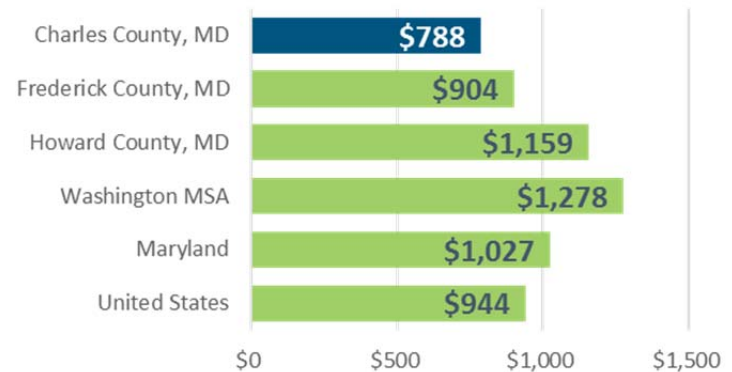
This inability to attract higher-wage, higher-quality jobs, and a more diverse range of companies has resulted in the County having a significantly lower average wage rate than its peer regions, the state, and the national average (Figure 11). Yet, competition to attract and retain such companies is high. Charles County will need to make some changes if it hopes to diversify its economy and create more and better job opportunities for its citizens.

What is Competitiveness?

An area's economic competitiveness depends on several factors. On a macro level, as illustrated in Figure 12, it includes not only the regulatory environment and infrastructure an area provides but also its talent base, available sites, and economic development service delivery. A favorable tax environment and the willingness to offer creative and unique incentive packages are important, as are low operating costs and reliable, affordable sites. Similarly, companies look for areas that offer relevant and scalable skilled labor along with low labor costs as much as they look for quality sites that are flexible and allow for future expansion with minimal development time. Finally, the ability of an area to provide economic development services—for example, clear, succinct, and focused marketing messages; organized and coordinated outreach; and high levels of client service—sets leading areas apart.

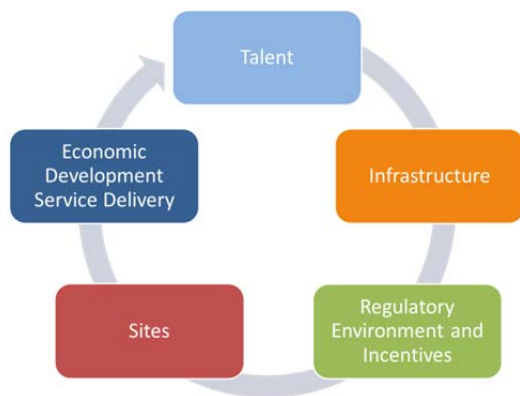
More specifically, Figure 13 illustrates the top business factors that companies rank as the most important in their site-selection process, according to an annual survey conducted by *Area Development Magazine*. The survey consists of a cross-section of companies of diverse industry sectors and sizes. Figure 14 notes the top “Quality of Place” factors companies consider important when choosing a new location. Garner Economics developed recommendations with an understanding of what these potential investors, “the customer,” deem critical in their decision-making process.

FIGURE 11: AVERAGE WEEKLY WAGE, 2015 3Q



Source: EMSI, Garner Economics

FIGURE 12: ELEMENTS OF COMPETITIVENESS



Strategy Goals

The end goal of **A PROACTIVE APPROACH TO SHAPING THE ECONOMIC FUTURE OF CHARLES COUNTY, MARYLAND** is to help build a business climate with the attributes that companies seek when making investment decisions on where they should locate, grow, or expand. Therefore, the following recommendations place higher priority on identifying ways Charles County can mitigate challenges in those areas where it is not as strong in the eyes of location advisors and companies.

This strategy’s first objective is to provide a framework for Charles County to more effectively deploy its economic development service delivery and activities to support and augment the area’s ability to attract high-quality jobs and talent to the region.

* Percentages provided for “Rankings” in Figures 13 and 14 represent the total of the “very important” and “important” ratings of the *Area Development Corporate Survey* and are rounded to the nearest tenth.

FIGURE 13: BUSINESS FACTORS

| Ranking* | 2015 | 2014 |
|--|------|-----------|
| 1. Availability of skilled labor | 92.9 | 82.1(5) |
| 2. Highway accessibility | 88.0 | 88.3(1) |
| 3. Quality of life | 87.6 | N/A |
| 4. Occupancy or construction costs | 85.4 | 87.9(2) |
| 5. Available buildings | 83.7 | 82.2(4) |
| 6. Labor Costs | 80.8 | 81.6(6) |
| 7. Corporate tax rate | 78.8 | 75.6(10) |
| 8. Proximity to major markets | 76.3 | 77.1(8) |
| 9. State and local incentives | 75.8 | 73.2(11T) |
| 10. Energy availability and costs | 75.3 | 76.8(9) |
| 11. Tax exemptions | 74.7 | 73.2(11T) |
| 12. Expedited or “fast-track” permitting | 74.2 | 71.0(13) |

Source: *Area Development Magazine*, 2016

FIGURE 14: QUALITY-OF-PLACE FACTORS

| Ranking | 2013 | 2012 |
|--------------------------------------|------|-----------|
| 1. Low crime rate | 80.9 | 79.3 (1) |
| 2. Health care facilities | 79.7 | 69.8 (2) |
| 3. Housing costs | 75.3 | 66.9 (4) |
| 4. Ratings of public schools | 73.0 | 63.3 (5) |
| 5. Housing availability | 71.5 | 69.8 (2T) |
| 6. Recreational opportunities | 66.4 | 52.9 (8) |
| 7. Colleges and universities in area | 59.5 | 61.6 (6) |
| 7T. Climate | 59.5 | 55.0 (7) |
| 9. Cultural opportunities | 54.8 | 48.9 (9) |

Source: *Area Development Magazine*



This objective is based on the assumption that the County as a whole must become proactive in shaping its economic future, but with a more targeted approach and better defined roles and responsibilities. The County leadership and staff must also take a leadership role in advocating for policy changes and making the case for how such economic development enhancements will improve the overall quality of place for the area.

As the data in the discovery phase suggests, Charles County has several challenges that must be mitigated if the area is to retain its current business base and begin attracting the types of companies its leadership and citizenry desire. Its current economic base produces lower wages than all of its peers, the state, and the national average. To diversify its economic base and create more and better economic opportunities for its citizens, the County must set itself apart from other regions to win such projects and build a sustainable economic future for the area. Charles County must not only strengthen its business climate fundamentals, it must also take on transformational initiatives that will have a positive, game-changing effect on the County by creating long-term economic impact.

By better connecting and leveraging the region’s infrastructure, government structure, business climate, talent and workforce, and entrepreneurship toward the County’s long-term economic development goals, Charles County can not only overcome current challenges but also surpass its competition.

A Holistic Approach

Perhaps the most important recommendation *AN ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR CHARLES COUNTY, MARYLAND* hopes to impart is the need for the County to work with the entire community to attain these economic goals. The County cannot accomplish the enhancements outlined in this plan alone. Within the strategy, there are actions that the County can, and should, take independently; however, there are more for which it can only be a catalyst or advocate. To fully succeed in carrying

out the strategy, all entities in the County—both community efforts and economic development concerns—will have to work together and be committed to raising the bar for economic development and creating opportunities for the County’s citizens.

Going forward, the County should make the case with local and state partners and stakeholders for how new initiatives or the changes in policies will improve Charles County’s business climate and, in turn, how such changes will allow the County and other economic development groups in the region to provide leadership and vision in setting the area’s future economic development course. In some instances, the County will serve as the catalyst or facilitator to encourage change; in others, it may be a partner.

Recommendations for action are categorized under three (3) areas of opportunity: **Enhance the Product** (Product Improvement), **Tell the Story** (Marketing), and **Execute Effectively** (Organizational). In some instances, and where relevant and possible, a cost estimate to implement the noted recommendation has been offered.

ENHANCE THE PRODUCT

Product improvement initiatives to ensure Charles County is in a competitive position to attract, retain, and grow the types of companies and industries it desires

TELL THE STORY

Product marketing actions for Charles County to share the economic dynamism of the County with target prospects and talent

EXECUTE EFFECTIVELY

Organizational adjustments that allow the County to align its mission and focus on those areas that will directly impact the economic growth the community desires

ENHANCE THE PRODUCT (PRODUCT IMPROVEMENT)

The County's "product" is defined as the infrastructure—including a favorable business climate—needed to attract and retain investment to the community. Local marketing efforts are only successful if the County has a "product" to sell, including sites and buildings, transportation infrastructure, utility infrastructure, workforce development, leadership, and incentives.

Strategy:

Further develop assets and initiatives in key areas that support the area's desire to attract and grow more high-quality economic activities and to support the current and future residents of Charles County.

Goal/Results:

The County strengthens its infrastructure and talent pipeline that attract and retain the region's most talented people and companies.

- 1. Make the case for sustainable funding sources to improve the County's economic development infrastructure and identify catalytic programs to use the monies effectively.**

Observation: Focus group participants and survey respondents widely commented that Charles County has a dire need for infrastructure improvements, including bike trails, green space, water and sewer infrastructure, and broadband to allow for quality economic growth and to strengthen the area's quality of place. This will, in turn, help attract employers and reduce the significant outflow of nearly 48,000 residents that leave Charles County each day for work. These needs take resources or money, which the County must provide. These require large investments or recurring funding but are necessary to

differentiate the County as an innovative location. A sustainable funding source for Charles County would serve as a catalyst for those local economic development initiatives that would otherwise be problematic to implement, but would significantly improve the area's business climate. In Maryland, one model of a county creating an incentive fund through a more permanent, sustainable funding source is Queen Anne's County. In 2013, the County Commission appropriated \$750,000 as seed money to start the incentive program, and then voted to contribute \$.50 per \$500 of the County recordation fee.

The State of Texas offers one precedent for the need and impact of such foresight. In 1979, the Texas Legislature decentralized economic development by giving cities and counties more control over their destinies. It allowed each entity to vote on a one-cent sales tax for tools and investments needed to better "sell" themselves as a location for business (e.g., deal closing funds, entrepreneurial development, venture capital or early stage investment funding, and product improvement such as infrastructure or increased air service). As a result, Texas is ranked by most in the industry as having a strong economic program and is the best practice example of sustainable funding for economic development on the local level.

Recommendation: Improvements to the County's economic development infrastructure will be costly. In FY 2015, Charles County's revenues from property taxes were over \$213 million, \$14.5 million from the recordation tax, and over \$110 million from local income taxes. Charles County should follow the Queen Anne's County model of creating a product and incentive fund, or use a set-aside amount each year from the income or property tax that would allow for a sustainable funding source. A revolving fund of no less than \$2 million a year would be ideal. Following the Queen Anne's model of

the economic development fund, Charles County would net \$1.45 million a year at the current level from the recordation fee. This would mean no new taxes, but a reallocation of existing funds which will go into a much needed sustainable funding source for economic development.

Best practice examples: Oklahoma City, Oklahoma; Topeka, Kansas; most Texas communities; Queen Anne’s County, Maryland

http://www.texasahead.org/tax_programs/typeab/

<http://www.okc.gov/maps/index.html>

<http://www.qac.org/311/Economic-Development-Incentive-Fund>

<http://www.qac.org/DocumentCenter/View/359>

2. Enhance the water and wastewater capacity and availability in the County and develop a plan to extend water and sewer infrastructure to sites identified by the EDD as having the greatest potential to serve the target business sectors.

Observation: The availability and capacity of water and wastewater treatment is a serious concern. Based on data from the Charles County Department of Planning and Growth Management—Water and Sewer Allocation Report, there are severe limitations for large water users in Charles County with no short-term solution to the issue planned. If the County wishes to enhance its economic viability and work to stem the outflow of commuters, then more and better jobs need to be created in the County. These may be companies engaged in food & beverage processing, including craft breweries and distilleries, pharmaceutical manufacturing, and others that are water users. For now,



the attraction of these types of business sectors is problematic until both water and wastewater capacity is enhanced. A detriment to Charles County’s ability to attract and, perhaps, retain industrial investment is its lack of fully served industrial sites. A site is defined as a parcel of property for sale or lease with a published price and with the entire necessary infrastructure in place, with the size and capacities that would attract the appropriate investment. In Charles County, many of the sites we have seen (and that were described to us as sites) do not have water and/or sewer infrastructure in place, making them nothing more than raw, unusable land (in its present form). The Indian Head Science and Technology Park is an example. Most companies today would require being connected to a municipal water and wastewater system.

Recommendation: The County should develop a mid- to long-term plan for water and sewer capacity growth and the extension of water and sewer lines to targeted sections of the County that offer the most promise for economic development and business location projects and to serve the targeted business sectors. This would be done in partnership with both the Charles County Department of Economic Development and the County’s Department of Planning and Growth Management.

Best practice example: New Hanover County, North Carolina

<http://portcitydaily.com/2014/11/19/water-and-sewer-extension-expected-to-add-to-industrial-corridor/>

3. Provide free, public high-speed Internet access throughout Charles County.

Observation: Access to broadband infrastructure is critical to the development of a live/work/play environment and is an enabling platform for rapidly growing business sectors such as e-commerce, social networking, online education, health IT systems, and delivery of public services. High-speed connections are increasingly becoming a fundamental infrastructure element rather than a luxury for an area. Broadband coverage was listed by focus group participants and survey respondents as the fifth most pressing infrastructure need, right after leadership.

Recommendation: Charles County should take action to build a free, high-speed wireless node in populated areas of the County. Usage could be for 30-minute intervals that require a login and, as such, would not normally compete with private sector businesses that provide wireless for a fee basis. But, this effort will show residents, visitors, and entrepreneurs that the County has embraced technology and supports a mobile and entrepreneurial workforce. By working with appropriate vendors to create areas that have access to free, high-speed wireless Internet connections, the County will not only create an amenity that will draw activity to the area but will also provide an added utility and asset to some of the economically disadvantaged populations. The Wi-Fi zone could be publicly sponsored or be supported by an Internet service provider.

Best practice examples:

- Mineral County, Nevada - <http://mineralcountynevada.com/>
- Allegany County, Maryland - <http://thejournal.com/articles/2008/11/03/allegany-county-deploys-wifi-districtwide.aspx>
- Amherst, Massachusetts - <http://amherstma.gov/index.aspx?NID=805>
- Anderson, Indiana - <http://www.cityofanderson.com/wifi.aspx>
- Ponca City, Oklahoma - <http://www.poncacityok.gov/index.aspx?NID=417>
- Mountain View, California (in conjunction with Google) http://www.mountainview.gov/services/learn_about_our_city/free_wifi.asp.

4. Create a plan to improve gateways into the County—including new signage and landscaping and with a continued focus on Waldorf.

Observation: As noted by focus group participants and survey respondents, the gateways into Charles County are either nondescript or are in disrepair around Waldorf. Highways 301 and 210 are the major north/south arteries into Charles County.

Recommendation: As a way to welcome both visitors and potential businesses, the County should work to improve major gateways by enhancing landscaping and creating signage that clearly indicates entrance into the County’s boundaries. Work should also be done to encourage redevelopment or refurbishing of structures near the gateways and in Waldorf to complement the facelift. By improving the overall appearance and creating a unified brand, the County can make it more distinct and build a sense of community pride.

The Waldorf Urban Redevelopment Corridor (WURC) will be an integral part of this initiative. Waldorf is the gateway to the County from the D.C. metro area and also serves as the gateway to southern Maryland. If incorporated, Waldorf would be one of the largest municipalities in Maryland. As it stands now, it lacks a sense of place, though it is the County’s center of commerce. It is also the County’s center of population, so more needs to be done to enhance this geography as an aesthetically pleasing, economically vibrant community.

Best practice examples:

- **Midland, Michigan:** The wayfinding and gateways program in Midland, Michigan, reflects the Frank Lloyd Wright-inspired architecture on gateways, parks, and recreational areas. The case for such an extensive wayfinding program is in reinforcing the entire urban brand through placemaking.

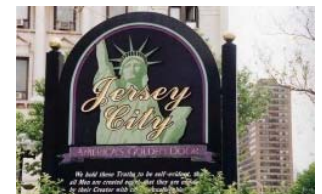
- **Jersey City, New Jersey:** The Gateway Beautification program in Jersey City, New Jersey, sought to enhance the appearance of the Gateway areas and to make them safer by upgrading planting; maintaining trees, shrubs, evergreens, and flowering plants; and installing paved walkways and crosswalks, decorative steel fencing, flag and banner poles, and lighting. The program is run by the Jersey City Division of Economic Development.

- **Tompkins County, New York:** The mission of the Tompkins County Beautification, Signage & Public Art Program is to work through program partners and municipalities to increase the aesthetic visual quality of Tompkins County natural and built landscapes, while welcoming visitors and enhancing quality of life for residents. The program is funded by the Tompkins County Tourism Program, with administrative support provided by the Tompkins County Chamber of Commerce.

<http://www.tompkinscountyny.gov/tourism/beautification>

- **Augusta, Georgia:** The City of Augusta, Georgia, formed a public/private partnership between the Georgia Department of Transportation, the Augusta Convention and Visitors Bureau, local businesses, and concerned citizens to work on several projects beautifying the City’s major corridors. For each of these projects, the group has commissioned plans, conducted bids, managed construction, and continues to oversee ongoing weekly landscape maintenance.

<http://www.augustaga.gov/index.aspx?NID=1695>



5. Support improvement of Maryland Airport

Observation: Maryland Airport in Charles County is a privately owned airport that has public usage. It is not rated by the FAA in its most recent classification of public use airports.* With one runway at 3,740 ft., no instrument landing system (ILS), and a general aviation terminal that does not show well, it has limited assets in the attraction of any business that needs air service. The Airport has been touted by several in the community engagement process as a major asset for the County, but in reality, it has limited marketability, especially since it is not rated by the FAA.

Recommendation: Since it is a privately owned airport, the County should discuss with the owner what is needed to enhance the airport's assets and marketability. A potential public/private venture could be possible with the interjection of capital from both the public and private sectors, as well as public grants for the airport's needed enhancements. If a long-term capital improvements plan has not been done, then a professional plan should be done by the owners soon to use a business plan to solicit support and, ultimately, capital.



* For more information, please see:

http://www.faa.gov/airports/planning_capacity/ga_study/media/2012AssetReportAppB.pdf

EXECUTE EFFECTIVELY (ORGANIZATIONAL)

If Charles County is to enhance its role as a leader in economic development for southern Maryland, it must align its mission and focus on those areas that will directly impact economic growth.

Strategy:

Build a focused economic development service delivery mechanism for existing and potential businesses in the County and collaborate with other municipal economic development entities to work more seamlessly and present a unified brand to external clients.

Goal/Results:

The County is better able to attract the types of industries and talent that will make Charles County globally competitive. In doing so, the County will serve as a deal flow catalyst that delivers high-value business services to its constituents.

During the discovery phase, many comments were made indicating that there has been a lack of leadership in the area in setting a vision for economic growth. The following tactics and recommendations provide suggestions to make the County more proactive in its role as an economic development lead.



1. Staff a County business investment and retention ombudsman in the County Administrator’s Office.

Observation: There is not a true ombudsman with a direct liaison to the County Administrator’s office and, in turn, to the policymakers (i.e., the County Commissioners). Therefore, there is no one contact where businesses or potential investors can work with policymakers and government officials directly to facilitate the investment process.



Recommendation: Though the County has the EDD, there needs to be a liaison, typically within the County Administrator’s office, to serve as a facilitator to resolve issues of concern.

Since most assistance that can be provided to existing (or potential) companies typically emanates from local government, municipalities need to have a strong business retention and expansion initiative. Most important—and a point discussed by many in the business climate focus groups conducted for this exercise—is for Charles County’s policymakers (the County Commissioners) and government staff associated with economic development to be customer-friendly and willing to identify alternative resolutions to an issue rather than taking an attitude of “no.” Being adaptive and flexible is important in garnering success with companies in job creation and capital investment.

2. Reorganize the County’s Department of Economic Development (EDD) to effectively seize on current and future economic opportunities, and create an advisory board of directors.

Observation: The Charles County Department of Economic Development has a staff of 7.6 FTEs and an annual budget of \$1.522 million (as of January 2016). With the population of the County, and to be successful as an organization with the mission of serving as a catalyst to help grow the County’s economic base, its budget and staffing are at, or below, the norms of other best practice economic development organizations. For example, Howard County’s economic development budget is approximately \$2.5 million. Frederick City and County combined have budgets of nearly \$1.8 million.

Because it is a government agency of the County, private-sector involvement is limited and, as such, the private sector feels disengaged from the EDD’s efforts and policy discussions (focus groups feedback from private businesses). Based on dialogue with both public and private leadership in the County, there is a disconnect between what the County should be doing to achieve wealth generation (economic development) and the means to achieve that goal.

Recommendation: The current Director of the EDD offered a reorganization strategy to the County Administrator last December (2015). The objectives of the reorganization strategy are to: (1) enhance EDD’s organizational efficiency, (2) position the EDD to effectively implement the Commissioners’ goals and objectives for the County and the County’s Strategic Economic Development Plan (CSEDP), and (3) address operational protocols and departmental functions. Specifically, these changes will require: (a) position reclassifications and reorganization, (b) creating new positions, and (c) increasing the EDD’ budget by adding new positions. We believe this reorganization is sound, with some additional enhancements

offered by Garner Economics related to growing retail (based on a retail leakage analysis noted in the **COMPETITIVE REALITIES REPORT**) and efforts to grow entrepreneurship in the County, based on a recommendation noted further in the chapter. The suggested organization chart is illustrated as follows:

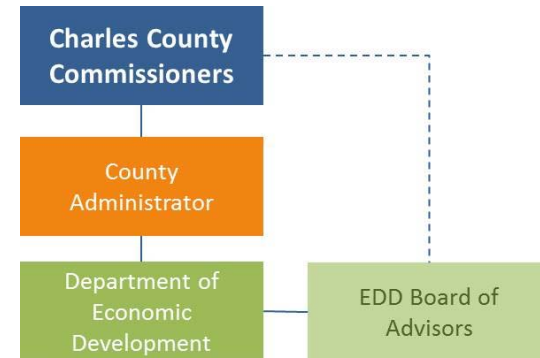
FIGURE 15: CHARLES COUNTY ECONOMIC DEVELOPMENT: PROPOSED REORGANIZATION



Additionally, so that the EDD does not work in a vacuum of hearing one side of an issue and perspective, it is incumbent on the Board of Commissioners to create an outreach effort of hearings on policies and issues from a diverse set of engaged constituents. An advisory board should be created that encompasses representation from the business community, academia, not-for-profits, military (Indian Head), and other groups relative to the economic prosperity of the County.

The role of the Board of Advisors will be to provide input and feedback on EDD programs, policies and initiatives, as well as feedback or recommendations to the Board of Commissioners as they relate to policy issues affecting economic development. The EDD should offer a set of two (2) names for nomination for each commissioner to appoint for a total of 10 advisory board members. Applications could also be taken at large for review and consideration.

FIGURE 16: BOARD OF ADVISORS



In addition to strengthening the EDD's inclusion and engagement efforts, the cultivation of the Board of Advisors will likely yield community champions for the organization and its efforts.

The Board of Advisors should be a non-voting board. The consulting team recommends that each County Commissioner be given the opportunity to appoint a Board of Advisors member for a two (2)-year term. However, the startup creation should consist of staggered terms which would include four (4)-year terms for some members initially.

3. Create a one-stop permitting office to streamline the permitting process and create an internal culture of "yes."

Observation: Economic development wealth-building occurs when private investment causes a snowball effect of more private investment. The role of government in the economic development process is to nurture a strong business climate and implement a service delivery mechanism that serves as a catalyst and facilitator for investment to occur rather than as an inhibitor. In our focus group session with small businesses, we heard criticism of the County's permitting, development appeals and inspections process as it relates to inconsistencies in the local business permitting procedures, and more so with inconsistencies with the County's economic development policies (pages 11, 14, 93, 94, 95 and 104 in the **COMPETITIVE REALITIES REPORT**).



Redlands, California

Recommendation: Charles County should consider adding a one-stop permitting office, building on the organizational structure within the Planning and Growth Management (PGM) Department and utilizing the existing ombudsman. A one-stop permitting office would be a positive influence in the business climate of the County. It not only provides efficiencies in the flow of approval and permitting on a local level, it adds to the County's cachet of being innovative and creative in nurturing private investment for all of the County. Many times, municipal planners and inspections personnel are construed as regulators with a culture of "no." Not to lessen the role that government needs to play to protect the character of a municipality or county, it also needs to instill in its employees a culture of "yes" to spur private investment and to enhance the economic vitality of Charles County.

Typically, a one-stop review center to streamline the permit system provides citizens and businesses with a central reviewing agency located in one office. At a One-Stop Center, a single permit for construction can be issued for zoning approvals, site development, state highway, building, landscaping, environmental resources, drainage, public safety (fire), and driveways; business licenses; health inspection certificates; etc. (i.e., items required to open or operate a business in Charles County but not necessarily part of the PGM).

Best practice examples:

- City of Redlands, California - <http://www.cityofredlands.org/permitcenter>
- City of Ocala, Florida - <http://www.ocalafl.org/GM/GM3.aspx?id=2427>

4. **Advocate for, and develop, a realistic and sustainable incentive policy for Charles County.**

Observation: As noted by those in both County government and the private sector representing development, incentive offerings from Charles County are unstructured and few. The result is that they are also unpredictable. Though being adaptive and flexible in incentive offerings has merit, most (not all) companies, consultants, and developers would prefer to see a uniform incentive structure based on the value of the capital investment, jobs created, and total economic impact on the community. In short, the investor would like to know the ground rules up front as it relates to incentives.



Recommendation: To properly and more accurately set expectations for companies considering investment in Charles County, the County should catalog the incentives that each governmental jurisdiction offers to new and existing business and the eligibility criteria for each. Moreover, a uniform incentive policy that incorporates those policies and procedures should be developed with the level of incentives calibrated to projected economic impact of the project and the projected return on investment to the community. Each jurisdiction and the County should post the information on an easily accessible page on their website. A funding mechanism for economic development, suggested in the previous section as recommendation #1, would allow for the funding of incentives, where appropriate and within the guidelines developed by the County.

Best practice example: Wichita and Sedgwick County, Kansas - http://www.sedgwickcounty.org/finance/incentive_policy.asp

5. **Conduct Community Benchmarking Visits (also called Intercity/County Visits) with the County Commissioners.**

Observation: The Association of Chamber of Commerce Executives defines Intercity Visits as regularly scheduled trips to another city or region, taken by a diverse delegation comprised of leaders from a community's public, private, and nonprofit sectors. The visiting delegation and leaders from the host community discuss challenges and opportunities their community is facing. The visit provides an opportunity for interaction among city leaders and facilitates exchange of best practices and lessons learned. These visits are often organized annually and, thus, serve as a regularly scheduled chance for collective community visioning. Local Chambers of Commerce typically lead Intercity Visits most often since those entities are normally responsible for serving as a catalyst and facilitator for positive change.

Recommendation: During our focus groups, many respondents mentioned that they wanted an opportunity to learn what other successful communities are doing effectively. Intercity Visits are a great tool and resource to build consensus amongst what needs to occur to enhance a community's product and to gain buy-in for community initiatives. Suburban Raleigh, Richmond, and Atlanta (and their suburban counties) face issues regarding growth similar to those faced by Charles County. Any of these would be good first candidates for an inaugural learning lab visit.

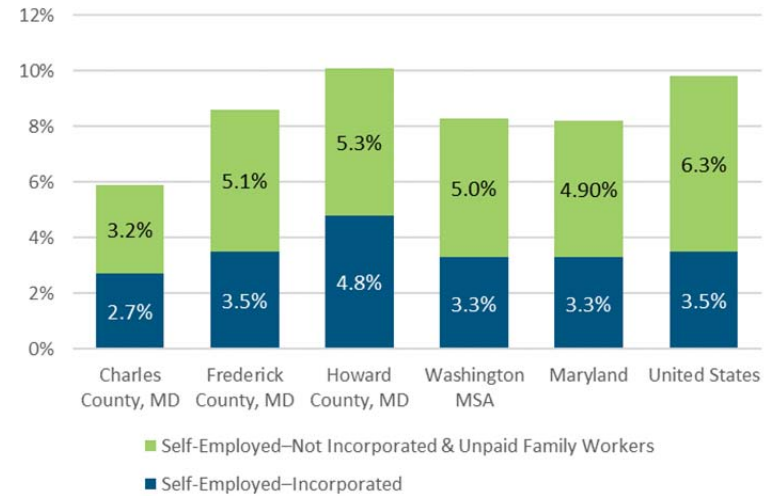
6. Create a culture of entrepreneurship among the County's youth.

Observation: Most new jobs in the United States are created by entrepreneurial and innovative firms of all sizes. Several cities have engaged youth in entrepreneurship to build a pipeline of future companies and to excite and empower students from all socioeconomic backgrounds. Measuring the relative proportion of persons who are self-employed is a rough means to gauge entrepreneurial activity, which, in turn, can provide a view of local risk-taking and economic dynamism.



Reviewing a five-year average of self-employment from 2010 to 2014, 5.9 percent of workers in Charles County were self-employed. The proportion is significantly below the state, the nation, the Washington MSA, and the benchmark counties of Frederick and Howard. An effort to change the culture and build entrepreneurship from within is necessary to help stem the tide of a large outflow community population with nearly 48,000 people.

FIGURE 17: SELF-EMPLOYED AS A PERCENTAGE OF WORKERS 16 YEARS + 2010-2014 Five-Year Estimates



Source: US Census Bureau American Community Survey, Garner Economics

Recommendation: Charles County could develop a program to serve its economic development needs by working with the Charles County school system and College of Southern Maryland to offer entrepreneurship curriculum as a credited, independent class or classes. Also, this effort could serve as a liaison between the schools and entrepreneurial talent in the community to supplement the current curricula with the real-life experience of running their own small businesses. Such experiential learning will reinforce critical academic skills and motivate at-risk students to stay in school. This effort could complement the school system's Career and Technology Education programs, which provide 21st century career opportunities with academic, personal responsibility and technical skills knowledge that contribute to lifelong learning.

Best practice examples: Lynchburg, Virginia, engages young people through the Young Entrepreneurs Academy (YEA!). YEA! is an educational program that takes students in grades 6–12 through the process of starting and running real businesses over the course of a full academic year.

<http://leadershiplynchburg.com/our-programs/young-entrepreneurs-academy/>

TELL THE STORY (MARKETING)—DCI

The goal of the marketing strategy is to provide Charles County with an integrated plan for communications, marketing, and public relations—to the internal and the external audience. The Charles County Department of Economic Development already has a robust economic development marketing program in place to communicate and position the County as a strong location for business expansion, attraction, and investment.

The recommendations in this plan aim to adjust, enhance, and amplify the EDD's current marketing efforts to adapt to the overall economic development strategy. In addition, we also explored marketing recommendations that fall outside of the EDD's current marketing scope that will help strengthen the local community's perceptions of County leadership and economic development efforts.

Strategy:

Share Charles County's business opportunity story with targeted internal and external audiences.

Goal/Results:

The EDD's current marketing efforts are adjusted, enhanced, and amplified to adapt to the overall economic development strategy and identify ways that others in the County can help strengthen perceptions of the County's leadership in economic development efforts.

Specifically, the objectives, strategies, and recommendations below will drive the direction of the County's product marketing efforts.

Marketing Objectives

- Continue to elevate Charles County's profile among decision makers and position the community as a top location for expansion and relocation investments, as well as a highly desirable place to live and work.
- Increase number of inquiries for economic development projects.
- Raise local community awareness of the County's efforts to increase economic prosperity, grow businesses already operating in the County, and attract investment.

Strategy

- Share Charles County's value proposition to the County's target audiences through an integrated marketing program.
- Tailor marketing tactics to best communicate with the different target audiences, which can be broken down in two (2) buckets:
 - External audiences, which include C-level executives from companies in key target industry sectors, site-selection consultants, and skilled professionals
 - Internal audiences, which include local businesses, County residents and workforce, and key stakeholders

1. Define Charles County's key assets for target audiences.

Observation: Based on the findings of Garner Economics, the County's branding, tagline, and logo still accurately communicate the brand image that the County wants to convey. The elevator pitch (below) also still touches on the County's main assets and value proposition.

"Charles County is a growing business hub that is well positioned for investment, growth, and development. Strategically located in the Washington D.C. Metro Area, the County is a prime location for businesses that are looking to locate or relocate, offering companies access to a large pool of talented workforce; affordable, flexible, and attractive real estate options; strategic access via a multi-modal transportation network; and excellent education options."

Charles County is doing a very solid job distilling its overarching, general assets to its audiences, and it should continue to push these general key messages and value proposition to its target audiences.

Recommendation: With the four (4) key target industries identified by Garner Economics, DCI recommends that the County also develop specific messaging tailored to the four (4) optimal target industry sectors. In addition, with eco-tourism being a priority for the County and the area's natural assets in this area, DCI suggests developing message points that can be pushed to target audiences on this topic, working in partnership with the Office of Tourism.



COURTESY: CHARLES COUNTY GOVERNMENT

Below are key messages Charles County should highlight for each industry sector and for eco-tourism:

- **Federal Contracting & High-Value Professional/Business Services:** Charles County is home to the Naval Support Facility, Indian Head, which has one of the largest concentrations of chemical engineers in the United States and has a strong presence in energetics. The base is the only in the United States that is under the Center for Industrial and Technical Excellence designation as both arsenal and depot, which allows the base to take on private-public partnerships. Charles County's strategic location in the Washington D.C. Metro Area, highly skilled workforce, and access to customers make it a strong location for numerous functions under the Federal Contracting umbrella, including management, scientific, and technical consulting services; facilities support services; electronic and precision equipment repair and maintenance; and professional office functions.
- **Health Services:** As one of Maryland's fastest growing communities, Charles County provides ample opportunities for health care providers and companies in a historically underserved market. In addition, the County's proximity to the densely populated metros and its superior quality-of-life offerings provide an opportunity for a larger customer base consisting of patients from outside the County.

- **Entrepreneurial and Retail Development:** Charles County has a high-earning population, with one of the highest percentages of individuals earning \$50,000 to \$99,999. It is above the nation and state for those earning \$100,000 or more. There is a desire among residents for more retail, dining, and boutique amenities, as well as a strong tourism initiative to attract more visitors and, hence, more customers. The County offers small businesses and entrepreneurs access to a customer base, without the saturated competition seen in more densely populated or more developed metro areas.
- **High-Value Research, Engineering, and Computing Services:** Thanks to its talented workforce, strategic location, and suitable real estate availability, Charles County is well suited to technology companies; architectural, engineering and related services; scientific research and development services; computer systems design and IT; data processing and hosting; and specialty and light manufacturing services. The County is already home to growing and emerging technology companies, including protoCAD, OutsourcelT, and Advanced Vision Systems Inc.
- **Prime location for eco-tourism:** With 300 miles of shoreline on the Potomac and Patuxent Rivers, miles of scenic trails, three (3) state parks, and four (4) natural wildlife areas covering nearly 10,000 acres, Charles County is a haven for eco-tourism. The County's natural assets create opportunities for boating, fishing, kayaking, sailing, and bird watching.



2. Develop “Marketing Toolkit” to showcase Charles County’s strengths.

Observation: Charles County already has a good start with its marketing collateral. According to the MeetCharlesCounty.com website, there are currently five brochures available: Business Services, Regional Assets, Why Charles County, Charles County Retail, and Business Development. In addition, the website also hosted three (3) reports: 2015 Fall Meeting Program, Quick Facts Sheet, and Waldorf Multi-Purpose Civic Center Analysis. All reports and brochures were accessible from the same page.

Recommendation: While the above brochures and collateral share many positive messages and interesting facts about Charles County, the County could add to its marketing portfolio to help the County stand out even more and better target its audience.

- **Ensure cohesive branding among all marketing materials:** From a branding perspective, each brochure had a slightly different or totally different brand look, most likely because these pieces of collateral were developed and designed during different time periods. We recommend the County take a complete, fresh look at each of the existing brochures to determine which ones need a design and content update.

- **Create marketing collateral pieces that highlight your target industries, based on Garner Economics’ target industry analysis:** This could include a collateral piece that touches on a number of key industries or separate brochures, one-pagers, or infographics for each industry cluster. In terms of content, we recommend including elements such as:

- ✓ Key statistics about the industries featured
- ✓ A map that shows Charles County’s location
- ✓ A list of top companies for each cluster
- ✓ Testimonials from your key companies about doing business in Charles County
- ✓ Key rankings on Charles County’s business climate
- ✓ Unique facts about Charles County
- ✓ Strong photography
- ✓ Contact details
- ✓ Social media logos for the EDD’s social media channels



The Metro Denver Economic Development Corp. uses its Digital Ambassadors toolkit.

- **Support development of eco-tourism marketing collateral:** Support the Office of Tourism in developing collateral that can be used to promote the County’s assets and value proposition for eco-tourism investment opportunities. This could include a brochure, one-pager, or infographic that focuses on eco-tourism. Content could include elements such as:
 - ✓ Key statistics about Charles County’s natural assets
 - ✓ A map that shows Charles County’s location, highlighting specific areas that are conducive for eco-tourism
 - ✓ A list of natural parks, trails, etc.
 - ✓ Unique facts about Charles County
 - ✓ Strong photography
 - ✓ Contact details
 - ✓ Social media logos for the EDD’s social media channels
- **Repurpose marketing collateral and content:** Charles County should continue to make all marketing collateral available via PDF on the EDD’s website. In addition, when appropriate, we suggest repurposing website content for new marketing collateral and vice-versa.



- **Create an unexpected and unforgettable “leave-behind gift” for top prospects and site-selection consultants.** Many communities have created memorable items to leave a lasting impression of their community long after interactions with site-location decision makers. Ranging from high-end products, such as KitchenAid mixers for Benton Harbor, Michigan, where the company is headquartered to inexpensive but fitting gifts, such as John Steinbeck novels for the City of Salinas, California (the birthplace of the author), these items remind the target audience about the community’s key selling points. For Charles County, this might involve a book or gift from the Visitor Center gift shop or something unique that is made in Charles County.

3. Use Earned Media to help tell the Charles County story.

Observation: The media can serve as a credible, third-party endorsement for your key messages and also drive decision makers’ and skilled professionals’ perceptions of your city. In the most recent *“Winning Strategies in Economic Development Marketing”* report referenced above, “articles in newspapers and magazines” were the second leading sources influencing executives’ perceptions of a community’s business climate, ranking only behind “dialogue with industry peers.” In addition, through our research with other communities surrounding talent attraction and tourism programs, we know that the media are also incredibly influential in determining where people choose to live and visit.

With this in mind, through its partnership with DCI, the EDD is already engaged in national, regional, trade, and local media relations.

Recommendation: DCI suggests that the County continue the efforts that have been working: proactive media placement, reactive story pitching, and press release announcements—and enhance those efforts with the following:

- Update storylines based on Garner Economics’ findings and continually push those storylines out to target media.
- Add storyline(s) that focus on eco-tourism and add media targets that would be interested in this topic.
- Add to the list of media to pursue trade outlets that reach the four (4) target industry sectors, using key message points that are specific to each industry group.
- Explore and secure byline opportunities with these trade publications, beyond proactive pitching story ideas to the trades.



- When the County has “success stories” of target industry companies that recently moved to or are thriving in the County, publish a robust list of companies that could provide positive feedback and onsite tours for visiting journalists. Further, an available Department staffer could arrange an itinerary and accompany a group of visiting press or consider hosting press trips themed around one of the target industry sectors for media to get firsthand experience of Charles County and to garner interest from media to cover feature stories.
- When there is a major announcement or timely news of national interest and there is an appropriate spokesperson available (such as an elected official and/or business executive), have Charles County representatives visit major media markets, such as New York City, to conduct deskside appointments with reporters and editors, bringing the Charles County story to those key influencers.

4. Update digital marketing efforts to reflect findings from Garner Economics.

Observation: Charles County, through the Department of Economic Development, has made major strides in digital marketing, leveraging the various channels to communicate the Charles County business and economic development messaging. The EDD revamped its website about a year ago to reflect its new branding and to better serve the needs of its main target audiences: site-selection consultants, potential investors, and the local business community. It also launched or tweaked (with cohesive branding) its social media presence on LinkedIn, Twitter, and Facebook—regularly posting content and updates. Finally, the EDD also launched, and is in the process of testing, a Google Advertising campaign. In short, the County and the Department of Economic Development are already engaging in a considerable amount of activity on digital media.

Recommendations: DCI suggests that the County and the EDD continue moving forward with using the website and social media to increase awareness and push its messaging. Based on Garner Economics’ findings, we recommend the following tweaks.

- Update website content to reflect information about the four (4) target industry sectors. When the target industry brochures are designed and available, a PDF of each brochure should also be easily accessible from each target industry page.
- Consider getting new and compelling photography to reflect the updated content.
- Update Google Advertising strategy to reflect and complement Garner Economics’ recommendations and findings.

5. Continue to build site-selection consultant and commercial broker relationships.

Observation: Charles County has increased its outreach efforts to this key audience group in recent years. The Department launched an e-news campaign called Charles County Connect, conducts in-market missions, hosted a familiarization tour, and is currently doing a series of Lunch and Learns with regional brokers and site-selection consultants. Most recently, the EDD is employing a direct marketing campaign with the mailing of the Charles County Map Pen to 400 site-selection consultants and 290 regional and local brokers.

Recommendation: Given the County’s very strong site-selection consultants program, DCI suggests that the County continue its outreach initiative to this key audience:

- The County should continue the in-market missions to markets with a major presence of site-selection consultants, such as New York, Atlanta, Chicago, and Dallas. These in-person meetings are invaluable for long-term relationship building.
- The County should continue pushing relevant news and content via Charles County Connect, when appropriate.



- If budget allows, DCI recommends that the County explore participating in a major site-selection consultants' summit or conference, such as the Site Selectors Guild, to engage with top site-selection consultants and to network with other peer economic development organizations.
- When ready, the County should host its next site-selection consultants' familiarization tour. We recommend that the timing for the next tour should be after several of Garner Economics' recommendations have been executed and when the County has a strong product to show.

6. Strengthen relationships with local business community through regular engagement and communication.

Observation: The government and EDD are already engaging with the local business community in a number of ways: Quarterly Business Roundtable, e-newsletter, the Government's Media Office. One of the key findings from the **COMPETITIVE REALITIES REPORT** was that many in the business community feel that the County is not doing enough to attract and retain businesses.

Recommendation: DCI's objective, from a marketing standpoint, is to provide the County with several suggestions that would help increase awareness among the business community about what the Department of Economic Development and the Government *are doing* to encourage economic development.

- The County should continue its Quarterly Business Roundtable to give the local business community a platform to get updates from the EDD and a place for them to voice concerns.

- While the County regularly sends out e-newsletters to its database, the current e-newsletters are very long and include a wide range of topics. DCI recommends a shorter e-newsletter format that only includes updates relevant to the business community to be sent to a select database.
- The Media Department excels at sharing countywide updates via press releases and is quick with leveraging content. DCI recommends that the Government increase the use of the Media Department, to not only issue updates about Commissioners' meeting agendas and street closings, but to also provide updates and relevant news about what the Commissioners' office is doing to promote economic development and updates on any progress in this area. The goal is to frequently feed positive news and updates from the Commissioners' office to the local business community, and to provide a constant flow of information to the public to encourage communication and engagement between the Commissioners' office and residents.
- The EDD staff and the Media office staff should continue to build long-term relationships with local media. In addition to press releases, they should consider doing regular deskside meetings with key contacts at the local media outlets to establish a strong rapport with reporter contacts.



7. Start lead generation program and start engaging with corporate level executives from target industry sectors.

Observation: Currently, most of the new business prospects are “reactive,” meaning that leads are coming directly to the EDD, and very few are cultivated via a proactive approach. One of the key elements for lead generation is knowing which companies to target. For a long time, the County has been operating with target industry sectors that are based on very little data and research and more on “gut” or anecdotal information.

Recommendation: Now that we have the four (4) target industry sectors based on hard data and an in-depth analysis from Garner Economics, DCI suggests that the County, when ready, add lead generation (or direct outreach to corporate executives) into its marketing effort. With the support from DCI, Charles County’s lead generation program will consist of the following:

- Develop prospect list: DCI’s research team will define the specific audience of 300 companies to be targeted for investment attraction/recruitment and present this list to the EDD. The team will utilize a “predictive model” to identify companies within Charles County target sectors that are demonstrating one or more changes predictive of a site-location need. These factors include:
 - Leadership Change
 - Merger/Acquisition
 - Significant Increase in Sales
 - Regulatory Change
 - Launch of a New Product
 - Recent Facility Expansion
 - New Contracts/Clients
 - IPO/Increase in Funding
 - Increase in Exports
 - Significant Increase in Staffing

This database can then be used to drive a “rifle-shot” sales campaign to introduce Charles County to key decisionmakers considering their investment options.

- The DCI-designed Lead Generation Starter Kit will map out, in detail, how to reach the corporate executives audience and the people that are on the business prospect list that the DCI team will identify. Each of DCI’s starter kits are tailored for communities and will include recommendations such as the following:
 - ✓ Guidelines with best practice suggestions
 - ✓ Checklist of assets for business development team
 - ✓ Sample emails and phone scripts
 - ✓ E-postcards and email campaign
 - ✓ In-market missions
 - ✓ Using website as a lead generation tool

Implementation of what is in the starter kit can be done in-house at the EDD or outsourced to an outside consultant, depending on budget and staffing.

CHAPTER 4: CONCLUSION



With its central location and access to the D.C. MSA, Charles County has many assets upon which it can build. The EDD realizes it must be more proactive in building the diverse economy needed to attract the high-quality companies and talent the area desires. In doing so, the EDD needs to focus its targeted business sector efforts and find more resources to devote to its economic development service delivery.

Through this economic development strategic plan, the EDD and the County's leaders can make long-term organizational and structural investments to ensure that Charles County can attract the types of activity it wants. The initiatives recommended in *A PROACTIVE APPROACH TO SHAPING THE ECONOMIC FUTURE OF CHARLES COUNTY, MARYLAND*, will support growth and diversity and will provide job opportunities for Charles County's residents closer to home.

By taking a proactive leadership position in the County's economic development, the EDD will be better able to set a realistic future economic vision and take the steps necessary to get there. Such bold and strategic steps will transform Charles County into a place that attracts quality talent and companies while maintaining its character and commitment to quality.

To create such change, the community as a whole will need to be more proactive and execute its economic development efforts differently. The EDD will need to take the lead in proposing and attracting different types of activities and be a champion for long-term investments. It must leverage the many assets Charles County has and communicate those assets more specifically to the desired business sectors that the County wants to attract.

Inherent in this change will be a more proactive and outward-facing marketing effort, as well as strategic communications within the

community as to the importance and potential of economic development. In addition to targeting the business sectors noted earlier in this report, the EDD must work with other economic development partners, the County leadership, and private-sector stakeholders to create and encourage the development of the spaces and places where such activity will occur. In doing so, the EDD will be the catalyst to strengthen Charles County, so it becomes a more competitive place for businesses and the talent that drives them.

As noted above, Charles County has many current strengths upon which it can build. To ensure future success, the County must build a consensus vision for the future and to take on the leadership, aspirations, and resources to catalyze that change in the community. By taking proactive action to set its own trajectory, the EDD can create economic opportunities for its residents and businesses—now and in the future.

Garner Economics and DCI would like to thank the Charles County Department of Economic Development staff for their help and assistance during this process. Their compilation of data and information, as well as their openness and willingness to explore various opportunities to strengthen operations, have contributed to the richness and rigor of this report. We would also like to thank the individuals that gave their time to participate in one of the focus groups, and the individuals that completed the online electronic survey. The consultant team consisted of the following:

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RECOMMENDATIONS SUMMARY

The following is a summary of the recommendations offered in *A PROACTIVE APPROACH TO SHAPING THE ECONOMIC FUTURE OF CHARLES COUNTY, MARYLAND*. These were developed by Garner Economics and DCI, using the analysis and assessment taken during the first two (2) phases of the project. Where available or applicable, cost estimates are also provided.

| Strategy | Goal/Result | Actions | Timing | Est. Cost |
|--|--|--|-----------|---------------------------|
| Enhance the Product (Product Improvement) Further develop assets and initiatives in key areas that support the area's desire to attract and grow more high-quality economic activities and to support the current and future residents of Charles County. | The County strengthens its infrastructure and talent pipeline that attract and retain the region's most talented people and companies. | 1. Make the case for sustainable funding sources to improve the County's economic development infrastructure and identify catalytic programs to use the monies effectively. | 2017-2018 | NA |
| | | 2. Enhance the water and wastewater capacity and availability in the County, and develop a plan to extend water and sewer infrastructure to sites identified by the EDD as having the greatest potential to serve the target business sectors. | 2018-2021 | NA |
| | | 3. Provide free, public high-speed Internet access throughout Charles County. | 2018 | Potential sponsor driven |
| | | 4. Create a plan to improve gateways into the County— including new signage and landscaping and with a continued focus on Waldorf. | 2018-2019 | Limited since it's a plan |
| | | 5. Support improvement of Maryland Airport (long term project) | 2017-2025 | NA |

| Strategy | Goal/Result | Actions | Timing | Est Cost |
|---|--|---|-----------|-----------------|
| Execute Effectively (Organizational) Build a focused economic development service delivery mechanism for existing and potential businesses in the County and collaborate with other municipal economic development entities to work more seamlessly and present a unified brand to external clients. | The County is better able to attract the types of industries and talent that will make Charles County globally competitive. In doing so, the County will serve as a deal flow catalyst that delivers high-value business services to its constituents. | 1. Staff a County business investment and retention ombudsman in the County Administrator’s Office. | 2017 | \$125,000 +/- |
| | | 2. Reorganize the County’s Department of Economic Development to effectively seize on current and future economic opportunities, and create an advisory board of directors. | 2017 | Provided by EDD |
| | | 3. Create a one-stop permitting office to streamline the permit process and create an internal culture of “yes.” | 2018 | NA |
| | | 4. Advocate for and develop, a realistic and sustainable incentive policy for Charles County. | 2017 | Staff time |
| | | 5. Conduct Community Benchmarking Visits (also called Intercity/County Visits) with the County Commissioners. | 2017-2022 | \$15K per visit |
| | | 6. Create a culture of entrepreneurship among the County’s youth. | 2018 | NA |



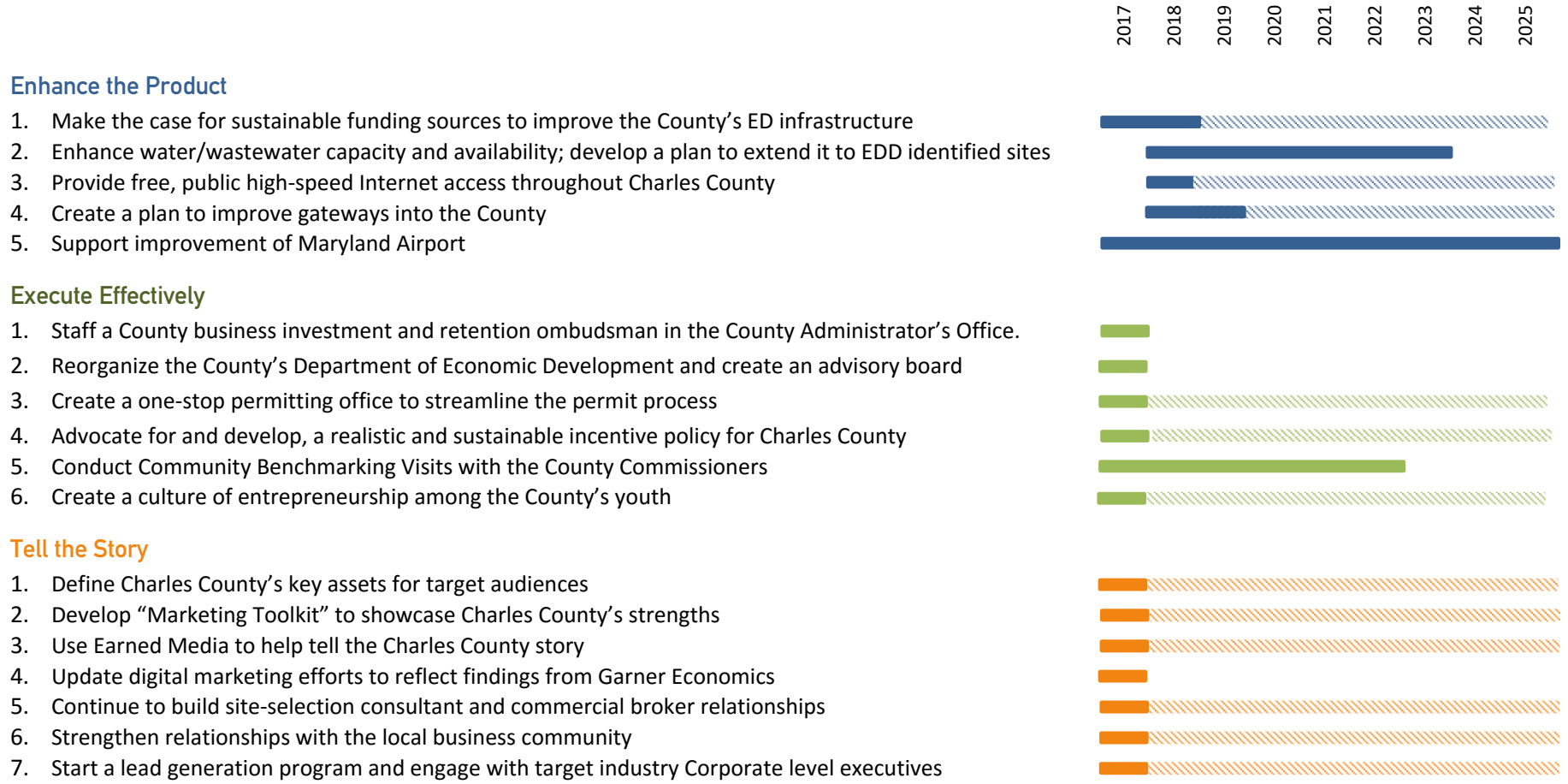
| Strategy | Goal/Result | Actions | Timing | Est Cost |
|---|--|---|--------|---|
| Tell the Story (Marketing) Share the Charles County's business opportunity story with targeted internal and external audiences. | The EDD's current marketing efforts are adjusted, enhanced, and amplified to adapt to the overall economic development strategy and identify ways others in the County can help strengthen perceptions of the County's leadership in economic development efforts. | 1. Define Charles County's key assets for target audiences. | 2017 | \$138K - 186K For all elements based on professional fees for external consultant/expert to execute marketing tactics* |
| | | 2. Develop "Marketing Toolkit" to showcase Charles County's strengths. | 2017 | |
| | | 3. Use Earned Media to help tell the Charles County story. | 2017 | |
| | | 4. Update digital marketing efforts to reflect findings from Garner Economics. | 2017 | |
| | | 5. Continue to build site-selection consultant and commercial broker relationships. | 2017 | |
| | | 6. Strengthen relationships with local business community through regular engagement and communication. | 2017 | |
| | | 7. Start lead generation program and start engaging with corporate level executives from target industry sectors. | 2017 | |

* Note, marketing cost projection excludes expenses which vary widely.



Proposed Timing

The below timing is provided to suggest prioritization and sequencing of the plan’s recommendations. Solid bars (years) indicate the suggested start for each activity; hash-marked bars indicate that the activity will continue or should be done on an ongoing basis.





APPENDIX: METRICS TEMPLATE

1. ECONOMIC BENCHMARKS FOR CHARLES COUNTY

| Variable | 2013 | 2014 | 2015 |
|--------------------------------------|----------|----------|---------|
| Population | 152,904 | 154,687 | 156,118 |
| Median age | 37.6 | 38.4 | N/A |
| Crime rates (per 100,000 residents): | | | |
| Violent | 383 | 351 | N/A |
| Property | 2,305 | 1,969 | N/A |
| Educational attainment | | | |
| Bachelor's degree % | 17.7% | 17.2% | N/A |
| Graduate degree % | 9.8% | 10.5% | N/A |
| Self-Employment % | 5.9% | 6.8% | N/A |
| Median household income | \$88,797 | \$88,803 | N/A |
| Weekly wage | \$793 | \$818 | \$828* |
| Poverty rates % | 8% | 6% | N/A |
| Covered employment | 40,743 | 41,225 | 41,977* |

* 3Q 2015

Data Sources:

- Population: US Census Population Estimates
- Median Age: US Census American Community Survey (ACS)
- Crime: FBI Uniform Crime Reports
- Educational Attainment: US Census ACS
- Self-Employment %: US Census ACS
- Household Income: US Census ACS
- Weekly Wage: BLS, QCEW Annual Average
- Poverty Rates: US Census ACS



2. ORGANIZATIONAL BENCHMARKS FOR THE EDD

| Variable | 2014 | 2015 | 2016 | 2017 |
|--|------|------|------|------|
| Total new jobs from recruitment and local expansion | | | | |
| Jobs from <u>expansion</u> | | | | |
| Jobs from <u>new</u> investment | | | | |
| Capital investment that the organization helped facilitate | | | | |
| Number of suspect (leads) | | | | |
| Number of prospects (visits) | | | | |
| Number of new company locates | | | | |
| Number of new startups facilitated | | | | |
| Annual community satisfaction survey for the EDD | | | | |