

Economic Development Commission
The County Commissioners of Kent County
400 High Street
Chestertown, MD 21620

May 3, 2017

Commission Members Present: Cindy Genter, Kate Gray, Jim Luff, Bob Ampula, Bob Jacob, Aaron Bramble, Dan MacLeod, and Shreyas Suresh

Commission Members Absent: Mary Ford

Also in Attendance: William Short, County Commissioner; and Shelley Heller, County Administrator

At 3:00 p.m. the meeting convened. Mr. Luff called the meeting to order. Mr. Luff requested a motion to approve the minutes from the March 1 and April 5, 2017 meetings. On motion by Mr. Ampula and seconded by Ms. Gray the Commission unanimously approved the minutes from the March 1 and April 5, 2017 meetings.

Ms. Williams shared that the Commerce Zone Tax Credit legislation passed the House and Senate and was signed by Governor Hogan. Local legislation is currently being drafted and scheduled to be introduced on May 16, 2017, the public hearing is being scheduled by the Commissioners' office. The Job Creation Tax Credit and the Chestertown HUB Zone information will be added to the website under incentives.

The Chestertown Business Incubator & Coworking Space is now open and a save the date for May 22, 2017, at 4:30 p.m. was recently circulated for the ribbon cutting and grand opening. The NASA Space Apps Challenge was held at the hotDesks location as a pre-opening event. A team comprising of a Washington College professor, two alumn, and two current students formed a team. The address of the hotDesks, Chestertown location will be added to the Tidewater Trader ad.

Ms. Williams shared the article published in the March/April 2017, Broadband Communities publication and the portfolio folders that will be used when materials are requested from Economic Development.

Mr. Luff shared the current terms of Mr. Ampula and Mr. Jacob expired and both are eligible for reappointment. Mr. Ampula and Mr. Jacob are both willing to serve an additional term. On motion by Ms. Genter and seconded by Ms. Gray the Commission unanimously approved to make a recommendation to the Commissioners to reappoint Mr. Ampula and Mr. Jacob.

Mr. Ampula read prepared comments on the Citizen Survey and Economic Strategic Plan, see attached. Kate Gray shared the Facebook page "Kent County Citizens for Economic Development" stating that the topic of when Economic Development Commission meetings are held is a hindrance to participation. The Commission agreed to discuss mixing up the meetings to garner more diversity and participation. Ms. Genter shared that a recent visit to the Lehigh

Valley area demonstrated the growth, due to an excellent public school system. Ms. Genther shared that the public school system rankings and reputation are the number one reason people chose the community. Ms. Heller shared that 43% of the County budget is dedicated to the school system. Ms. Williams shared recommendations for the Economic Development Plan update, see attached. Ms. Williams shared how important outreach is, stating about half of the respondents were uninformed about what is being done in the County. The timing of the survey coincided with the school consolidation therefore, a lot of comments revolved around public education.

After extensive discussion about the Economic Development Plan it was determined that the members would review the plan and submit comments to Mr. Luff and the plan would be revisited at the June meeting.

There being no further business, a motion was made by Ms. Genther, seconded by Mr. Jacob, and carried unanimously to adjourn the meeting at 4:54 p.m. The Commission agreed to meet again on Wednesday, June 7, 2017, at 3:00 p.m. in the Commissioners' Hearing Room.

Respectfully Submitted,

Jamie L. Williams
Coordinator

Comments on the Citizen Survey and Economic Strategic Plan

The Citizen Survey as specified was not designed to be statistically representative of the County. Consequently, the results are heavily skewed toward the negative as opposed to a normal bell curve that would be more representative of a statistically sound approach. The responses represent 7.6% of the population. Some selective results are:

- Value of services provided by the county, overall direction of the county and the image of the county are all viewed as negative.
- 36% of the respondents would not recommend the county as a place to live.
- 68% of the respondents feel that economic growth be given the highest priority or more emphasis than in the past.
- 38% of the respondents feel that population growth in the county should continue at its historic rate or even slow it down.
- 75% of the respondents feel that finding well-paying employment in the county is/will be harder than expected.
- 72% of the respondents have an AA degree or higher.
- 66% of the respondents were between 25 & 54 while 33% were 55+.
- 50% were from Zip Code 21620.

Survey results can be summarized by comment #118 --

Kent County/Chestertown is a complicated place to live. I love and choose to live in Chestertown for all of the quaint, quiet and slow qualities it has to offer. But in a sense, that is a selfish reason since I am employed and able to commute to a well-paying job. We do need more employment opportunities for lower class residents and for higher paying careers in order to support the local economy. I am ok with not having too many shopping options but wish the county could support and build more local establishments. And those establishments could offer jobs for the locals. I believe we should preserve our agriculture/farmers as much as possible while also creating jobs for others. Focus on more natural resources and recreational activities. And help build the tourism market which will bring in more money but help keep us small and quiet for 8 months out of the year. Have a plan for the youth and young adults. More recreational and job opportunities to keep them on the right path.

And comment #244 --

"Wouldn't recommend this place to anyone because I prefer they don't come because this is an excellent place to live, grow up and raise a family and I like it the way it is".

Common Threads in the 256 written comments:

- Very negative image of the school system
- Need for well-paying jobs
- Need for the economy to grow
- Economic divide
- Few activities for young people or families with young children
- Need for "public" transportation
- Need for better retail/ restaurants
- Some axes to grind (KCMS, P&Z, county employees)

Background data: # KC Households in 2016 – 8,266

	<u>Average Restaurant 2010 sales per store in \$000s</u>	<u>Sales per KC H/H to support average store</u>
MacDonald's	\$2,400	\$291
Panera	\$2,200	\$267
Chipotle's	\$1,800	\$218
Taco Bell	\$1,300	\$157
Burger King	\$1,200	\$145
Pizza Hut	\$ 933	\$113
Domino's	\$ 657	\$ 80
Subway	\$ 452	\$ 55

Average Target store data in 2016:

Sales were \$38.7M which would equate to \$4,688 per KC household annually

Median income of customers was \$64,000. Approximately 45% of KC households meet that threshold which would mean the average sales per household would be closer to \$10,417.

Average travel time for a customer visit was approximately 30 minutes which would closely overlap with Dover, Easton, and northern Delaware depending on where you start in the county.

2016 Consumer spending in the county reflects that the average household expenditures for:

Eating away from home is 91% of the national average

Expenditures on Apparel, Food at Home, Furnishings and Personal Care are 90% of the national average.

Conclusion that can be reached is that the real estate departments of a chain like Target and restaurant like Panera's would not consider opening stores in the county. We might be better served by seeking out a small regional retailer that could compete with Peeble's but with Target's price points and quality.

What can we do to address the concerns of mentioned in the Citizen Survey

The current economic model of the county does not appear to be sustainable in the long run. A financial model should be able to quantify the amount of time before the economy becomes unsustainable. The Economic Development Commission has been operating in a vacuum as far as the strategic plan is concerned. There has been little or no community involvement. At this point, we should complete the plan but starting next fiscal year and periodically thereafter hold community meetings to bring different constituencies together to agree on common goals and approaches. A new more statistically accurate survey should be a starting point.

We have little or no control over which retailers/restaurants or other businesses would express interest in locating in the county. To start, we should identify a specific need, e.g. lack of entertainment for young people/families and recruit a business to address that need by opening an activity venue, preferably using an existing building. Logical place to look might be companies that operate on the beaches.

Stop nibbling around the edges of the economic challenges. Need to take some concrete decisive actions such as:

- Encourage the school system to continue to aggressively market their successes to change the negative perception.

- Determine the financial viability of offering charter schools as an alternative in the county.

- Develop the empty school buildings to house businesses or charter schools.

- Engage Washington College and/or the U. of Maryland to have students work on identifying possible solutions to some of the challenges, similar to the Rock Hall waterfront project.

- Attend business events to market the counties opportunities, especially the availability of very high-speed internet services, to businesses that are looking for real estate to open or expand their businesses.

- Determine what the county budget **should be** not what it has been in the past and then increase the budget in small increments. Once determined, identify the presumed shortfall and identify how much would be needed to address the immediate and future needs. Identify the potential sources of increased revenue, e.g., tax increase on agriculture land, personal property tax, bond issuance, etc. and the respective financial impact.

- Invest in the infrastructure needed for development of the 301 corridor. Businesses are going to be interested in property that is already developed rather than having to wait for the infrastructure.

- Don't view the installation of the faster internet service as a panacea. Attracting home based businesses is a fine goal but the economy would be better served by attracting an internet based services company like a call center.

- Embrace the past, similar to Williamsburg, but on a smaller scale focusing on the agricultural and maritime heritage with displays, activities, and tours on a year round basis. This could provide jobs and activities for some young folks, e.g., demonstrating and comparing farming

techniques and maritime activities from different time periods in costume. The Crow Farm, Sultana, and QA County's Museum of Eastern Shore Life could serve as models upon which to build.

Embrace the aging population of the county and the influx of retirees by encouraging the development of planned communities that offer services and amenities different from Heron Point.

Footer with file name and date to ensure we are all working from the most recent version.

List target industries, i.e. (high paying jobs with low environmental impact)

- Data Centers
- Call Centers
- Transportation and Warehousing
- GIS & Mapping Companies
- Training and Education Centers
 - Information Technology
 - Advanced Manufacturing
 - Healthcare
- Professional Services
 - Engineers
 - Architects
- Environmental Sciences
- Boat Builders
- Assisted Living Facilities
- Day Care Centers

#1 Goal – Create a business friendly environment in Kent County

- Support the Business Incubator and Coworking Space.
- Customer service training for state, county, and town employees.
- Continue to explore and implement tax incentives.
- Continue to promote and develop programs to support and encourage business owners and entrepreneurs.
- Be aggressive in being transparent to improve communication in the community.

The SWOT should be a subordinate document to the plan, perhaps the first appendix. Reinststate the verbiage Bob used in his version of the plan. "The County has many strengths that impact the local economy and can be built upon." East statement demonstrates how each part of the SWOT was used to determine goals and strategies. "Like all jurisdictions, the county must deal with a number of weaknesses, such as:" This will help others understand what a SWOT analysis is and how it is relevant to the plan.

All charts should be numbers or percentages, not mixed.

All charts should not the data source.

Evaluate the relevance of each chart to the plan, does it add value.

Add specific measurable goals such as growth; increase the population by 5% in the next 3 years, from 20,000 to 21,000 and 10% in the next 6 years to 22,000. Similar to Kate's note: 400 additional acres of growth around Chestertown and 2,500 new people. Clearly identify municipal growth areas, the 301 Corridor and Worth Industrial Area.

List the 5 industry sectors that drive the economy based on all the available data; Agriculture, Education, Healthcare, Manufacturing, and Tourism and list some of the factors used, i.e. jobs, wages, GRP, imports and exports.

Suggestion ~ Agriculture, Education, Healthcare, Manufacturing, and Tourism drive Kent County's economy. The factors evaluated in determining the size and scope of the economy were; number of establishments, number of employees, annual wages, gross regional product, and economic impact.