

Calvert County Economic  
Development Commission

FY08-FY12

Five-Year Strategic Plan

- √ Commercial tax base increased 25.8% or \$123.6M between FY 2003 and FY 2007.
- √ Commercial floor area increased by 3,320,326 s/f with an estimated capital investment of \$352.7M between FY 2003 and FY 2007.
- √ Business base increased by 2,173 or 72.2% between calendar years 2003 and 2007 for a total of 5,182 businesses.
- √ Private sector jobs increased by 1,217 or 7.5% between calendar years 2003 and 2006 (most recent available) for a total of 17,531 jobs.
- √ Private sector wages increased by \$56 or 8.8% between calendar years 2003 and 2006 (most recent available) with the sectors of goods producing increasing \$137 or 19.6% and service providing increasing \$38 or 6.1%.
- √ The unemployment rate in June 2003 was 3.9% and decreased to 3.6% in June 2007.
- √ The civilian labor force in June 2003 was 44,709 and increased by 2,739 or 6.1% to 47,448 in June 2007.
- √ Tourism expenditures increased by \$15.5M or 26% between calendar years 2003 and 2005 (most recent available).



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## EDC Mission Statement

The Calvert County, Maryland, Economic Development Commission (EDC) acts in an advisory capacity to the Board of County Commissioners (BOCC) to promote, encourage and improve the general economic well-being of Calvert County.

## EDC Vision

The EDC envisions Calvert County, in 2012, as a community that continues to provide high-quality services to residents. The County's traditional character as a rural community will continue its transition to a suburb of Washington, D.C., where citizens enjoy a safe and secure working and living environment, a first-class education system and a natural environment preserved for future generations augmented by a variety of recreation opportunities. A strong local economy will provide a broadened tax base to support the provision of high-quality basic services and local job opportunities at the economic levels reflected in our labor force.

- *Our economy will take advantage of our location in the Greater Washington and Southern Maryland regions to capitalize on the technology/defense/aeronautical/utility environment.*
- *Our economy will complement and enhance our residents' quality of life by being compatible with our natural environment and heritage and supporting our traditional maritime and agricultural industries.*
- *Our economy will develop activities and facilities to provide entertainment and cultural enhancement for our citizens and attract visitors from the mid-Atlantic and beyond.*
- *Our economy, focusing on sustaining high levels of personal income, will provide a diversity of retail opportunities and services.*
- *Finally, our economy will increase its proportion of the tax base that ensures the County's ability to provide basic government services, while minimizing the fiscal impact on individual property owners.*

## Purpose of the Strategic Plan

The EDC's strategic planning process is a dynamic effort that responds to the changing needs, conditions and circumstances of economic development in Calvert County to improve the County's economic climate, deal effectively with the rapidly changing marketplace, clarify and define future directions and establish priorities. Throughout the planning process, fundamental economic development issues are examined, basic needs are identified and the manner in which the Department of Economic Development (DED) should anticipate and respond are addressed.

The Economic Development Strategic Plan (the Plan) guides Calvert County economic development efforts and provides direction for Calvert County's short- and long-term economic development goals. It includes strategies that address business attraction and employment opportunities for Calvert County, expand the economic and commercial tax base, and effectively communicate the assets, resources and benefits of Calvert County as a viable business location.

Utilizing a strong public input process, the Plan defines goals, objectives and action items specifically related to economic development and outlines strategies to enhance the County's business retention, business expansion, tourism and communication efforts. By leveraging the County's existing strengths and taking advantage of key opportunities, the Plan aims to create a vital, diverse economy.

### **Monitoring the Strategic Plan**

The EDC and the DED work continually with community stakeholders including businesses, developers, residents, County officials, educators and community leaders, to identify emerging concerns and initiate responsive and appropriate actions. Annually, the EDC reviews progress for the previous year, sets goals for the future and submits a formal report that documents accomplishments and establishes a series of measurements. The review is conducted with stakeholders to assess progress made and is an integral part of the DED's ongoing strategic planning process. The EDC measures the impact of the economic development program in relationship to positive changes in the community. The DED monitors the Plan's initiatives and reports activities, issues, feedback and/or concerns to the EDC on a regular basis.

### **Performance – FY2003-2007 Five-Year Strategic Plan**

The EDC accomplished many of its major objectives during the 2003-2007 Plan performance period. Some of the quantifiable results realized were:

- *Commercial tax base increased 25.8% or \$123.6M between FY 2003 and FY 2007.*
- *Commercial floor area increased by 3,320,326 s/f with an estimated capital investment of \$352.7M between FY 2003 and FY 2007.*
- *Business base increased by 2,173 or 72.2% between calendar years 2003 and 2007 for a total of 5,182 businesses.*
- *Private sector jobs increased by 1,217 or 7.5% between calendar years 2003 and 2006 (most recent available) for a total of 17,531 jobs.*
- *Private sector wages increased by \$56 or 8.8% between calendar years 2003 and 2006 (most recent available) with the sectors of goods producing increasing \$137 or 19.6% and service providing increasing \$38 or 6.1%.*
- *The unemployment rate in June 2003 was 3.9% and decreased to 3.6% in June 2007.*
- *The civilian labor force in June 2003 was 44,709 and increased by 2,739 or 6.1% to 47,448 in June 2007.*
- *Tourism expenditures increased by \$15.5M or 26% between calendar years 2003 and 2005 (most recent available).*

## Overview – Calvert County Economy

This section of the Plan summarizes current and future demographic, economic and market conditions in Calvert County. These trends offer a perspective on the County's strengths, weaknesses and opportunities, and give context to the Plan's goals and strategies outlined later in the State of the Economy, published annually by the DED to outline the state of Calvert County's economy and factors affecting the economy and business community. It also acts as a guide on general statistics and trends in the local and regional economy. Financial, community, demographic and statistical information is updated every March and published on the Department's Web site at [www.ecalvert.com](http://www.ecalvert.com).

Calvert County has over 5,100 businesses and the fourth highest median household income in the United States with populations greater than 65,000 but less than 250,000. Major employers include: Constellation Energy, Dominion Cove Point LNG, Calvert Memorial Hospital and the Calvert County Board of Education.

Currently, about 57.4 percent of County residents commute out of the County for work every day. And while the area has an outstanding quality of life, the cost of living, housing in particular, is extremely high. One of the goals is to create jobs within the County to reduce the strain on transportation resources, while also improving the County's economic base. A slow, controlled growth method will ensure the outstanding quality of life can be maintained.

The United States Census (Census) lists Calvert County as a moderate-sized community. In 2005 there were 30,000 households and the average household size was three people with families making up 73 percent of all households. This figure includes both married-couple families (59 percent) and other families (14 percent). Non-family households made up 27 percent of all households in Calvert County. Most of the non-family households were people living alone, but some were comprised of people living in households in which no one was related to the householder.

In 2005, 88 percent of the people at least one year old living in Calvert County were living in the same residence one year earlier; 4 percent had moved during the past year from another residence in Calvert County; 4 percent from another county in Maryland; 4 percent from another state; and less than 0.5 percent from abroad.

The median income of households in Calvert County was \$84,388 in 2005. Eighty-eight percent of the households received earnings and 20 percent received retirement income other than Social Security. Twenty-one percent of the households received Social Security. The average income from Social Security was \$12,328. These income sources are not mutually exclusive; that is, some households received income from more than one source.

In 2005, Calvert County had a total of 32,000 housing units, seven percent of which were vacant. Of the total housing units, 94 percent were in single-unit structures, 4 percent were in multi-unit structures, and one percent were mobile homes. Forty percent of the housing units were built since 1990.



In 2005, Calvert County had 30,000 occupied housing units - 25,000 (85 percent) owner occupied and 4,600 (15 percent) renter occupied. Four percent of the households did not have telephone service and 1 percent of the households did not have access to a car, truck, or van for private use. Multi-vehicle households were not rare; forty-three percent had two vehicles and another 38 percent had three or more.

## Financial Information

Calvert County continues to have an assessable tax base heavily dependent on residential real property and public utilities. Between FY 1991 and FY 2006, the Total Assessable Base increased by 159.1 percent. In both percentage terms and in real dollars, Constellation Energy's Calvert Cliffs Nuclear Power Plant remains the single largest taxpayer. The residential real property assessable base has grown from almost \$2.3 billion in FY 1991 to almost \$7 billion in FY 2006, increasing from over 70 percent of the total tax base to 80.5 percent.



The commercial real property assessable base has grown from almost \$210.7 million in FY 1991 to almost \$559 million in FY 2006, increasing from 6.5 percent of the total tax base to 6.6 percent. During the same time, the Public Utilities assessable base share dropped from 22 percent to 11.6 percent and the Other Personal Property base decreased from 0.3 percent to 0.1 percent, while the Corporate Personal Property base increased from 0.9 percent to 1.1 percent. The trend would appear to be that the major share of costs for services is borne by the residential taxpayer.

Expansion of the commercial tax base continues to be a key component of the Economic Development program in Calvert County. Economic strength is a key component of the financial picture because expansion of the commercial tax base helps pay for government services used by County residents. Between FY 2003 and FY 2007, the commercial tax base increased \$123.6M (25.8 percent). The EDC hopes to continue this growth trend through the goals and objectives outlined within this Plan.

While we have seen significant growth in the commercial tax base it has not outpaced the growth of the residential base. Due to electric deregulation, the effects of the Public Utility tax reform could further compound this trend. However, we need to monitor this trend closely. The reduction of residential build out compounded by historical positive business base growth could yield more significant growth on the commercial real property tax base in coming years. During this same period, the cost of operating the County government has also increased significantly. While some of the percentage increases seem large, the County has budgeted conservatively and provides modest levels of municipal services when compared to other Maryland jurisdictions (State of the Economy).

## Implications - Demographic Trends

Calvert County's demographic profile suggests strong potential for economic growth. The County's community demographic profile also matches the workforce needs of many firms, particularly in professional industries that seek to locate in well-educated, stable communities in order to attract employees.

In 2006, Calvert County offered approximately 21,434 jobs, representing continued growth in the local economy. The services sector continues to play a vital role and is responsible for a significant share of the County's job growth over the past several years.

## Five-Year Plan: FY 2008 - 2012

This Plan is intended to guide the direction and focus of Calvert County's economic development program for the next five years. The goals, objectives and actions outlined in the Plan provide the framework for the work program of the DED. The underlying message of the Plan is to recognize the importance of creating an economic base to ensure the economic viability and sustainability of the County's quality of life. Calvert County must encourage the development of its business base to further create the foundation for a balanced and sustainable community. The goals, objectives and actions of the Plan establish the County's future economic development direction.

In June 2003, the civilian labor force in Calvert County was 44,709 with an unemployment rate of 3.9 percent. By June 2007, the labor force had grown by 6.1 percent to 47,448 and the unemployment rate decreased to 3.6 percent. Calvert County's civilian labor force in June 2003 was 8 percent of the Maryland portion of the DC-Virginia-Maryland-West Virginia Metropolitan Division and increased to 8.2 percent by June 2007. Private employment now accounts for 81.8 percent of all jobs in the County versus 81.4 percent in 1990.

### 2007 Locational Assessment and Target Market Analysis

As an initial step in developing the Plan, the Economic Development Authority (EDA) recently commissioned a Locational Assessment and Target Market Analysis (TMA) of Calvert County. The purpose of the TMA was to review, verify and recommend industry targets for company relocation and expansion. The TMA updated the previous study conducted in 1996, and also includes critical strengths, weaknesses, opportunities and threats (SWOT analysis). Findings are considered proprietary by the EDA, however, Calvert County's target industry sectors as reported in the TMA include:

- *Shared Services - Shared Services refers to transactional processing, inbound customer support operations, data processing centers, and other various customer care center activities within the financial, insurance and government industries.*
- *Advanced Manufacturing (Electronics and Defense-Related) - This industry includes companies that are manufacturing products to be used by the U.S. Defense, Homeland Security and general aviation industries. It includes everything from communications and navigational equipment to advanced electrical products and aerospace parts and equipment.*
- *Computer Software Development - This industry refers to companies developing software, web-based and network applications for a variety of clients.*
- *Nuclear Energy/Energy Research and Training - This industry refers to the opportunity to establish Calvert County as a major location for nuclear technology research and training due to the presence of Calvert Cliffs Nuclear Power Plant, the potential third reactor and spin-off development.*
- *Ecotourism and Heritage Tourism - This industry refers to businesses that offer tourism opportunities based on natural and historical resources within the area. It can include bed and breakfasts, biking, boating, crabbing, fishing, tours, etc.*

## **GOALS, OBJECTIVES & ACTIONS**

### **I. Maintain the character/charm of the County**

Calvert County's quality of life, with safe neighborhoods, an extensive series of parks and trails, multiple recreation opportunities, and an attractive natural setting, are complemented by its proximity to the nation's capital. The County's educated population and an excellent public school system further enhance the appeal.

Economic development should maintain and enhance the quality of life in our community, attract jobs for our residents and high value investment to increase the tax base. To ensure that this is achieved, our Town Centers are designed to be the focal point for future development. To maintain quality of life, Calvert County must maintain its unique character. A balanced economy can only be achieved by continuing a long-term policy that fosters responsible growth.

- a) Educate citizens on the County's assets to further strengthen the existing business base;
- b) Elevate Calvert County as a tourism destination; and
- c) Develop and implement initiatives for expansion of the County's business base.

### **II. Work toward a balanced economy through expansion of the commercial tax base and business base**

Expansion of the commercial tax base is a key component of the economic development program in Calvert County. Expansion of the commercial tax base reduces the burden on residential taxpayers by providing additional revenue to help finance government services used by County residents. The EDC's original Strategic Plan from FY 1997-2001 set the goal to increase and diversify the commercial tax base.

- a) Expand the commercial real property tax base;
- b) Expand and grow the County business base; and
- c) Generate additional economic activity through the expansion of tourism/visitor spending.

### **III. Create attractive employment opportunities for Calvert County residents**

A diverse economic base, with employment distributed among various business sectors, helps defend shifts in the national and regional economy. The County needs to continue to build upon and diversify its current economic base by retaining, expanding and attracting firms in the target industry sectors. The County should also adopt strategies to maintain and support its major employers, while encouraging growth among small businesses and start-ups.

**Job creation** is an important objective of the Calvert County economic development program. The businesses that Calvert targets for recruitment must match the labor skills that are readily available in our community. Reduction in commuting would most likely occur when new businesses provide additional employment opportunities for our citizens.

**Business retention** is also a large component of the Calvert County economic development program and is pivotal in attracting new businesses to the County. The success and growth of the local business base provides the foundation for future employment opportunities. Because small businesses are such a key component of Calvert's economy, significant emphasis is placed on business retention and providing services to assist our businesses. The EDC hopes to continue this growth trend through the goals and objectives outlined within the Strategic Plan.

- a) Generate jobs within target industry over the next five years; and
- b) Continue to implement marketing aimed at the target industries identified in the target market analysis and the existing commuter labor force.



**FIVE-YEAR GOALS & OBJECTIVES**  
**Accomplishment Timeline**  
**2008-2012**

**ANNUAL ONGOING ACTIONS**

1. Accentuate historical, heritage assets of agriculture industry
2. Increase commercial real estate base

**FY2008**

1. Investigate potential for outdoor farmer's market, work with Md. Department of Agriculture
2. Promote agricultural festivals and hands-on fairs
3. Investigate opportunities to increase the maritime industry activity (provide more accessibility to water with parking, consider development of maritime festival – seafood festival, accentuate historical, heritage assets of maritime industry)
4. Work with Planning & Zoning on comprehensive water and sewer plan
5. Help promote performing arts and cultural centers
6. Investigate options for educating local businesses about County contracting policies
7. Conduct local PR campaign encouraging Calvert residents to “Buy Local” and educating the public about services and businesses that are available throughout the County

**FY2009**

1. Investigate development of wi-fi and fiber networks in town centers by working with providers
2. Develop recommendations that encourage more affordable housing
3. Encourage mentoring/partnering between small and larger businesses
4. Provide recommendations to support agri-based businesses

## **FY2010**

1. Comprehensive incentives – attract businesses
2. Work with Planning & Zoning in reviewing development restrictions
3. Help recognize available redevelopment incentives

## **FY2011**

1. Small cruise ships in Solomons/beaches
2. Create market niches: elderly, children, family, retreats
3. Local sightseeing tours/bus and boat
4. Travel agents – open house/reception

## **FY2012**

1. Work with employers to identify professional development and lifelong learning opportunities for current and future employees that will promote and sustain a diverse and educated work force within the County (partner with the College of Southern Maryland)
2. Educate employers with employees who reside in the County about expanding telecommute and telework options locally (partner with the College of Southern Maryland and Tri-County Council for Southern Maryland)
3. Fine tune the message of doing business in Calvert County by establishing better infrastructure development