

GROWING THE LOCAL ECONOMY



The Trend

Economic activity is essential for the sustainability of society. Providing high quality sustainable employment for citizens maintains or increases their income and not only provides for their daily needs and long-term goals but also provides government with tax revenue that will sustain needed public services/resources so all citizens can enjoy a high quality of life. Ensuring that current and future economic activity is properly located geographically is one of the ways in which government, through its zoning authority, can protect the health, safety, and welfare of its citizens.

The American Planning Association has identified many national trends potentially affecting Carroll's future economic growth, including: surging post-pandemic entrepreneurship; increases in e-commerce, leading to growing numbers of distribution and fulfillment centers and a reduction of brick-and-mortar stores; tech hubs; and, reshoring manufacturing jobs along with the mobile factory movement (APA). These national trends, along with the Economic Development and Land Use Study (Study) conducted in 2023, can help frame the context in which the Master Plan considers economic development.

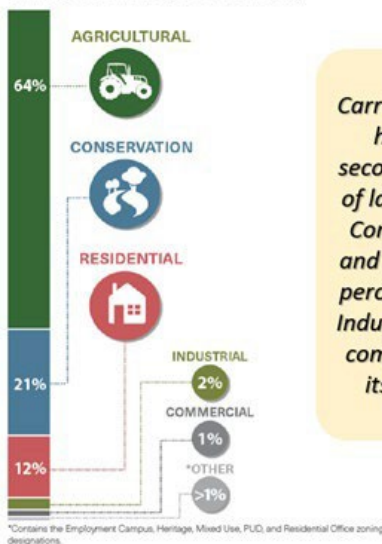
Background and Impact

Economic development is important to the financial health of the County since commercial uses generate slightly more tax revenue than residential uses while residential uses garner a larger share of County services/expenses than they provide in tax revenue. Increased tax revenue equates to more the County can invest in public services, facilities, and infrastructure.

In 2014, the County adopted a master plan that mainly cited increasing the amount of land designated for commercial and industrial uses. 5,663 acres of Commercial and Industrial land uses were existing and 4,296 were planned (Master Plan, 133). Currently, there are 10,747 acres of Commercial, Industrial, and Employment Campus land use in the County. Plan recommendations to increase land designated for economic development have been realized. However, the goal of having 15 to 18% Commercial/Industrial land uses within the Designated Growth Areas has not been achieved (Master Plan, 133). More research needs to be conducted as to whether increased amounts of economic development land correspond to areas with the kinds of transportation, site location, and adequate water/sewer infrastructure necessary to attract investment.

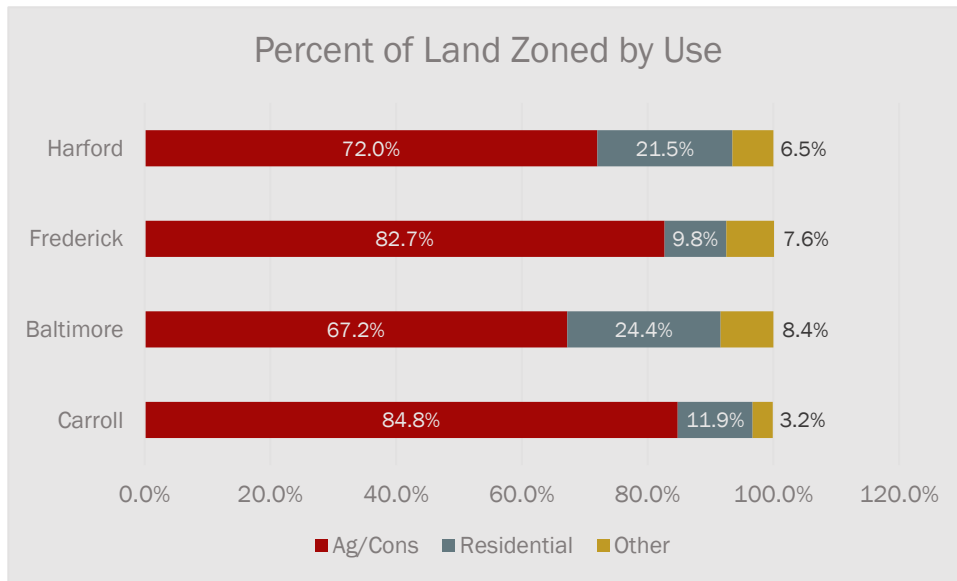
In December 2023, the Board of County Commissioners were presented with the final version of the Study that was designed “to provide a holistic, baseline assessment of the County’s current economic drivers, as well as land use and zoning patterns that will support recommendations for economic growth in the forthcoming Master Plan” (Study, 1). As a basic understanding, Carroll County has a larger total percentage of land zoned Agricultural, Conservation, and Residential (combined) than surrounding counties, and less land zoned for other uses (Study, 64). Currently, there are 1,041 acres of undeveloped land zoned for commercial, employment, or industrial use and 19,173 potential

USE PERCENTAGE OF COUNTYWIDE LAND AREA
(Unincorporated and Incorporated Carroll County)



Carroll County has the second lowest of land zoned Commercial and has a low percentage of Industrial land compared to its peers.

developable residential lots (Study, 13 and Annual Report, 38). It should be noted that the amount of currently zoned commercial/industrial acreage (8,885) differs from the amount of land designated for future commercial/industrial use (10,747) (Study, 63). Over 80,461 acres of agricultural land has been permanently preserved (Carroll Agricultural, 1).



There are currently 6,200 businesses in the County contributing, in 2021, about 1.6% of the State GDP and 3.1% of the Baltimore Metropolitan GDP (Study, 7, 18). The top five industry sectors represented by businesses in the County are:

- Retail Trade (13%)
- Other Services Excluding Public Administration (13%)
- Construction (12%)
- Health Care and Social Assistance (10%)
- Professional, Scientific, Technical Service (9%) (Study, 20).

The State Department of Labor publishes a “Quarterly Census of Employment and Wages” that highlights top employment sectors in the County as:

- Trade, Transportation and Utilities
- Education and Health Services
- Leisure and Hospitality
- Construction
- Professional and business services (Quarterly Census, 1).

Key industry sectors identified in the Study as being currently strong as well as having good growth potential included Construction, Health Care and Social Assistance, and Professional, Scientific and Technical Service Industry. “These industries can benefit Carroll County economically, balancing both currently established industries and regional growth sectors” (Study, 9).

The County’s office submarket did not grow in the past five years; its 11.4M square foot industrial submarket grew by 134K square feet over the past three years; and its retail submarket grew by 31K square feet per year over the past two years (WGI, 15). Between 2020 and 2050 the employment base in Carroll is projected to grow by 11% compared to the Baltimore region growth of 15% (Study, 8).

There are many positive implications for having strong employment in certain industries, not the least of which are increased jobs and tax revenue. At the same time, certain intense land uses can lead to negative impacts on the community including increased traffic/pollution and loss of rural character.

Although 70% of County residents work in another jurisdiction, 41% of workers are eligible to telework. Teleworking can lead to potential positive economic implications since increased spending occurs “closer to home for remote workers” (Study, 8, 33, 34). If all of those who are estimated to be eligible would telework, a potential increase of 36,367 people could increase their spending in county.

Relevance to Carroll County

According to the Study, many factors were used to rank the best locations for economic development. The top five properties were: Pank Land LLC in Mount Airy; Avondale Road Property and the Town Mall of Westminster in Westminster; John Frock Site near Westminster; and the Beaty Property in Freedom (Study, 86).

The Study mentions the top three industry sectors for economic growth were: Hospitality and Agritourism; Manufacturing; and, Small Business Incubation (Study, 111). These industry sectors mirror national trends identified by the American Planning Association and noted above. Additionally, growth scenarios were discerned off feedback from stakeholders including the public “reflecting a level of growth intensity the County could pursue to assess tax revenues, maintain county levels of service, and preserve the high quality of life that residents value” (Study, 12). Most feedback indicated growth at (Study, 12):

Growth Scenario C:

- 350-550K Average Annual Commercial Absorption (SF)
- 0.8-1.2% (approx. 1,360 – 2,000 residents) Population Growth per Year
- Moderately significant changes to existing Future Land Use categories within MGAs/DGAs...
- Future expansion of the existing MGAs/DGAs boundaries is likely.
- All MGAs/DGAs will need to be priorities for increased infrastructure capacity.
- The relationship of expenditures to revenues will rise at a more balanced rate, lending towards a low deficit or balanced budget.

Moving forward, the County could consider how much investment it would like to see in Tech Hubs and investigate how it may be positioned to take advantage of the [Baltimore Tech Hub for predictive healthcare](#). Healthcare/Social Assistance is currently the largest industry in the County by employment (8,491) and contributes the highest quarterly wages (\$117,699,753) (Study, 26).

With the rise of e-commerce, the County could investigate how much land it would like to allocate to the retail industry while making sure there are appropriately zoned, well sited properties, that can accommodate the rise of distribution centers that may be needed to effectively service digital shopping preferences. To note, there are no large projected job losses in Retail Trade through 2040.

Emphasis on Agritourism may benefit the many farms in the County by providing extra income and also providing opportunities to experience Carroll’s agricultural heritage first-hand. Agritourism income in the County has been decreasing from 2012 to 2017 (Ejiogu, et. al ,27). However, the average per farm impact of agritourism, in Maryland, is \$41,043 (Table 7, 1) Sectors providing support services for agricultural uses and thus benefiting from agriculture include Water and Sewer, Transportation, Energy, and Chemical (Cyber Defense, 1).

Most importantly, the County will need to consider if more of the County’s 289,632 acres should be allocated to commercial or industrial uses to provide more economic opportunity for its citizens. A necessary corollary discussion will need to be how to preserve enough agricultural and conservation land for a sustainable future that contributes to the County’s agricultural economy and sense of place. If more commercial/industrial growth is desired, the County will need to decide how best to incentivize it and fund the infrastructure necessary to serve. If the County wants the same amount or less commercial/industrial growth, then choices will have to be made about how to pay for public services to sustain a high-quality life for residents and businesses.

References

- American Cyber Defense Agency. “Food and Agriculture Sector”. <https://www.cisa.gov/topics/critical-infrastructure-security-and-resilience/critical-infrastructure-sectors/food-and-agriculture-sector>. Accessed 16 September 2024.
- American Planning Association. “Economy and the Future of Work.” 2023, www.planning.org/foresight/trends/economic/. Accessed 7 August 2024.
- Board of County Commissioners December 21, 2023. WGI. Accessed 16 September 2024.
- Carroll County Government. “Carroll County Agricultural Land Preservation”. 01 October 2024, <https://www.carrollcountymd.gov/media/nznbm1nz/ag-pres-at-a-glance-2024.pdf> . Accessed 21 November 2024.
- Carroll County Government. “Carroll County, MD Economic Development & Land Use Study”. Carroll County Bureau of Comprehensive Planning. 21 December 2023. www.carrollcountymd.gov/media/paxmiecz/2023-12-21-carroll-county-edlu_final_study_single-page-version.pdf. Accessed 7 August 2024.
- Carroll County Government. “Planning Annual Report 2023”. Carroll County Bureau of Comprehensive Planning. 2024. <https://www.carrollcountymd.gov/media/lrgnp0ka/2023-annual-report.pdf>. Accessed 16 September 2024.
- Ejiogu, K.U., Escobar, E.N., and Kairo, M. “Maryland Agritourism: A Baseline Profile 2023”. University of Maryland Eastern Shore. <https://libguides.csudh.edu/citation/mla>. Accessed 16 September 2024.
- Maryland Department of Labor. “Carroll County - County Industry Series - Maryland's Quarterly Census of Employment and Wages (QCEW) - Workforce Information & Performance”. <https://www.labor.maryland.gov/lmi/emppay/tab4carr.shtml> . Accessed 16 September 2024.
- USDA. “2022 Census of Agriculture – State Data, Maryland”. https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Volume_1,_Chapter_1_State_Level/Maryland/st24_1_007_008.pdf. Accessed 16 September 2024.