



5 TARGET INDUSTRY ANALYSIS

A. INTRODUCTION

The identification of existing and potential industry clusters is a critical element of a strategic plan for economic development. Industry “clusters” are strategic groupings of businesses and industries that locate within close proximity of each other, or near a strategic resource, to gain economic benefits.

In order to identify the industry clusters for the City of Cumberland, the consultant first identified the strengths and weaknesses of the City, the business climate, and quality of life factors. Using a screening process (described in detail later in this chapter), the consultant then identified particular industry groups that either already exist or would benefit from the competitive advantages of Cumberland as an economic hub within Western Maryland.

The result of these efforts is a list containing specific industry segments that are compatible with the resource offerings and industry activity of Cumberland. This list is intended to be used to focus a comprehensive recruitment effort by the City’s economic development entity, as well as other local or partnership-based organizations charged with this responsibility. This target industry list is not intended to preclude any non-listed industries from being recruited or otherwise encouraged to locate within the City. Rather, this list exemplifies those industries that may have the greatest interest in the City of Cumberland based on local and regional competitive advantages.

This chapter includes: (1) a review of Cumberland and the broader region business climate and site location strengths and weaknesses; (2) a summary of the City’s quality of life factors; (3) a description of the screening criteria used to identify target industry groups; and (4) a description of the industry groups selected. For the purposes of this analysis, the consultant utilized several data sources that provide information about the business climate in and around Cumberland which compile the information at different geographic scales. Each section details the respective geography being examined.

B. BUSINESS CLIMATE FACTORS

To assess the business climate factors that impact the City of Cumberland and Maryland as a whole, the consultant collected State rankings from the Corporation for Enterprise Development (CFED) in Washington, DC. CFED is a non-profit organization that promotes economic vitality through increased economic competitiveness. It also gathers economic, financial and other relevant data on all fifty states and the District of Columbia. The CFED issues an annual *Development Report Card for the States*, which ranks each state in 92 categories, of which 58 categories are included here. These categories fall under the sub-headings of: (1) Financial Assets and Income, (2) Business and Jobs, (3) Housing and Homeownership, (4) Healthcare, (5) Education, and (6) Other.

While rankings are, by nature, subjective and do not provide the complete picture of the business climate in Maryland and the local economy of Cumberland, they are useful in measuring the State’s



performance relative to other states. This comparison provides a practical and adequate method for comparing the relative performance of Maryland in a number of important areas.

The CFED data shown in Table 5-1 was sorted by the State's ranking among all fifty states and District of Columbia (second column). The ranking system goes from 1 (the best in a particular category) to 51 (the worst in a particular category). In order to provide a regional competitive context, the CFED also compares Maryland with the states of Pennsylvania, West Virginia, Virginia and Delaware. These states have been included in this analysis to provide a sense of how Maryland compares to states that can be considered competitors, in terms of economic development recruitment due to geographic and amenity similarities. In addition "grades" are given on a curve: ten states get A's, ten states get B's, sixteen get C's, ten get D's and five get F's."¹ The following narrative summarizes the findings in the 2014 CFED scorecard for Maryland.

1. Financial and Assets Income

Based on data collected by CFED, Maryland received a C within this category, similar to most other states in the region. Overall, Maryland has a substantially higher net worth (\$120,445) than the United States as a whole (\$70,539). Maryland includes parts or all of two major metropolitan areas, Baltimore and Washington, DC, which inflates the net worth for the population within the State over the national level. Similarly, Maryland outperforms the nation in terms of asset poverty and income poverty with a rates 2.5% and 5% below that of the nation.

From the perspective of rankings within each category at a national level, it is noteworthy that Maryland's income poverty rate was one of the lowest (3rd) and its bankruptcy rate was 9th, indicating that it has a substantially lower rate for both when compared to the majority of states. Conversely, it was near the bottom of the rankings for the amount of average credit card debt (45th) and the number of borrowers over 90 days overdue (42nd), indicating that while Maryland has highly competitive incomes and a population in financial ruin, financial issues do exist within the state that reflect financial hardship.

All that stated, the financial performance in Cumberland/Allegany County (i.e. incomes) are noticeably different than the state as a whole. For example, American Community Survey (ACS) indicates the 2012 poverty rate in Maryland was 7.0%. However, the poverty rate in Allegany County as a whole (10.4%) and Cumberland (15.8%) were noticeably higher. In fact, the Cumberland rate was close to the U.S. average as a whole. To this point, the financial health of Cumberland and Allegany County are not necessarily reflective of the state as a whole.

2. Businesses and Jobs

Maryland, received an average grade for the businesses and jobs category, similar to the average/above average grades of the other states in the region. Neighbors Virginia and West Virginia received Bs in this category, indicating that there are a slightly higher number of favorable business and jobs indicators in these states. Maryland does perform well in terms of fewer low wage jobs than most other states (14th ranking), ranking 6th in the number of employers offering health insurance and ranking 5th in retirement plan participation in the nation.

However, the small business ownership rate is one of the lowest in the nation (44th) and Maryland ranks 41st in private loans to small businesses. Additionally, it is near the bottom of the rankings for business ownership by race and race and gender. In fact, the level of inequality for business ownership by race and business ownership value by race and gender is higher in Maryland than it is at a national level.

¹ 2014 Asset and Opportunity Scorecard, Corporation for Enterprise Development



The data indicate that there is potential for Cumberland to meet a market niche not currently well served in Maryland—small business and entrepreneurial support. When tied to the race and gender business ownership data, a clear opportunity for Cumberland to promote small business development for minority and women-owned businesses becomes evident.

3. Housing and Homeownership

Within the housing and homeownership category, Maryland received a C, similar to the grades received by Pennsylvania and West Virginia, but below the Bs received by Virginia and Delaware. Maryland did rank 3rd in the nation for one of the lowest rates of high-cost mortgage loans, which is more than three times lower than the national rate. However, the affordability of loans in Maryland is offset in this category by a high rate of foreclosure, which at 4.3% is a higher rate than 42 other states and the national as a whole. The relative affordability of housing in Cumberland likely offers some relief from this finding. However, there likely is some offset due to the comparatively lower income levels. One are not measured in this analysis, but identified by local stakeholders as a challenge for the City is diversity in housing type. Particularly, there is a lack of variety and quantity of high-quality housing in and around Downtown Cumberland. This finding creates a potential challenge when considering national trends that indicate a growing demand for urban, walkable lifestyles by both Baby Boomers and Millenials.

4. Healthcare

Health care is included in this analysis because it can be a costly expense for both businesses—who often see it as a cost of doing business—and households—who’s disposable income can be significantly impacted by healthcare costs, particularly if they are uninsured. Within this category, state grades within the region varied widely. West Virginia and Delaware both received an A, while Pennsylvania received a B and Virginia a grade of D. Maryland fell within the lower-middle of this group and was given a grade of C for this category. One asset for Maryland within this category is the state’s low rate of uninsured for which it ranks 12th in the nation. However, healthcare in Maryland is constrained by low rankings for the uninsured rate by race and gender, 45th and 40th respectively. This is further supported by inequality ratios that indicate that Maryland has greater inequality in the portion of the population that is uninsured by both gender and race than at the national level. As with the business climate factors, focusing a recruitment strategy to attract and support minority and women-owned businesses could be a niche Cumberland can serve.

5. Education

Within the education category, Maryland received a grade of A which is higher than all other states in the region which ranged from a grade of B for Virginia to D for West Virginia. Therefore, education is an asset for Maryland, particularly within the Mid-Atlantic region. Specifically, Maryland ranked 8th in the nation for the number of persons with a two –year degree, 5th for the number of persons with a 4-year degree. The state also was ranked within the top 10 states (6th) for the number persons who have an 8th grade reading proficiency. Local education data indicate Cumberland/Allegany County offers quality primary and secondary education. The presence of Allegany College of Maryland and Frostburg State University round out the local education availability, offering everything from certificate programs and continuing education classes to postgraduate degrees.

6. Minimum Wage

RKG Associates has included an additional data criterion to those collected by CFED, the state minimum wage. In January 2013, Maryland and all other states in this analysis have minimum wages consistent with the Federal rate of \$7.25 per hour.



Table 5-1
2014 Assets and Opportunities Scorecard
Corporation for Enterprise Development

| Category | United States Data | Maryland Data | Maryland | Pennsylvania | West Virginia | Virginia | Delaware |
|--|--------------------|---------------|----------|--------------|---------------|----------|----------|
| FINANCIAL ASSETS AND INCOME | | | C | B | C | C | C |
| Net Worth | \$70,539 | \$120,455 | -- | -- | -- | -- | -- |
| Asset Poverty Rate | 25.4% | 23.0% | -- | -- | -- | -- | -- |
| Asset Poverty by Race [1] | 2.2 | 2.3 | -- | -- | -- | -- | -- |
| Asset Poverty by Gender [1] | 1.2 | 1.1 | -- | -- | -- | -- | -- |
| Income Poverty Rate | 14.7% | 9.7% | 3 | 22 | 45 | 9 | 7 |
| Unbanked Households | 8.2% | 5.6% | 19 | 22 | 23 | 23 | 25 |
| Bankruptcy Rate (per 1,000 people) | 3.7 | 3.9 | 33 | 17 | 12 | 28 | 25 |
| Average Credit Card Debt | \$10,221 | \$12,651 | 45 | 35 | 11 | 41 | 42 |
| Borrowers 90+ Days Overdue | 3.6% | 4.3% | 42 | 25 | 23 | 14 | 43 |
| BUSINESSES AND JOBS | | | C | C | B | B | C |
| Small Business Ownership Rate | 1.4% | 1.3% | 44 | 27 | 17 | 43 | 15 |
| Private Loans to Small Business | \$1,155 | \$952 | 41 | 13 | 25 | 27 | 47 |
| Microenterprise Ownership Rate | 16.5% | 15.5% | 30 | 48 | 50 | 46 | 42 |
| Business Ownership by Gender [1] | 1.3 | 1.3 | 29 | 21 | 21 | 30 | 44 |
| Business Ownership by Race [1] | 2.6 | 3.5 | 46 | 6 | 5 | 22 | 41 |
| Business Value by Gender [1] | 2.6 | 3.1 | 43 | 31 | 26 | 32 | 35 |
| Business Value by Race [1] | 2.6 | 3.5 | 46 | 23 | 5 | 22 | 33 |
| Business Creation Rate (per 1,000 workers) | 9.3 | 9.2 | 26 | 35 | 37 | 20 | 14 |
| Underemployment Rate | 14.1% | 12.5% | 20 | 26 | 20 | 14 | 28 |
| Unemployment Rate | 7.6% | 6.8% | 18 | 33 | 17 | 13 | 29 |
| Low-Wage Jobs | 21.0% | 15.9% | 14 | 22 | 20 | 21 | 16 |
| Average Annual Pay | \$49,289 | \$48,462 | 19 | 16 | 38 | 13 | 14 |
| Retirement Plan Participation | 44.2% | 52.3% | 5 | 13 | 7 | 10 | 29 |
| Employers Offering Health Insurance | 50.1% | 56.8% | 6 | 5 | 23 | 28 | 10 |
| HOUSING AND HOMEOWNERSHIP | | | C | C | C | B | B |
| Homeownership Rate | 63.9% | 66.5% | 26 | 12 | 1 | 32 | 8 |
| Homeownership by Race [1] | 1.6 | 1.5 | 16 | 28 | 21 | 22 | 20 |
| Homeownership by Income [1] | 2.2 | 2.2 | 27 | 28 | 9 | 11 | 1 |
| Homeownership by Gender [1] | 1.01 | 1.01 | -- | -- | -- | -- | -- |
| Foreclosure Rate | 3.3% | 4.2% | 43 | 35 | 11 | 6 | 34 |
| High-Cost Mortgage Loans | 3.6% | 1.1% | 3 | 32 | 47 | 9 | 10 |
| Delinquent Mortgage Loans | 2.6% | 3.6% | 48 | 36 | 16 | 19 | 46 |
| Affordability of Homes (value/income) [1] | 3.3 | 3.9 | 38 | 23 | 3 | 36 | 37 |
| Housing Cost Burden: Homeowners | 33.9% | 33.3% | 34 | 20 | 3 | 24 | 33 |
| Housing Cost Burden: Renters | 52.0% | 50.6% | 29 | 26 | 11 | 27 | 15 |



Table 5-1 (continued)

| Category | United States Data | Maryland Data | Maryland | Pennsylvania | West Virginia | Virginia | Delaware |
|---------------------------------------|--------------------|---------------|----------|--------------|---------------|----------|----------|
| HEALTHCARE | | | | | | | |
| | | | C | B | A | D | A |
| Uninsured Rate | 16.9% | 11.7% | 12 | 10 | 33 | 21 | 7 |
| Uninsured by Race [1] | 2.0 | 2.5 | 45 | 24 | 1 | 34 | 17 |
| Uninsured by Income [1] | 4.4 | 4.8 | 34 | 30 | 22 | 44 | 33 |
| Uninsured by Gender [1] | 1.2 | 1.3 | 40 | 39 | 8 | 32 | 43 |
| Uninsured Low-Income Children | 10.0% | 6.3% | 16 | 25 | 7 | 29 | 8 |
| Uninsured Low-Income Parents | 35.0% | 27.2% | 18 | 17 | 29 | 32 | 10 |
| Employer-Provided Insurance | 57.4% | 65.5% | 10 | 11 | 29 | 14 | 13 |
| Employee Share of Premium | 27.4% | 28.1% | 30 | 3 | 16 | 47 | 19 |
| Out-of-Pocket Medical Expenses | 14.2% | 11.6% | -- | -- | -- | -- | -- |
| EDUCATION | | | | | | | |
| | | | A | C | D | B | C |
| Early Childhood Education Enrollment | 27.6% | 30.1% | 17 | 25 | 2 | 38 | 42 |
| Math Proficiency: 8th Grade | 35.5% | 37.4% | 20 | 8 | 46 | 17 | 31 |
| Reading Proficiency: 8th Grade | 36.1% | 42.2% | 6 | 7 | 46 | 22 | 31 |
| High School Degree | 86.4% | 89.1% | 23 | 24 | 44 | 30 | 27 |
| Two-Year College Degree | 37.1% | 43.3% | 8 | 32 | 50 | 9 | 26 |
| Four-Year College Degree | 29.1% | 36.9% | 5 | 27 | 50 | 8 | 20 |
| Four-Year Degree by Race [1] | 1.6 | 1.4 | 20 | 18 | 5 | 16 | 10 |
| Four-Year Degree by Income [1] | 5.0 | 4.4 | 21 | 43 | 46 | 34 | 5 |
| Four-Year Degree by Gender [1] | 1.0 | 1.0 | -- | -- | -- | -- | -- |
| Average College Graduate Debt | \$29,400 | \$25,951 | 24 | 47 | 25 | 21 | 49 |
| College Graduates with Debt | 71.0% | 58.0% | 20 | 45 | 11 | 25 | 13 |
| OTHERS | | | | | | | |
| State Minimum Wage as of January 2013 | -- | \$7.25 | \$7.25 | \$7.25 | \$7.25 | \$7.25 | \$7.25 |

Source: Corporation for Enterprise Development; RKG Associates 2014

[1] The ratios in the Maryland Data column measure the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

7. Implications

The CFED 2014 Assets & Opportunities Scorecard provides a picture of the current conditions within the Maryland and how competitive the state is with those both regionally and nationally. Overall, from a financial, business and housing perspective, Maryland performs at or slightly below the other states in the region. Maryland received a lower healthcare category grade than most of the other states in the region, indicating that while low uninsured levels show potential, inequality of those that are uninsured still exists. Most notably, Maryland received the highest grades for education, indicating that this is an asset that can help to make Maryland more attractive to potential businesses and households alike. Cumberland also has a competitive level of education attainment within Western Maryland indicating that highlighting education performance at the state and local level as the potential to help set Cumberland apart from neighbors such as West Virginia and Virginia who received higher grades in some business-focused indicators.



C. TOP SITE SELECTION FACTORS

The consultant obtained site selection data from the 27th annual survey of site selection decision makers published by *Area Development Magazine*, a site and facilities planning publication. The information in Table 5-2 shows a score-based ranking of the top site selection factors for the years 2009 through 2013 as identified by a sampling of America's corporate executives. The factors are ranked by their five-year average scores, with the overall change in the ranking (2009 to 2013) also presented. Although not specific to any one area, the results of this effort indicate those factors that are most important when a company is considering relocation/expansion. This analysis helps to identify those attributes of Cumberland to highlight, in terms of marketing efforts, as well as identification of attributes that may need to be improved.

An examination of averages over the last five surveys indicate that highway accessibility and labor costs continually rank at the top of the list. Both of these factors are related to long-term operations costs. The availability of skilled labor is the top selection criterion for the first time in five years, rising over eight points since 2009, reinforcing that the importance of education and training cannot be overstated. The high importance of occupancy and construction costs and the availability of buildings suggest that businesses may be anxious to move once the decision to expand or relocate has been made. Factors which may be more closely tied to start-up and operating costs include corporate tax rate (7th), state and local incentives (8th), low union profile (9th), and tax exemptions.

Of the top 26 criteria identified in the table, Cumberland's positioning is considered to be positive within many of the categories from a marketability standpoint. Brief synopses of some key criteria are noted below.

Cumberland Specialties

- Labor Costs – Cumberland has comparatively lower labor costs than the more metropolitan areas of the State. Cumberland's 2013 median household income is 28% below the Western Maryland region and 54% the state's median. This type of savings can be substantial for a labor-intensive employer.
- Training Programs/Proximity to Technical University – As noted, Cumberland/Allegany County is home to Allegany College of Maryland (ACM). ACM has a comprehensive workforce and training program base including recently receiving grants for an advanced manufacturing program and an award to develop an information technology center for excellence.
- Housing Costs – As noted earlier, housing costs are reportedly very low in the City and Allegany County. Market prices for a "typical" house are reportedly between \$75,000 and \$200,000 in Cumberland, well below costs in the state's large metropolitan areas.
- Ratings of Public Schools – Cumberland/Allegany County have well regarded and well-scoring public schools including one of the top 100-rated public high schools in the country.
- Recreational Opportunities – It is well documented in this report and in numerous public documents in Cumberland and Allegany County about the strong four-season recreation and leisure market in Western Maryland. Cumberland offers arts and cultural events consistent with markets much larger.



Table 5-2
Top Site Selection and Quality of Life Criteria
Area Development Magazine

| Rank | Criterion | 2009 | 2010 | 2011 | 2012 | 2013 | Average | 5-Yr. Δ |
|--------------------------------|--|------|------|------|------|-------------|---------|---------|
| SITE SELECTION FACTORS | | | | | | | | |
| 1 | Availability of Skilled Labor | 86.9 | 85.9 | 88.4 | 89.4 | 95.1 | 89.1 | 8.2 |
| 2 | Highway Accessibility | 92.9 | 97.3 | 93.8 | 90.1 | 93.5 | 93.5 | 0.6 |
| 3 | Labor Costs | 96.7 | 91.0 | 88.4 | 90.8 | 90.8 | 91.5 | (5.9) |
| 4 | Occupancy or Construction Costs | 86.7 | 89.8 | 85.9 | 82.8 | 87.1 | 86.5 | 0.4 |
| 5 | Availability of Advanced ICT Services | 83.2 | 72.9 | 76.6 | 85.1 | 84.6 | 80.5 | 1.4 |
| 6 | Availability of Buildings | 75.7 | 81.0 | 76.3 | 78.4 | 83.3 | 78.9 | 7.6 |
| 7 | Corporate Tax Rate | 87.0 | 86.3 | 86.0 | 79.3 | 82.4 | 84.2 | (4.6) |
| 8 | State and Local Incentives | 84.9 | 89.3 | 85.9 | 71.1 | 81.9 | 82.6 | (3.0) |
| 9 | Low Union Profile | 75.8 | 75.4 | 81.0 | 73.5 | 81.4 | 77.4 | 5.6 |
| 10 | Energy Availability and Costs | 88.0 | 82.1 | 84.8 | 81.3 | 80.8 | 83.4 | (7.2) |
| 11 | Tax Exemptions | 88.4 | 90.9 | 83.6 | 75.4 | 80.6 | 83.8 | (7.8) |
| 11T | Right-To-Work-State | 74.0 | 67.9 | 77.5 | 72.6 | 80.6 | 74.5 | 6.6 |
| 13 | Availability of Land | 75.7 | 73.4 | 73.9 | 59.0 | 80.3 | 72.5 | 4.6 |
| 14 | Expedited or "Fast-Tracked" Permitting | 72.2 | 68.2 | 72.4 | 67.2 | 76.3 | 71.3 | 4.1 |
| 15 | Proximity to Major Markets | 73.3 | 66.4 | 83.0 | 72.2 | 75.6 | 74.1 | 2.3 |
| 16 | Availability of Long-Term Financing | 65.4 | 58.5 | 70.0 | 63.1 | 74.8 | 66.4 | 9.4 |
| 17 | Environmental Regulations | 71.2 | 74.8 | 76.4 | 71.1 | 71.7 | 73.0 | 0.5 |
| 18 | Inbound/Outbound Shipping Costs | 81.7 | 84.0 | 81.6 | 63.7 | 70.9 | 76.4 | (10.8) |
| 19 | Proximity to Suppliers | 63.9 | 63.6 | 67.8 | 54.9 | 67.7 | 63.6 | 3.8 |
| 20 | Raw Material Availability | 57.0 | 61.5 | 52.8 | 49.7 | 60.5 | 56.3 | 3.5 |
| 21 | Accessibility of Major Airport | 49.0 | 50.0 | 55.7 | 52.9 | 59.4 | 53.4 | 10.4 |
| 22 | Proximity of Technical University | 36.7 | 36.1 | 40.2 | 50.3 | 54.1 | 43.5 | 17.4 |
| 23 | Training Programs | 61.7 | 56.7 | 50.6 | 54.7 | 51.5 | 55.0 | (10.2) |
| 24 | Availability of Unskilled Labor | 55.5 | 45.4 | 58.9 | 42.9 | 48.9 | 50.3 | (6.6) |
| 25 | Railroad Service | 27.4 | 36.0 | 33.6 | 43.6 | 29.4 | 34.0 | 2.0 |
| 26 | Waterways or Oceanport Accessibility | 17.7 | 21.9 | 24.5 | 19.9 | 20.2 | 20.8 | 2.5 |
| QUALITY-OF-LIFE-FACTORS | | | | | | | | |
| 1 | Low Crime Rate | 79.0 | 86.4 | 82.0 | 79.3 | 80.9 | 81.5 | 1.9 |
| 2 | Healthcare Facilities | 68.4 | 72.2 | 71.0 | 69.8 | 79.7 | 72.2 | 11.3 |
| 3 | Housing Costs | 61.5 | 68.4 | 69.0 | 66.9 | 75.3 | 68.2 | 13.8 |
| 4 | Ratings of Public Schools | 61.4 | 61.2 | 68.8 | 63.3 | 73.0 | 65.5 | 11.6 |
| 5 | Housing Availability | 62.4 | 66.4 | 64.1 | 69.8 | 71.5 | 66.8 | 9.1 |
| 6 | Recreational Opportunities | 52.7 | 48.2 | 52.2 | 52.9 | 66.4 | 54.5 | 13.7 |
| 7 | Colleges and Universities in Area | 50.7 | 53.2 | 56.6 | 61.6 | 59.5 | 56.3 | 8.8 |
| 7T | Climate | 55.0 | 56.3 | 52.2 | 55.0 | 59.5 | 55.6 | 4.5 |
| 9 | Cultural Opportunities | 46.0 | 48.7 | 42.8 | 48.9 | 54.8 | 48.2 | 8.8 |

Source: Area Development Magazine, 2009-2013; RKG Associates 2014

Cumberland Strengths

- Highway Accessibility/Proximity to Major Markets – Cumberland is bisected by Interstate 68, connecting it to Morgantown and Pittsburgh to the west via Interstate 79; Harrisburg to the northeast via Interstate 70, Baltimore to the east via Interstate 70 and Washington, DC via Interstate 270. All of these markets are within a two-hour drive.
- Railroad Service – Cumberland is served by both commercial rail and commuter rail. CSX has a rail yard/transfer station in southern Cumberland and Amtrak has a station in Downtown Cumberland.
- Healthcare Facilities – Western Maryland Health Systems recently built a new hospital in Cumberland, and is in the process of regionalizing their other facilities in Hagerstown and Frederick with the local hospital.



- *Climate* – As noted earlier, Cumberland is a year-round recreation community. The City's mountain location ensures the area is temperate. However, Cumberland does experience all four seasons.

Cumberland Weaknesses

- *Availability of Skilled Labor* – Cumberland, and the surrounding region, have comparatively low populations and labor force numbers. As a weakness, it indicates the City will need to focus on small business development and recruitment, as companies that require large numbers of employees may not see the City as a competitive location.
- *Highway Accessibility* – While Interstate 68 offers access to other markets, there are competitive communities that have better highway access to those same markets. For example, Hagerstown is located on Interstate 70 and 81 approximately 40 miles from Cumberland. Interstate 70 gives Hagerstown access to all of the major markets available to Cumberland, but puts them directly on a north-south Interstate that connects New York to Texas.
- *Occupancy/Construction Costs* – It was reported by a number of local real estate professionals that construction costs in Cumberland can be as high as 20% above other areas due to the transportation costs related to importing the materials. This can impact the potential to attract businesses that need specialized/cost intensive facilities.
- *Corporate Tax Rate/Tax Exemptions* – As mentioned earlier, Maryland is not as competitive with some of the surrounding states including Virginia, Delaware and West Virginia.
- *Availability of Land* – As stated in the Real Estate Market Analysis, Cumberland has little vacant, developable land assets. The largest tract is less than 25 acres. The limited land restricts specific targets.

Cumberland Opportunities

- *Availability of Advanced ICT Services* – Cumberland is served the fiber optics, with a trunk line running along Interstate 68. This access makes Cumberland a viable location for Internet, communication, and technology companies. When cost of living and salary levels are considered, Cumberland is an attractive location for non-site specific businesses that have heavy data sharing needs.
- *Availability of Buildings* – Cumberland has a reasonable supply of vacant and underutilized buildings. While conditions vary for these buildings, there is potential to rehabilitate/redevelop these properties for immediate occupancy.
- *State and Local Incentives* – While state incentives are adequate, but not advantageous, the City has the potential to develop specific incentive programs tailored for the identified target industries. The level of incentive should be tempered against the perceived benefit of that business/industry in the City.
- *Availability of Long-Term Financing* – As noted, there is a lack of financing going towards business start-ups and minority/woman-owned businesses in Maryland. Cumberland can work with local lenders to develop and market a unique program for these companies that would differentiate itself from the rest of the state.

D. QUALITY OF LIFE FACTORS

The consultant analyzed several quality of life factors to better understand what amenities and benefits Cumberland can provide to potential employees. The analysis of this part of the site selection process can affect the approach to attracting the target industries presented later in this section. This analysis focuses on the top five quality of life factors reported in the annual survey of site selection decision makers by *Area Development Magazine*.

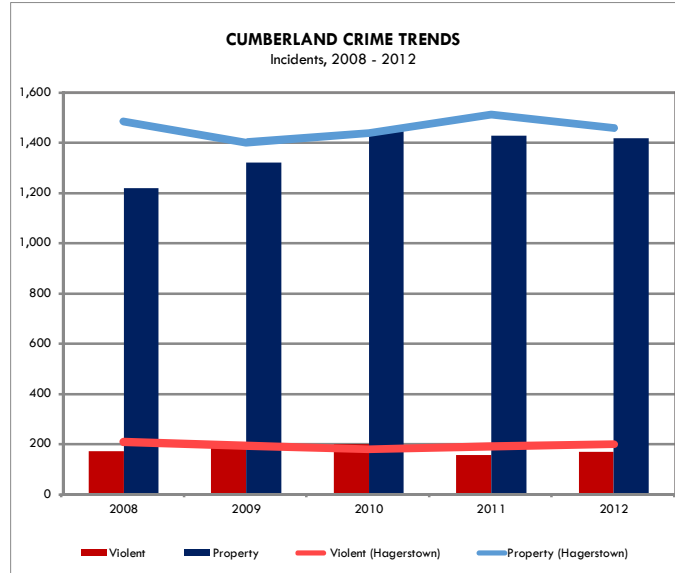


1. Crime

The quality of life factor that has consistently ranked highest in the *Area Development Magazine* survey for site selection and quality of life criteria by major businesses is a low crime rate. According to the Uniform Crime Reports from 2008 – 2012 provided by the Federal Bureau of Investigation, most crime incidents in Cumberland are property crimes. The number of property crimes has varied during this time period from the lowest number of incidents in 2008 (approximately 1,200) to the highest in 2010 (approximately 1,440). While violent crime also occurs in Cumberland, the number of incidents make up less than 14% of all crime annually (Figure 5-1).

Although Hagerstown is nearly twice the size of Cumberland with approximately 40,400 persons in 2012 according to the U.S. Census Bureau, it can provide a reference point of comparison as another Western Maryland community that is currently attracting households employed in surrounding communities. As seen in Figure 5-1, Hagerstown has similar levels of violent and property crime as those in Cumberland. Therefore, while the per capita crime rate is lower in Hagerstown given its larger population, the overall amount of crime does not considerably vary. This indicates that while there are likely places within Cumberland with a higher concentration of crime, most areas are relatively safe.

Figure 5-1



Source: Federal Bureau of Investigation, 2014

2. Healthcare Facilities

Cumberland is well served by healthcare facilities. As seen in Table 5-3, the Western Maryland Regional Medical Center that was recently developed on Willowbrook Road is an acute care facility that provides emergency services and 240 staffed beds. From an economic development perspective, locating in Cumberland will provide employees with access to the second largest medical facility in the region.

Table 5-3
Regional Acute Care Hospitals

| Hospital | County | City | Staffed | Emergency |
|--|------------|------------|---------|-----------|
| | | | Beds | Services |
| Western Maryland Regional Medical Center | Allegany | Cumberland | 240 | Yes |
| Garrett County Memorial Hospital | Garrett | Oakland | 76 | Yes |
| Meritus Medical Center | Washington | Hagerstown | 271 | Yes |
| UPMC Bedford | Bedford | Everett | 95 | Yes |
| Somerset Hospital | Somerset | Somerset | 127 | Yes |
| Windber Hospital | Somerset | Windber | 57 | Yes |

Source: Hospital-Data.com, RKG Associates, Inc., 2014





3. Housing Costs

In order to better understand housing costs in Cumberland, the Consultant reviewed the latest median gross rent and median owner-occupied housing values for Cumberland, Allegany County and Maryland as provided by the 2012 American Community Survey 3-Year estimated collected by the U.S. Census Bureau. As seen in Table 5-4, the median gross rent in Cumberland is \$582 and the median owner-occupied housing value is \$97,200. Both rents and housing values are lower in Cumberland than at the County or State level. This is particularly the case at the state level where median rents and housing values are more than two times those in Cumberland. However, it should be noted that consultant observation and stakeholder feedback indicates that while the cost of housing in Cumberland is low, a large portion of the housing stock is not in good condition which can lower the benefit of reduced housing costs and lead to greater household expense.

**Table 5-4
Housing Costs
Cumberland, Allegany County, Maryland, 2012**

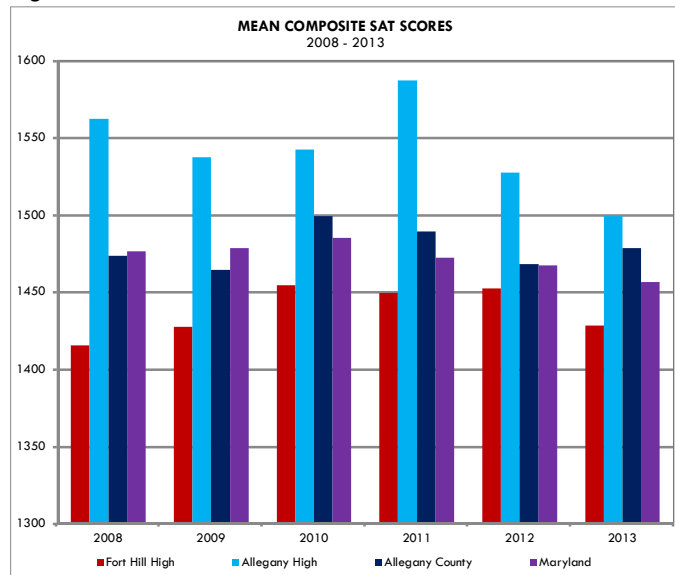
| | Median Gross Rent | Median Owner-Occupied Housing Value |
|------------------------|-------------------|-------------------------------------|
| Cumberland | \$582 | \$97,200 |
| Allegany County | \$612 | \$122,700 |
| Maryland | \$1,177 | \$289,300 |

Source: U.S. Census Bureau, RKG Associates, Inc., 2014

4. Public School Quality

In order to assess public school quality for Cumberland, the consultant analyzed mean composite SAT standardized test scores from 2008 to 2013 as provided by the Maryland State Department of Education. The consultant acknowledges that standardized test scores are not the only method of determining schools quality, but they do provide a consistent method by which to compare schools. Of the two traditional public schools in Cumberland, as seen in Figure 5-2. Allegany High School consistently outperformed the County and State with average composite scores ranging from just less than 1500 in 2013 to more than 1580 in 2011. Conversely, Fort Hill High School was consistently below the average scores for all other areas, but has seen an increase in scores from 1415 in 2008 to 1428 in 2013 with scores peaking at approximately 1450 between 2010 and 2012. The performance of Cumberland traditional public high schools suggest that the public schools in Cumberland provide a quality education and can be an attractive quality of life factor to potential businesses looking to attract employees.

Figure 5-2



Source: Maryland State Department of Education, 2014

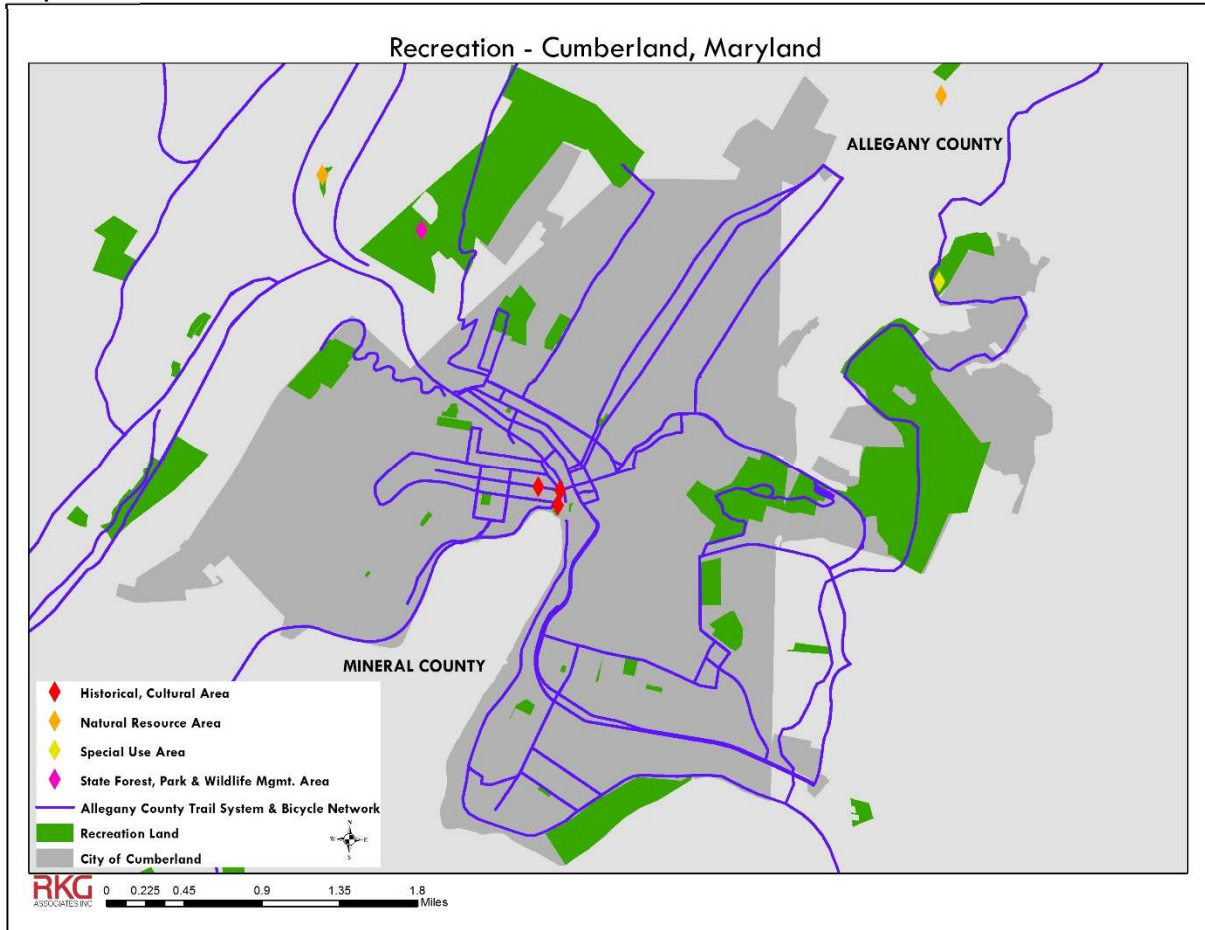
5. Recreation

In addition to crime, housing healthcare and education, another quality of life metric considered important during site selection is access to recreation. Leisure time provides a counter-point to time spent at the office and recreational facilities and amenities in close proximity can be attractive to both potential businesses and employees. As seen in Map 5-1, Cumberland has a substantial amount of recreational amenities in and around the City. Access to a substantial bicycle network, the Allegany



County Trails System and the GAP Trail provide a network of access for cyclists of all skill levels. Wills Mountain State Park and Rocky Gap State Park both provide outdoor recreation year-around. Additionally, the Rocky Gap Casino and Resort, the Allegany County Museum and Downtown Cumberland all provide additional opportunities for those not focused on outdoor-oriented activity.

Map 5-1



E. REGIONAL CLUSTER ANALYSIS

1. Overview

The regional cluster analysis process “casts a wide net” in regards to identifying potential target industries. Taking a more aggressive approach to identifying possible business targets for Cumberland provides greater flexibility to determine the priorities for business recruitment. In this context, aggressive means that the screening process was inclusive rather than exclusive relative to potential opportunities that may appear marginal in light of historical economic trends. Being inclusive at this phase ensures any potentially viable options can be tested before being eliminated.

Furthermore, the target industry lists move beyond just static targets. They identify vertical (supply-chain) and horizontal (market) relationships within the primary target markets. By taking this approach, the City can apply a comprehensive approach to building upon existing industry clusters



and developing new ones. This is particularly important when targeting businesses that already have a relationship with an existing regional industry and/or business. In these cases, the local business leaders can work as ambassadors for the community, opening the dialogue between the prospect and the City.

2. Industry Screening

Industry cluster analyses involve examining the economic relationships among commercial and industrial sectors. From the cluster analysis, RKG Associates identified those industries that may enjoy a competitive advantage within the greater Allegany County region, but would also benefit from Cumberland and the County's strategic location. The underlying assumption of the cluster analysis is that companies concentrate in areas where they enjoy some competitive advantage. These advantages, whether related to location, natural resources, vendor relationships or other factors, allow companies to compete more successfully.

An industry cluster is a group of companies in industries that are related in one of three ways:

- *Buyers and Suppliers* – the most common relationship
- *Competitors* – producers of same or similar goods and service, usually firms in the same or similar industries
- *Shared Resources* – companies that rely on the same location- specific resources such as labor and raw materials

A relative measure of how a local economy is performing can be estimated by comparing employment growth for specific industry sectors to that of a larger economy. This measurement, which is represented as a ratio, is referred to as a Location Quotient (LQ). If the LQ is near 1.0, it indicates that the county has a comparable proportion of its employment base in a given sector to that of the larger area, which in this case, is the United States as a whole. If the ratio is less than 1.0, then the county is under-performing in that industry sector relative to the country while an LQ greater than 1.0 indicates a stronger performance by the county overall. In this analysis, the LQ's, and their respective growth rates, were developed based on employment changes between 2003 and 2012.

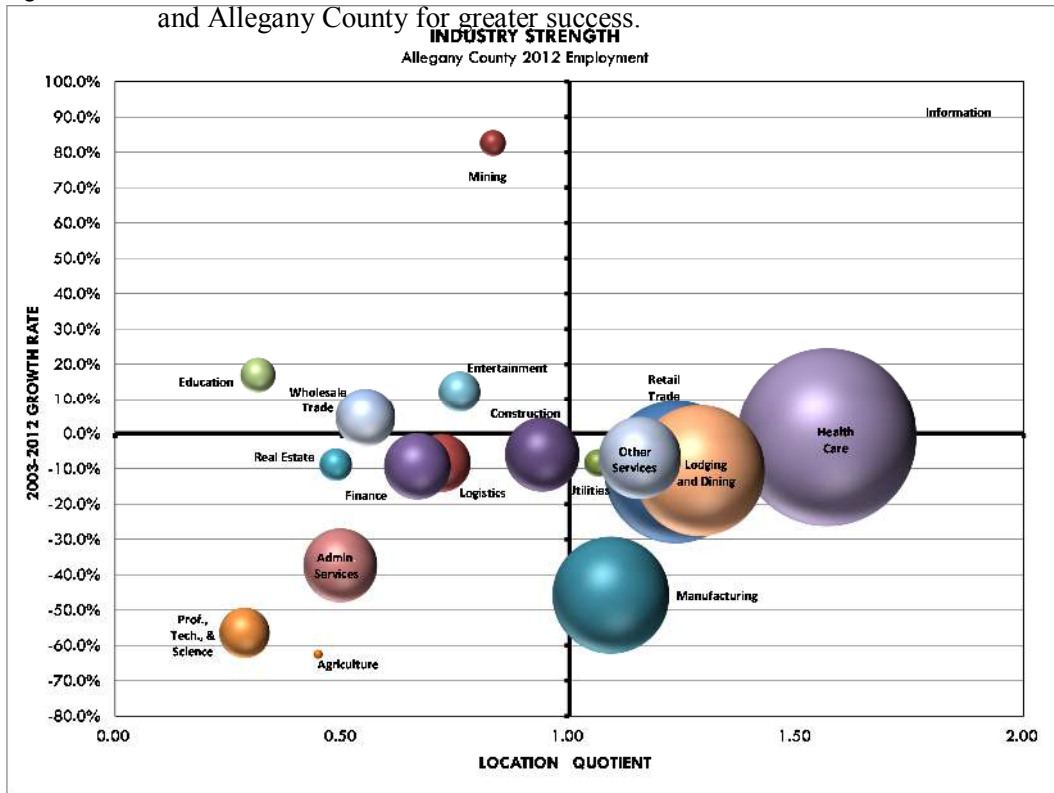
Figure 5-3 and Figure 5-4 illustrate the Location Quotients for Allegany County and the Allegany County Region as of 2012. The size of the bubbles represents total employment, their position from left to right indicates their LQ for 2012, and their position from top to bottom indicates growth rate between 2003 and 2012. (Note: Not all sectors are presented in each of the figures; those that represent relatively small components of the economy, or which small employment numbers and very low or very high LQs, have been omitted. These include Information, Mining and Unclassified).

Some of the comparative findings illustrated by the data presented in Figure 5-3 are as follows:

- *Healthcare and Social Assistance* – The healthcare and social assistance sector plays an important role both locally and regionally. This sector is one of the largest employers in Allegany County and the regional study area, and has a location quotient well above 1.50. The consolidation of Western Maryland Health System hospitals in Cumberland, Hagerstown and Frederick should offer opportunities for growth and niche market development. To this point, there are opportunities for expansion of services in Cumberland.
- *Entertainment and Lodging* – The entertainment and lodging industry sectors have been consistent in the local and regional markets. Entertainment employment has grown steadily over the past decade, reflecting the growing tourism and arts market. The entertainment LQ level below 1.0 indicate there are still opportunities to expand this sector in the region. A

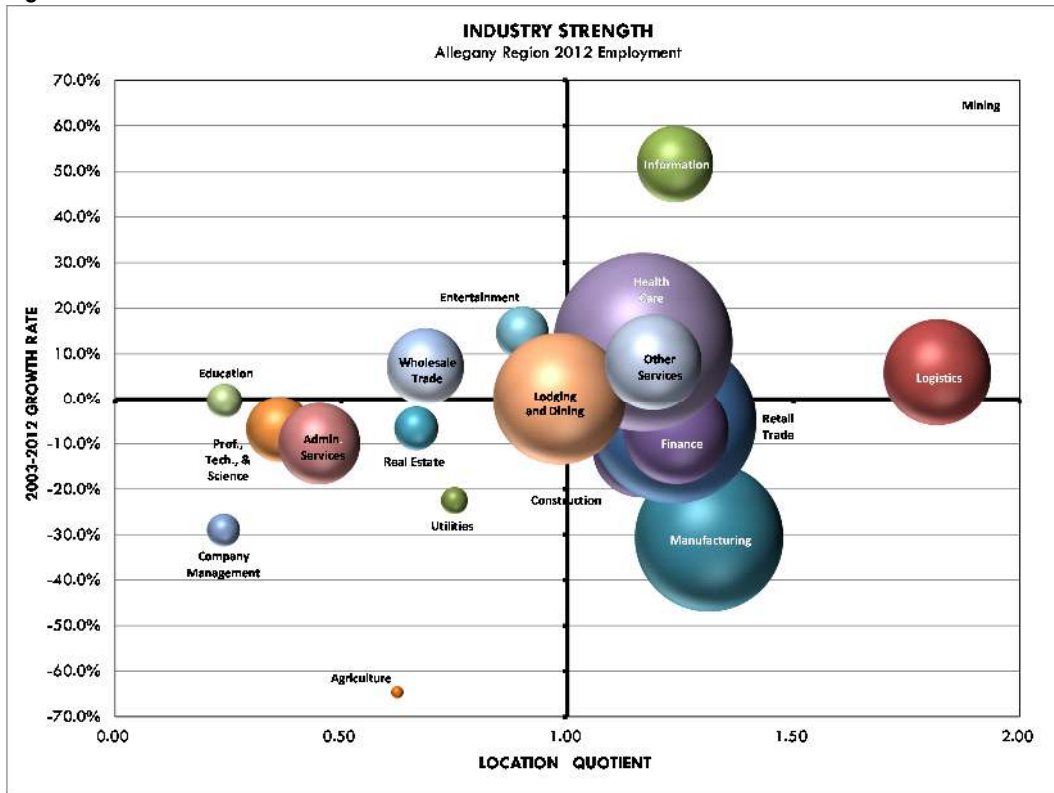


Figure 5-2 more coordinated marketing and strategic planning effort could position Cumberland and Allegany County for greater success.



Source: U.S. Department of Commerce and RKG Associates

Figure 5-3



Source: U.S. Department of Commerce and RKG Associates



- ***Information Services*** - The Information industry has grown substantially over the last decade in both Allegany County and at a Regional level. The information sector is substantial strength in the County with a LQ of 2.52, while the Region has an LQ of 1.24. This indicates the both the County and Region are attracting businesses focused on Information such as publishing, data processing and communications. The fiber optic connection has made this a reality. As noted throughout this report, Western Maryland offers a value proposition for companies that do not need to be located in urban markets to serve their urban clients.
- ***Manufacturing*** – Both Allegany County and the region continued to experience employment loss in manufacturing industry sectors. This finding is consistent with larger market trends, as large manufacturing investments have become very competitive and are locating in states offering the greatest incentives. That said, the market for small-scale, regional-serving industries remains viable, as transportation costs makes remote production infeasible.
- ***Logistics*** – The logistics industry sector has grown in the greater regional market, taking advantage of the I-70/I-81 connectivity and multi-modal access via CSX rail. While Cumberland/Allegany County has not experienced the same growth rate (due to less competitive road connectivity), the City could become a center for logistics management and value-add industries that are not site specific, but would benefit from a regional presence.

3. Recommended Targeted Industry Clusters

Industry cluster analysis provides a method for determining local competitive advantage – which in turn is crucial in attracting investment, be it through attracting new firms or expansion of existing firms. The industry cluster analysis presented in this report relied on a statistical identification process designed to incorporate and assimilate local/regional, state, and national economic data. The fundamental criteria analyzed in the process include:

- ***Industry Concentration*** – RKG Associates examined current concentrations of each industry in the greater Onslow region using the previously described, Location Quotient ratio (LQ). A higher LQ, either at the local or regional level, indicates a strong employment and business base upon which to build economic development efforts. Conversely, a lower concentration of employment suggests that a given industry may not be well suited for the county or may be in decline and not supportable in the long-term.
- ***Industry Growth*** – Industries with positive growth over the past 10 years (2003-2012) and those that are most likely to grow both locally and regionally.
- ***Industry Size*** – Component industries of an industry cluster must have sufficient size in terms of total employment, number of establishments and total sales in order to justify their inclusion in the cluster.
- ***Regional Target*** – Industry sectors/clusters that have been targeted within the broader region by the state have been given higher priority in this analysis as a county cluster since they either already have a strong presence in the region (but not necessarily in the county) and/or, will be the focus of future marketing efforts by regional and state economic development organizations.
- ***Local Fit*** – The Local Fit includes both quantitative analysis and considerable professional judgment, based on community characteristics, industry preferences, specific industry composition and location-based activity. Based on weighted values of the four criteria noted above, as well as professional judgment, each industry sector has been given a ranking of very strong, strong, moderate, or stable.



- *Other Criteria* – Includes an assessment of local infrastructure such as the presence, cost and accessibility of highways, railroads, utilities, telecommunications systems, and the match of the region’s labor force profile with industry needs.

Figure 5-4 illustrates the multi-step process used for the Target Industry Cluster Analysis. A more detailed review of the quantitative process associated with this analysis is depicted in Figure 5-5.

Figure 5-4

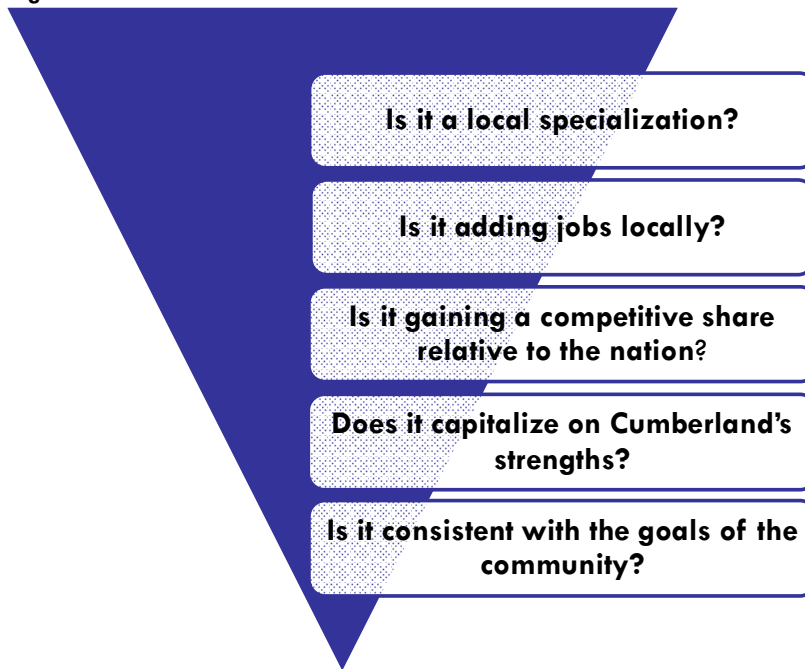
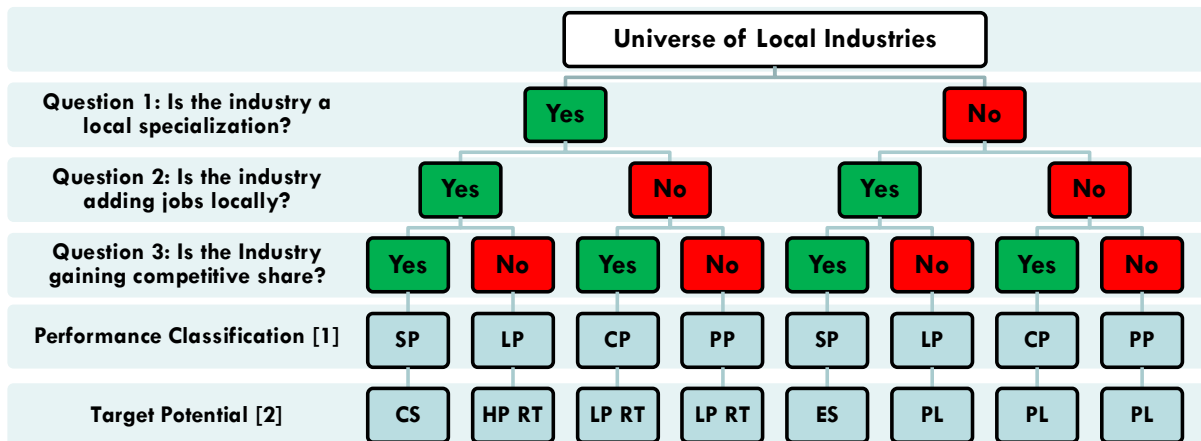


Figure 5-5



[1] Performance Classification Codes: SP = Strong Performer; LP = Lagging Performer; CP = Constrained Performer; PP = Poor Performer

[2] Target Potential Codes: CS = Current Strength; HP RT = Higher Priority Retention Target; LP RT = Lower Priority Retention Target; ES = Emerging Strength; PL = Prospects Limited



Target Industry Cluster #1 – Back Office and Remote Business Services

Cumberland offers a unique market opportunity for businesses that serve clients in metropolitan areas but do not have to be located in those areas. The City's proximity to Pittsburgh, Baltimore and Washington, DC market allows these remote companies to have access to three substantial customer bases within a two-hour drive. Cumberland is well served with fiber optic telecommunications infrastructure, making data processing and movement convenient and accessible.

Cumberland's high quality of life, year-round outdoor recreation amenities, low cost of living, and well regarded schools make the City an ideal location for persons/families that value a more rustic lifestyle. Downtown Cumberland is a strategic asset, as it offers an urban scale and charm not commonly found in less developed areas. Communities such as Morgantown, West Virginia, Asheville, North Carolina and Covington, Georgia have developed niche business services industries being located on the periphery of larger markets.

While overall employment numbers for service-based industry sectors have been relative stable in the region over the past decade, the greater regional market has experienced growth in a number business and professional service industries. For example, internet-based companies have grown substantially in Allegany County and the greater region (1,484 jobs) between 2003 and 2012. Locally, Cumberland has had success in attracting and sustaining financial services companies and information technology companies. Other sectors have been successful regionally, but not locally. These include professional, technical and scientific services and administrative and support services. Specific industries within these sectors should be considered as part of a larger recruitment effort, but monitored closely during the City's implementation effort to determine the long-term potential. Industry sectors, and specific industries to pursue as part of this effort include:

Administrative and Support Services

- Data Processing, Hosting and Related Services
- Inbound and Outbound Telemarketing
- Direct Mail Advertising
- Translation and Transcription Services
- Process, Physical Distribution and Logistics Consulting Services
- Financial Transaction Hosting and Processing

Internet and Virtual Services

- Software Publishing
- Motion Picture and Video Processing
- Telecommunication Support Services
- Internet Publishing
- Cyber Security Services

Professional Services

- Management, Scientific, and Technical Consulting Services
- Architectural, Engineering, and Related Services
- Advertising and Related Services
- Legal Support and Research Services
- Accounting, Tax Preparation, Bookkeeping and Payroll Services

Technical Research and Modeling

- Computer Systems Design and Related Services
- Scientific Research and Development Services
- Agriculture and Biological Research/Consulting Services
- Other Professional, Scientific, and Technical Services



Given the City’s labor market fundamentals, this business recruitment effort will have the best chance of success targeting small firms and specific departments of larger firms. Realistically, the City should focus on companies with fewer than 25 employees. Taking this approach increases the value of Cumberland’s quality of life, since the business owner/manager will have a greater say in location preferences. In addition, it mitigates potential concerns about staffing if some of the company’s existing employees are not willing to relocate to Cumberland. That said, these criteria does not limit the potential business prospect market. RKG Associates collected establishment counts for business with fewer than 20 employees within the four regional metropolitan areas in each of the identified industries (Table 5-5). There are almost 63,000 businesses that met the criteria in these markets alone. Given Cumberland can market to companies outside of these areas as well, the recruitment focus should not be a limiting factor in potential success.

Table 5-5
Small Business Presence in Regional Metropolitan Regions
Companies With Less Than 20 employees, By NAICS Code

| NAICS | Description | Baltimore | Philadelphia | Pittsburgh | Washington |
|---------------|--|--------------|---------------|--------------|---------------|
| 5112 | Software Publishers | 48 | 118 | 36 | 209 |
| 5121 | Motion Picture and Video Industries | 90 | 207 | 75 | 324 |
| 5179 | Other Telecommunications | 23 | 66 | 22 | 93 |
| 5182 | Data Processing, Hosting, and Related Services | 116 | 267 | 92 | 385 |
| 5191 | Other Information Services | 54 | 188 | 136 | 270 |
| 5239 | Other Financial Investment Activities | 404 | 1,333 | 365 | 937 |
| 5412 | Accounting, Tax Preparation, Bookkeeping, and Payroll Services | 1,082 | 2,008 | 741 | 2,277 |
| 5413 | Architectural, Engineering, and Related Services | 1,020 | 1,759 | 733 | 2,296 |
| 5414 | Specialized Design Services | 326 | 549 | 150 | 726 |
| 5415 | Computer Systems Design and Related Services | 1,805 | 2,982 | 757 | 8,318 |
| 5416 | Management, Scientific, and Technical Consulting Services | 1,516 | 3,112 | 922 | 5,797 |
| 5417 | Scientific Research and Development Services | 188 | 343 | 88 | 817 |
| 5418 | Advertising and Related Services | 292 | 690 | 215 | 1,252 |
| 5419 | Other Professional, Scientific, and Technical Services | 494 | 1,138 | 452 | 1,335 |
| 5511 | Management of Companies and Enterprises | 314 | 1,521 | 351 | 1,022 |
| 5614 | Business Support Services | 254 | 547 | 199 | 641 |
| 5615 | Travel Arrangement and Reservation Services | 128 | 408 | 116 | 484 |
| 7113 | Promoters of Performing Arts, Sports, and Similar Events | 48 | 94 | 42 | 111 |
| 7115 | Independent Artists, Writers, and Performers | 105 | 222 | 63 | 275 |
| 7139 | Other Amusement and Recreation Industries | 412 | 912 | 490 | 757 |
| 8112 | Electronic and Precision Equipment Repair and Maintenance | 120 | 231 | 85 | 205 |
| 8113 | Commercial and Industrial Machinery and Equipment Repair | 169 | 281 | 142 | 148 |
| TOTALS | | 9,008 | 18,976 | 6,272 | 28,679 |

Source: County Business Patterns and RKG Associates, Inc.

It is important to note that this recruitment effort cannot be implemented in a vacuum. There are a number of other initiatives that need to occur concurrently to position the City for success. Most notably, the continued reinvestment in Downtown Cumberland’s building stock is important. These businesses most likely will have some interest in a Downtown location, and having appropriate space available for immediate lease will be an asset. To this point, the City may need to take a more proactive, partnership role in ensuring there is sufficient supply available. 19 Frederick Street may be a good pilot location for this program.

The pursuit of this target industry cluster should not be limited to established businesses. The target industry analysis revealed there are market niches within these industries for Cumberland to develop entrepreneurial and home-based businesses. Implementation recommendations such as the business incubator concept, the minority/woman-owned business entrepreneurial program, and home-based loan pool initiative expands the focus to individuals with promising ideas, therefore increasing the City’s chances for success.



Target Industry Cluster #2 – Healthcare and Social Services

The economic and target industry analyses have shown that healthcare/social assistance industry sector is Cumberland's and the Western Maryland region's strongest growth industry. Despite the net loss of more than 5,000 jobs in the six-county study area between 2003 and 2012, the healthcare and social assistance industry sector experienced a net gain of more than 2,700 jobs. Information services was the only other industry sector (almost exclusively in Allegany County) to experience a net employment growth over 1,000 jobs over the entire study area. While healthcare and social assistance has been the largest employment sector in Allegany County, it has surpassed retail services and manufacturing to become the largest employment sector in the region as well.

At a base level, there is the potential to attract medical specialties currently not represented—or underrepresented—in Cumberland to the market. This effort would need to be done in coordination with Western Maryland Health System to augment their offerings at the hospital and coordinated urgent clinics. Additionally, conversations with healthcare professionals indicated a challenge to recruit and maintain primary and emergency care professionals. Part of the marketing and recruitment effort should be to develop a public/private partnership with Western Maryland Health System to attract physicians, nurses, and research professionals.

In October of 2013, Frederick Regional Health System in Frederick, Meritus Health in Hagerstown and Western Maryland Health System in Cumberland signed a joint regional alliance agreement. This agreement is intended to improve healthcare for persons living in western Maryland through shared services and management, combined quality initiatives, and clinical integration. This effective consolidation of hospital services offers a unique opportunity for the City, from an economic development perspective. In addition to the streamlined approach to providing care, there likely will be a consolidation of services that are not needed in three locations. To this point, the City of Cumberland should be working with Western Maryland Health Systems to establish incentive programs and/or public-private partnerships aimed at directing the most coveted specialties/programs to Cumberland.

Target Industry #3 – Arts, Culture, Tourism, and Recreation

As noted throughout this document, Cumberland is at the center of a four-season recreation and tourism market. In addition to the C&O Canal Trail and GAP Trail connection at Canal Place, the City hosts arts venues, holiday/community events, outdoor music concerts, and nationally recognized tourist destinations (i.e. the Western Maryland Scenic Railroad). In addition, Cumberland is within close proximity to historic (Antietam Battlefield), sporting (whitewater rafting, skiing), and entertainment (Rocky Gap Casino) venues. Cumberland's central location has led to the development and growth of a small bed & breakfast market as well as high hotel occupancy levels. To this end, the City is investigating the feasibility of a Downtown boutique hotel concept (in partnership with ACM) and the potential for additional hotels along Interstate 68 (2014 hotel study).

The economic and target industry analysis revealed that the hospitality, entertainment, and recreation market sectors have experienced modest to moderate growth locally and regionally. This is due, in part, to the development of Rocky Gap as a casino. However, Cumberland offers an authentic downtown experience within driving distance of the Baltimore and Washington DC metropolitan areas that can expand the stay of persons already enjoying the destinations in and around the City. Other areas within close proximity to these metropolitan areas have been very successful developing this tourism niche that has expanded day and overnight visitors (i.e. Reading, PA, Winchester, VA).



That stated, the City's economic development implementation entity can only be one component of the holistic arts, culture, tourism, and recreation market development. There are a number of existing entities that will have to play a leadership role in this effort including Allegany Tourism, the Allegany Arts Council and the Cumberland Downtown Development Commission.

On a positive note, there are a number of initiatives currently underway that will allow the City's economic development to partner in growing this market opportunity. For example, the Arts Council has initiated a Creative Placemaking strategic planning effort to grow arts in Allegany County. The City's economic development entity can partner in this endeavor to help identify specific projects that complement Creative Placemaking and assist in attracting private sector investment. Similarly, the growth and expansion of activity at Canal Place can be a collaboration between the City's economic development effort and the Canal Place Preservation & Development Authority.

That said, the level of internal coordination amongst the various arts, culture, tourism, and recreation venues/organizations limits the potential effectiveness that the City's economic development organization can have in this target industry. Simply put, there are too many individual stakeholders for the implementation entity to work with each individually. Furthermore, the scale of effort for many of these stakeholders will not justify the cost/benefit for Cumberland. To this end, better coordination and collaboration of the arts, culture, tourism, and recreation entities will be necessary to realize the true potential of an economic development partnership. While creating a strategic plan to formalize the relationships necessary to create a partnering entity is beyond the scope of the City's economic development strategic plan, RKG Associates recommends that a parallel effort be initiated to develop a tourism development strategic plan that can be dovetailed into the City's (and the County's) economic development efforts.