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STRATEGIC ECONOMIC DEVELOPMENT PLAN

Cumberland, Maryland

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TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION

A.	Introduction	1-1
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CHAPTER 2: EXECUTIVE SUMMARY

A.	Socioeconomic Analysis	2-1
B.	Real Estate Market Analysis	2-1
C.	Target Industry Analysis	2-2
1.	Health Care and Social Assistance	2-2
2.	Remote Business Services	2-3
3.	Construction Contractors and Rental Leasing	2-3
4.	Tourism and Recreation.....	2-3
5.	Retail and Dining	2-4
D.	Implementation Strategy	2-4
1.	Staff the CEDC Commensurate with Stated Goals	2-5
2.	Create Greater Coordination and Collaboration	2-6
3.	Enhance Relationships with Existing Businesses	2-7
4.	Expand CEDC's Role in Developing and Executing PPPs.....	2-8
5.	Proactively Engage and Educate the Community	2-8

CHAPTER 3: SOCIOECONOMIC ANALYSIS

A.	Introduction	3-1
B.	Major Findings	3-1
C.	Methodology	3-2
1.	Geographic Focus of Analysis	3-2
2.	Data Sources	3-2
D.	Demographic Analysis	3-3
1.	Population	3-3
2.	Age	3-3
E.	Economic Base Analysis	3-6
1.	Unemployment Trends	3-6
2.	Labor Force Population Trends	3-7
3.	Educational Attainment	3-7
4.	Resident Labor Force Analysis	3-8
5.	Industry Analysis	3-9
6.	Labor Force Dynamics	3-11
7.	Implications	3-12



CHAPTER 4: REAL ESTATE MARKET ANALYSIS

A.	Introduction	4-1
B.	Major Findings	4-1
C.	Methodology	4-2
D.	Analysis Results	4-2
1.	Development Location and Patterns	4-2
2.	Building and Land Uses	4-2
3.	Age of Buildings	4-3
4.	Recent Development Activity	4-4
5.	Non-Residential Vacant Land	4-4
6.	Sales Analysis	4-5
7.	Additional Considerations and Opportunities	4-6
E.	Key Stakeholder Feedback	4-7
1.	Unenforced Performance Requirements	4-7
2.	Inefficient Development and Permitting Processes	4-7
3.	Non-Existential Real Estate Inventory	4-7
4.	Tourist Demand May Improve Cumberland Outlook	4-8
5.	Housing as an Economic Development Tool	4-8

CHAPTER 5: TARGET INDUSTRY ANALYSIS

A.	Introduction	5-1
B.	Business Climate Factors	5-1
1.	Financial Assets and Income	5-1
2.	Businesses and Jobs	5-2
3.	Housing and Homeownership	5-3
4.	Healthcare	5-3
5.	Education	5-3
C.	Top Site Selection Factors	5-5
1.	Cumberland Strengths	5-6
2.	Cumberland Weaknesses.....	5-6
3.	Cumberland Opportunities	5-7
D.	Quality of Life Factors	5-7
1.	Crime	5-7
2.	Healthcare Facilities.....	5-8
3.	Housing Costs	5-8
4.	Public High Schools and College Readiness	5-8
5.	Recreation	5-9
E.	Target Industries.....	5-10
1.	Health Care and Social Assistance	5-11
2.	Remote Business Services	5-11
3.	Construction Contractors and Rental Leasing	5-12
4.	Tourism and Recreation.....	5-12
5.	Retail and Dining	5-12



CHAPTER 6: IMPLEMENTATION STRATEGY

A.	Introduction	6-1
B.	Proposed Economic Development Goals	6-1
C.	Building for Success	6-2
D.	Priority Actions	6-3
1.	Organization and Coordination	6-4
2.	Business Retention and Expansion	6-6
3.	Asset Development	6-8
4.	Marketing, Communication, and Outreach	6-10
5.	Business Recruitment and Attraction	6-13
6.	Toolbox Development	6-14
E.	Implementation Matrix	6-15



1 INTRODUCTION

The City of Cumberland is the county seat and largest municipality of Allegany County, Maryland and sits a convenient distance to major population centers of Pittsburgh, Baltimore, Washington DC, Northern Virginia, and Philadelphia. The city experienced rapid growth due to the presence of the C&O Canal, National Road, and B&O Railroad which propelled it toward extreme success throughout the early and mid-1900s.

The City of Cumberland has historically been a regional hub for economic and commercial activity within Allegany County and the larger Western Maryland region. Its economy was largely built upon a manufacturing base that established the City of Cumberland as the second largest city in Maryland. Starting in the second half of the 20th century the city's economy experienced a fundamental transformation as global economic patterns shifted and caused traditional manufacturing-based economies throughout the United States to see their foundations altered.

RKG Associates was retained in 2014 to create a strategic economic development plan. This plan has guided the city through a transformative period in investing and implementing economic development initiatives. The results have been notable including attracting private investment into economic development, activating the city's business leadership in a centralized and coordinated fashion through the Cumberland Economic Development Corporation (CEDC), increasing coordination with Allegany County's Department of Economic and Community Development (DECD), and fostering several real estate investment projects that would not have been possible without public-private partnerships.

That said, the CEDC and the city recognizes that it is critical to update and synthesize its economic development vision and strategies to account for the successes and challenges over the past seven years, particularly impacts from the COVID-19 pandemic. This updated Strategic Economic Development Plan (SEDP) builds upon the previous effort to help guide refinement and expansion of existing economic development efforts to advance the city's proactive, comprehensive economic development goals of increasing the local tax base, attracting new employers, enabling existing employers to grow, and supporting the continued development of the arts and tourism industries.

The Working Group assembled to help guide this process presents this document to the CEDC and recommends the Cumberland City Council adopt this plan to guide the next iteration of economic development investments and efforts into the near future.

The report includes the following chapters:

- Chapter 1 Introduction
- Chapter 2 Executive Summary
- Chapter 3 Socioeconomic Analysis
- Chapter 4 Real Estate Market Analysis
- Chapter 5 Target Industry Study
- Chapter 6 Implementation Strategy



2 EXECUTIVE SUMMARY

A. SOCIOECONOMIC ANALYSIS

Cumberland has characteristics consistent with a post-industrial city, experiencing a declining economic base related to losing its primary market sector (automotive manufacturing). The loss of these sectors' employers has culminated into a variety of unfavorable demographic and economic conditions, adversely affecting Cumberland from developing an advanced and sustainable economy.

For example, the population decline of the previous decade coincides with major job losses in Cumberland and throughout Allegany County. Job losses and population declines are projected to continue through 2026. In attempt to reverse projected population decline, the city must introduce initiatives that supports job growth in a variety of industries resilient to economic shocks.

Further, the prime working age population in Cumberland and the Region is decreasing while the senior population is increasing. The prime working age population, persons 35 to 64 years old, decreased over the previous decade and is projected to decrease through 2026. This will further reduce labor resources available to support local businesses and services. Economic development efforts should concentrate on smaller-scale business development (less than 50 persons). That said, the growing elderly population creates further opportunities for additional service-based businesses for seniors (e.g., health and wellness).

The recent COVID-19 pandemic revealed that Cumberland's and the Region's core industries are vulnerable to economic downturns. Cumberland's and the Region's core industries are Food-Accommodation Services, Retail Trade, and Healthcare, sustaining major job losses from COVID-19. The CEDC must explore economic development initiatives to boost employment among industries more resilient to economic downturns, such as Technology and Professional Services. Cumberland's high quality of life, affordability, proximity to larger employment centers, and developing fiber infrastructure can be marketed to attract remote workers and smaller business service companies.

B. REAL ESTATE MARKET ANALYSIS

Cumberland's economic conditions and real estate market are inherently intertwined. For instance, the availability of real estate influences the types of industries able to locate their operations in Cumberland. The pace of real estate development reflects the demand from investors, which has been low for more than two decades. Moreover, as demand for goods and services has declined in recent years, many of the city's businesses have closed, vacating building spaces and storefronts.

Most of Cumberland is already built out while limited undeveloped land is available for development. The supply of undeveloped land is limited to environmental constraints, such as steep slopes and wetlands. These conditions make development either costly or impractical. The minimal opportunities available for green-field development suggests that future construction will focus on in-fill development or redevelopment of small parcels. Focusing on how to maximize the potential yield from these limited opportunities should be a priority for the city.

This is particularly true for the city's downtown area (Baltimore Street). Revitalizing this commercial core should be considered a prime objective in promoting economic development. In the 21st century,



economic development has stressed a greater emphasis on enhancing the quality of life of an area. Today, young professionals are attracted to living and working in vibrant places that are walkable, concentrated with urban amenities and distinctive architecture. Downtown Cumberland has the ingredients to attract young professionals, comprised with a rich collection of historic buildings and pedestrian friendly walkways. The city already is investing in strengthening the existing assets along Baltimore Street. Similar focus and effort should be placed on strengthening commercial activity centers adjacent to Downtown Cumberland, particularly Canal Place and Rolling Mill. And enhancing physical connections between these centers and Downtown Cumberland in ways that supports walkability and accessibility.

C. TARGET INDUSTRY ANALYSIS

The following section identified the following target industries for the CEDC to pursue in the near term:

- **Health Care and Social Assistance (NAICS 62)**
- **Remote Business Services (NAICS 51, 52, 54, 55)**
- **Construction Contractors and Rental Leasing (NAICS 54 & 53)**
- **Tourism and Recreation (NAICS 72)**
- **Retail and Dining (NAICS 44, 71)**

1. Health Care and Social Assistance

Healthcare and Social Assistance is Cumberland's largest industry, bolstered by UPMC Western Maryland. UPMC Western Maryland has an expansive customer base, serving the health needs of Allegany and Garrett Counties, as well as surrounding counties in West Virginia and Maryland. The hospital is community-centric, providing a variety of medical services, including mental health services and pediatric specialty care. For Cumberland to remain a strong healthcare hub, the CEDC must cooperate with UPMC Western Maryland and other healthcare institutions, responding to economic shifts and accommodating the living needs of healthcare professionals.

Allegany County's aging population will increase the demand for medical services. Medicare and UPMC Western Maryland, part of a global enterprise, can provide financial support for households across a variety of income levels. A boon for Allegany County, given the high proportion of lower income households. In wake of the rising demand among older residents, the CEDC must capitalize on UPMC Western Maryland's extensive resources; Leveraging partnerships to develop senior living assisted facilities and outpatient treatment programs for seniors seeking to remain in their homes.

In Allegany County, shortages among healthcare professionals are rising, especially among nurses. In part, shortages stem from higher salaries offered at private physician offices and competitors outside the region. The growth of traveling nursing agencies, offering higher salaries have resulted in nursing shortages, a challenge among local hospitals spanning nationwide. To reduce labor shortages, recruitment for healthcare professionals outside the county has become restrictive. Instead, workforce training programs could help residents access jobs in medical support. UPMC Western Maryland has coordinated with Allegany College of Maryland (ACM) to expand their nursing programs to train additional students seeking to become nurses at the hospital.

Per conversations with UPMC Western Maryland, recruiting and retaining healthcare professionals has been challenging due to the lack of urban amenities, social opportunities, and decent housing options. Trending nationwide, young professionals are demanding housing in walkable and vibrant neighborhoods. As the CEDC works to revamp Cumberland's Downtown, mixed use development should be prioritized, equipped with diverse housing options and retailers.



2. Remote Business Services

Cumberland offers a high-quality of life, year-round outdoor recreation amenities, and a low cost of living. These are attractive features to workers that seek a less urban lifestyle and access to outdoor amenities, a trend popularized during the COVID-19 Pandemic. Communities such as Asheville, North Carolina and Johnson City, TN have developed large markets for remote workers, in search for a better-work life balance. In general, remote workers have incomes that exceed wages in the area.

While job losses have spanned across most industries in the previous decade, Allegany County gained jobs in a few lucrative industries. The job gains among these industries signal a potential to attract remote workers that could also work in these industries. In effort to recruit remote workers, the CEDC needs to consider offering financial incentives and enhancing Cumberland's urban fabric with a vibrant downtown and increased walkability. Incentives to lure remote workers has been common among local governments nationwide, such as supporting moving and housing costs as well as offering cash up front.

3. Construction Contractors and Rental Leasing

The CEDC should consider pursuing construction and remodeling contractors to improve the city's built environment. Cumberland is burdened with several dilapidated buildings deemed unusable and or burdened with degenerated facades. These attributes can hamper the CEDC's efforts to recruit and retain businesses. The look and feel of physical spaces are a critical factor of a business' evaluation of a place, preferring to conduct operations in places with updated buildings features and strong neighborhood aesthetics. Fortunately, Cumberland contains a rich collection of historical buildings, an attractive feature to businesses and residents. Many require rehabilitation, a challenging task requiring contractors with specialized skills. Preservation Maryland, a nonprofit dedicated to historical preservation throughout the state, connects preservation building contractors with communities. The CEDC should coordinate with Preservation Maryland and other state entities, securing grants and rehabilitation services to help improve the historic building stock in Cumberland.

Limited housing opportunities for workers is a challenge among local businesses, constraining their labor recruitment efforts. Businesses have voiced concerns that recruiting workers is difficult, citing a lack of rental options and housing opportunities that cater to younger generations. Considering these concerns, the CEDC should target contractors and rental leasing companies to help expand rental units, especially within the available building stock in Downtown Cumberland. These opportunities could appeal to remote workers, seeking more affordable rental opportunities relative to their current place of work.

4. Tourism and Recreation

Cumberland is at the center of a four-season recreation and tourism market. The city boasts exquisite hiking and biking trails and hosts arts venues, holiday/community events, outdoor music concerts. The proximity to the river and GAP trail has enabled the growth of a small bed & breakfast market and recent development of hotels and resorts. Earlier in the report, the Economic Analysis revealed that the hospitality, entertainment, and recreation gained jobs over the previous decade. In part, this is due to the addition of Rocky Gap Resort and Casino.

While tourism is a vital source of Cumberland's economic growth, the CEDC must consider forming strategic partnerships to efficiently grow and sustain the tourism industry. Multiple entities maintain objectives that are inextricably linked to growing the tourism industry in Cumberland and the surrounding region. These include Mountainside MD, Canal Place Preservation & Development Authority, Allegany Arts Council (AAC), and the Downtown Development Commission (DDC). These organizations must increase cooperation with each other or rather, formulate into a single entity. Doing so, would reduce inefficiencies for increasing tourism in the area while maximizing the objectives of each individual entity. For instance, the AAC and the DDC could develop innovative beautification strategies that enhance the



physical connection between the GAP trail and Downtown Cumberland to encourage greater foot traffic along businesses on Baltimore Street.

5. Retail and Dining

Retail and Dining is not a target industry. They are complementary industries, expanding because of demand generated from workers and households connected to primary industries—Healthcare and Social Assistance, Management of Companies etc. Thus, the recruitment and creation of retailers and restaurants must be less prioritized. However, retailers and restaurants can affect economic development outcomes and must be strategically planned to maximize benefits.

Between 2010 and 2021, department stores accounted for approximately 60% of job losses within the Retail Trade industry. These losses coincide with department store closures at the Country Club Mall in La Vale. With the rise of ecommerce and trend towards independent stores in walkable neighborhoods, retailers may be better served in denser areas near housing opportunities. Rolling Mill is a strategic location to support a mixture of retailers and housing, especially due to its walkability to Downtown Cumberland.

Most recent developments were gas stations, equipped with convenience stores. Since 2016, 3 Sheetz and 1 Loves Country Store were developed. While these retailers provide few jobs and generate tax revenues, they constrain Cumberland from advancing towards their economic development objectives: Creating jobs within stable industries, maximizing scarce land resources, and revamping Cumberland's image as a long-term destination.

D. IMPLEMENTATION STRATEGY

Historically, Cumberland has been an economic hub for Allegany County and the Western Maryland region. The city's economy developed and flourished as an industrial center for manufacturing and shipping until the unintended consequences of globalization and technological advancement unfolded. As manufacturing jobs were exported internationally (particularly Mexico), Cumberland's economy suffered; Demonstrated by major job losses across most industries, massive population declines, and physical deterioration of the built environment. To reverse these challenges, Cumberland has progressed in many areas, growing into a regional medical hub, strengthening their local educational programs, capitalizing on local tourist attractions, and planning for downtown revitalization. The updated implementation strategy positions Cumberland and the CEDC to continue to build on this progress while meeting the city's economic development goals:

- Develop a revised council-endorsed economic development vision
- Strengthen coordination and cooperation among implementation partners
- Increase public support for defined economic development vision
- Empower the CEDC to proactively create rehabilitation/new development opportunities
- Continue to build Cumberland's image to stimulate growth and investment
- Improve Cumberland as place to live, work, and play
- Create the environment conducive to encourage job growth and retention in a variety of stable industries

Specific objectives and action items are detailed in the implementation chapter (Chapter 6). The following narrative highlights those actions considered by RKG Associates to be critical to the city's continued economic development success.



1. Staff the CEDC Commensurate with Stated Goals

The economic development expectations in Cumberland continue to exceed what is possible given the current volume of financial investments and staff capacity. The depth and breadth of existing economic development activity is not commensurate with the appropriate output from two economic development professionals. Further, it was reported during this effort that the CEDC often is asked to address tangential, or even unrelated, efforts due to lack of capacity/capability within the city's staffing. This creates an ineffective cycle where expectations are raised while the existing capabilities available to meet these expectations are incompatible. As a result, the CEDC should reduce its focus to the most critical tasks until additional staff and resources are made available. **RKG Associates and the Advisory Group recommend the CEDC's efforts should focus on business retention and expansion and asset development. The CEDC can expand its efforts as additional staff members are hired; Specifically, related to marketing, small business development, and development review.** The order of described positions is the recommended order of hiring from RKG Associates and the Advisory Committee.

- ***Marketing Director***- Marketing efforts currently are reactive and not proactive. This primarily is due to the lack of staff and resources to develop, produce, and maintain a comprehensive outreach strategy to potential targets (e.g., entrepreneurs) and increase awareness of opportunities that exist in Cumberland (e.g., investors and telecommuters). The Marketing Director position will be responsible for creating and maintaining marketing materials, coordinating information-sharing programs with community members, and recruiting part-time staff members to assist with website development and write economic development memos. Specific efforts include writing the monthly newsletter, designing the quality-of-life brochure, supervising website content and design, coordinating networking and outreach events, and advertising economic development related events.
- ***Small Business Development Specialist***- The County's Small Business Development Center is an excellent start to developing 'home-grown' businesses. However, it lacks focus and is not incubated for capitalizing on the specific opportunities available in the City of Cumberland. RKG and the Advisory Group recommend a joint City-County entrepreneurial effort that maximizes the resources already available through the County while creating a stronger, more proactive marketing campaign to increase awareness locally and regionally. The Small Business Development Specialist position will augment existing efforts and allow the City and County to consider operating physical space for entrepreneurial development (e.g., a permanent facility for classes/lectures and assistance). This position also can administer the mentorship program and lead the efforts on rural-sourcing campaigns.
- ***Ombudsman***- An ombudsman assists property owners and businesses through development review and entitlement processes. Often, these individual addresses the mistakes made by applicants (e.g., failing to have all the proper paperwork) and assists in challenging processes (e.g., sequencing for multi-faceted review processes). Whether that be a rezoning or variance request, the ombudsman assists applicants navigate Cumberland's rules and regulations. Current CEDC staff provide these services when asked/or know of the challenges, but do not have the capacity to proactively market these services or address all the potential needs of Cumberland businesses/property owners. Additional staffing is required to proactively engage existing and potential businesses in an effective manner.

Ideally, these positions would be fulfilled by full-time staff members. Additional support can be supplemented through part-time interns from local community colleges and community volunteers willing to provide in-kind assistance.



2. Create Greater Coordination and Collaboration

- Strengthen relationships with local partners and define their roles and responsibilities within economic development efforts through a Memorandum of Understanding (MOU)- As noted, the CEDC has limited staff and financial resources to achieve all the goals identified by the Advisory Group. To help offset these limitations, the CEDC needs to continue to build coordination with local mission-based entities focused on enhancing the economic and social climate in the area. Such organizations include, Allegany County Arts Council, Downtown Development Commission, Tri-County Council etc. Coordination among these organizations is vital for bolstering the CEDC's efforts on business recruitment, communication, and outreach, and various placemaking activities. While these efforts remain undefined, creates overlap and confusion on specific roles and responsibilities for each organization. To encourage the most effective results, the CEDC and relevant organizations must clearly define their responsibilities and roles for advancing economic development objectives in a written MOU.
- Form strategic public-private partnerships to finance economic development activities- Due to limited funds, most economic development efforts will require financial assistance through public-private partnerships. RKG recommends that the CEDC work with the Appalachian Regional Commission (ARC) and Allegany County Economic Development to develop a revolving capital fund focused on real estate rehabilitation and investment. This fund can help finance a variety of economic development activities including land acquisition, building rehabilitation, and small business development. A potential mechanism to create the fund e is a partnership with local banks, offering low interest loans with government guarantees. Whenever appropriate, the CEDC should capitalize existing resources from the state government and continue to lobby for the development of realistic, mission specific investment programs. One example would be providing more aggressive tax credits for small business/entrepreneurial development within the city's downtown area.
- Continue to build partnerships with Allegany County Economic Development- **RKG Associates reiterates the potential effectiveness and efficiency gained by having the city and county efforts work harmoniously.** As stated in the city's previous strategic economic development plan, RKG Associates believes the most effective and efficient approach to economic development for the City of Cumberland and Allegany County is through a joint public private partnership. A consolidated economic development organization can help bridge the depth of financial and technical resources needed to advance the Advisory Group's defined goals. That said, RKG understands efforts to achieve this strategy were attempted but fell short. RKG also recognizes that continued efforts to build trust and collaboration is necessary to fully reach the potential of having a single, comprehensive economic development effort for all Allegany County residents. While the timing of a true joint initiative may be longer-term than hoped for, many of the expected economic development initiatives should be executed at the county level as a joint initiative with joint funding strategies to minimize having to hire multiple staff members to perform similar job tasks. The fragmentation of economic development efforts continues to generate potential duplication of services, cost inefficiencies, and barriers to creating a fruitful environment for business development and attraction. To this point, the Advisory Group and RKG have offered several 'first step' opportunities to engage with Allegany County Economic Development and recognize the importance of the recent joint investment in property acquisition. Hopefully, these incremental investments and efforts will allow all economic development partners in Allegany County to reconsider how to best serve the community's economic development needs over time.



3. Enhance Relationships with Existing Businesses

The CEDC must continue to develop consistent communication and engagement with local businesses to nurture their existing operations and growth. This involves understanding local businesses' key challenges that are impeding their operations and how the CEDC can respond to mitigate such challenges. Without proper outreach, local businesses are more prone to break down under adverse market conditions, making them less likely to continue to participate in Cumberland's overall economic market.

- Create and maintain database of all businesses in Cumberland- The CEDC must establish and manage a list of all businesses throughout the city. This is helpful for facilitating consistent communication with all businesses, providing updates on economic development, and ensuring each business is aware of programs, opportunities, and incentives available for them to sustain and grow in Cumberland. An initial step is for the CEDC and City of Cumberland to develop a comprehensive business license tracking and reporting system. As the CEDC builds its business database and executes its annual business survey (detailed in the next recommendation), engaging a Customer Relationship Management (CRM) system will be essential to track engagement efforts and progress with local businesses. Purportedly, Allegany County Economic Development is in the process of creating a CRM system which the CEDC will be able to use.
- Arrange and moderate one-on-one meetings with all businesses- In-person meetings can nurture trust and transparency between the CEDC and local businesses particularly for small businesses that are underrepresented at networking events. The CEDC must meet and engage with all businesses throughout the city and establish metrics that indicate the length of time to meet with all businesses (e.g., meet with all businesses within a two-year time frame). A defined metric can be effective to maintain accountability in the CEDC's outreach efforts and should be established based on staff availability (RKG recommends hiring an additional business retention specialist to execute this effort). Local partners that have relationships with existing businesses can help with these efforts, including Allegany County Economic Development and Downtown Development Commission (DDC).
- Train ambassadors and board members to assist in outreach efforts- The CEDC's existing staff capacity is not capable to meet with all businesses throughout Cumberland in a reasonable time frame. In addition to hiring a business retention expert, deploying business ambassadors to engage in outreach efforts will amplify the existing staff capacity of the CEDC. While the CEDC and local partners continue to meet with the city's businesses, trained ambassadors can begin to meet with businesses that already share a strong relationship with the CEDC. Ambassadors must be trained to ask protocol questions for moderating conversations and be proficient at using the CRM system.
- Continue to build relationship between businesses and local educational institutions- Businesses can have changing labor demands based on market developments and will seek workers with specific skills and interests. The CEDC can expand its existing relationships with local educational institutions (e.g., Allegany College of Maryland, Allegany County Public Schools) to facilitate the development of educational programs and curriculums that prepare students for working opportunities in the area. More specifically, there are opportunities to build workforce development opportunities for middle and high school students in growing employment sectors, Healthcare, in particular.
- Host career-day events with local stakeholders- The CEDC should consider hosting career-day events with a variety of local stakeholders, including Allegany College of Maryland (ACM), Frostburg State University (FSU), the Western Maryland Information Technology Center for Excellence (WMITC), and Allegany County Economic Development. These events should be designed to bring local and regional businesses to discuss opportunities with local adult, college,



and high school workforce participants. Such discussions should focus on marketing existing job opportunities as well as detailing the type and scale of education and training to be able to compete for these jobs. Understanding the educational and training credentials for job placements is critical for building and maintaining the community's labor resources.

4. Expand CEDC's Role in Developing and Executing Public-Private Partnerships

In Cumberland, public-private partnerships are essential to finance redevelopment and infill projects. Without proper financing, developers are unable to complete projects aimed to reflect the city's development objectives and community outcomes. The City of Cumberland must be involved in the real estate development process, to the extent of financing projects and recommending building features to include on finished projects. However, involvement beyond these responsibilities can slow approval processes and minimize the CEDC's entrusted responsibilities for advancing real estate projects. These challenges were recently exemplified during the acquisition of Messick Road and future redevelopment of Rolling Mill.

All that said, RKG strongly recommends the city expand the CEDC's role in administering ongoing and future real estate projects. The City can retain final approval for financial incentives but positions the organization it created years ago to execute real estate deals. The Board of Directors for the CEDC already includes a combination of public and private sector leadership, ensuring execution of these projects will comply with the city's defined economic development goals and objectives (presumably codified through this document).

5. Proactively Engage and Educate the Community

Community support is integral to advancing economic development initiatives. Residents may misunderstand the importance of economic development and how economic development benefits them. This is particularly true in communities where economic growth has been limited for extended periods of time. To bridge this knowledge gap, RKG Associates recommends the CEDC to implement a series of community engagement and educational outreach initiatives. Such outreach initiatives can come in the form of in-person discussions, surveys, and interactive online forums.

- Facilitate in-person and virtual workshops- This is the most direct form of communication, which involves educating residents on what economic development is and how economic development benefits them. This should include a special focus on how economic development has transformed in the 21st century, emphasizing the increased importance of dedicated community participation and how economic development is an incremental process. While primary in-person discussions will be hosted by the CEDC, a series of supplementary discussions should be moderated by residents with strong ties to local civic organizations or neighborhood groups to increase the effectiveness of the message.
- Implement bi-annual survey to residents- A bi-annual survey targeted to residents can gauge local understanding and support of economic development as well as identify any community-based goals and concerns. Their responses can help facilitate the creation of programs and policies that advance community goals and provide content to develop targeted approaches to address common/detailed community concerns.
- Initiate interactive online forums- To ensure constant and consistent communication with residents and civic organizations, an online tool should be integrated with the CEDC website for providing feedback on economic development programs and requesting meetings with economic development staff. Having a dedicated communication portal on the CEDC website can offer individual citizens the opportunity to ask questions, provide recommendations, or seek clarification on the city's economic development efforts.



3 SOCIOECONOMIC ANALYSIS

A. INTRODUCTION

Cumberland, Maryland has characteristics consistent with a post-industrial city, experiencing a declining economic base related to losing its primary market sector (automotive manufacturing). The loss of these sectors' employers has culminated into a variety of unfavorable demographic and economic conditions, adversely affecting Cumberland from developing an advanced and sustainable economy. The Socioeconomic Analysis details recent and past trends, providing a framework to determine potential opportunities the CEDC and the City of Cumberland can consider for reinvigorating economic growth.

B. MAJOR FINDINGS

The local population and household bases declined and are projected to decline. The population decline of the previous decade coincides with major job losses in Cumberland and throughout Allegany County. Job losses and population declines are projected to continue through 2026. In attempt to reverse projected population decline, the city must introduce initiatives that supports job growth in a variety of industries resilient to economic shocks.

The prime working age population in Cumberland and the Region is decreasing while the senior population is increasing. The prime working age population, persons 35 to 64 years old, decreased over the previous decade and is projected to decrease through 2026. This will further reduce labor resources available to support local businesses and services. Economic development efforts should concentrate on smaller-scale business development (less than 50 persons). That said, the growing elderly population creates further opportunities for additional service-based businesses for seniors (e.g., health and wellness).

Cumberland's household median income grew slower than all counties in the Region and remains the lowest among all counties in the Region. As of 2021, the city's median household income is \$37,733, the lowest in the Region. However, the city's low cost of living can support affordable opportunities for potential workers, a benefit to businesses considering relocation.

Cumberland's and the Region's core industries were vulnerable to the economic downturn from COVID-19. Cumberland's and the Region's core industries are Food-Accommodation Services, Retail Trade, and Healthcare, sustaining major job losses from COVID-19. The CEDC must explore economic development initiatives to boost employment among industries more resilient to economic downturns, such as Technology and Professional Services. Cumberland's high quality of life, affordability, proximity to larger employment centers, and developing fiber infrastructure can be marketed to attract telecommuters.

Cumberland is a center for employment within Allegany County. Despite some of the city's past and existing economic woes, it remains an employment center within Allegany County and the Western Maryland Region, with more workers commuting to Cumberland than residents commuting out of the city for work. Most of in-commuters come from other parts of Allegany County. The finding supports the strong economic connection between the city and the county, reinforcing the value of more collaboration between the City of Cumberland and Allegany County on economic development efforts.

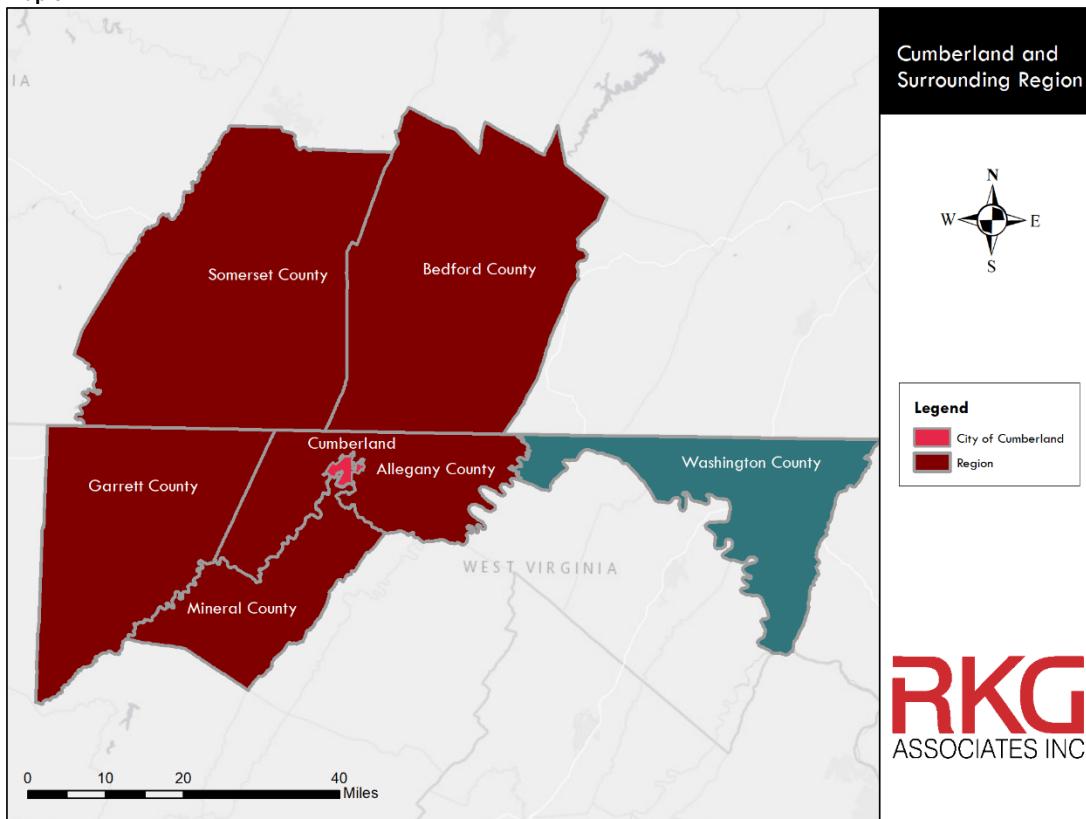


C. METHODOLOGY

1. Geographic Focus of Analysis

Cumberland is part of the Western Maryland region, located among the Allegheny Mountains. The subsequent analyses compare Cumberland's demographic and economic conditions to surrounding counties, due to their similar social dynamics and geographic characteristics. Map 3-1 illustrates the Region, which includes Allegany and Garrett Counties in Maryland, Bedford and Somerset Counties in Pennsylvania, and Mineral County in West Virginia. Washington County's socioeconomics were evaluated as a means of comparison to Cumberland and the Region, comparing their relative performance in demographic and economic trends.

Map 3-1



Source: RKG Associates, Inc., 2021

RKG
ASSOCIATES INC

2. Data Sources

The Socioeconomic Analysis assesses a collection of demographic and economic data metrics. Demographic data comes from the U.S. Census Bureau as well as estimates and projections from ESRI. ESRI is a nationally recognized third-party data provider that uses U.S. Census data to generate its estimates and projections for geographic areas. Economic data on workforce characteristics, mostly came from the Bureau of Labor Statistics (BLS) and EMSI. EMSI provides labor market conditions of geographic areas nationwide. However, EMSI does not provide data of employment within Cumberland's boundaries. Therefore, the Census' Longitudinal Employer-Household Dynamics Program (LEHD) was used to extract this information.



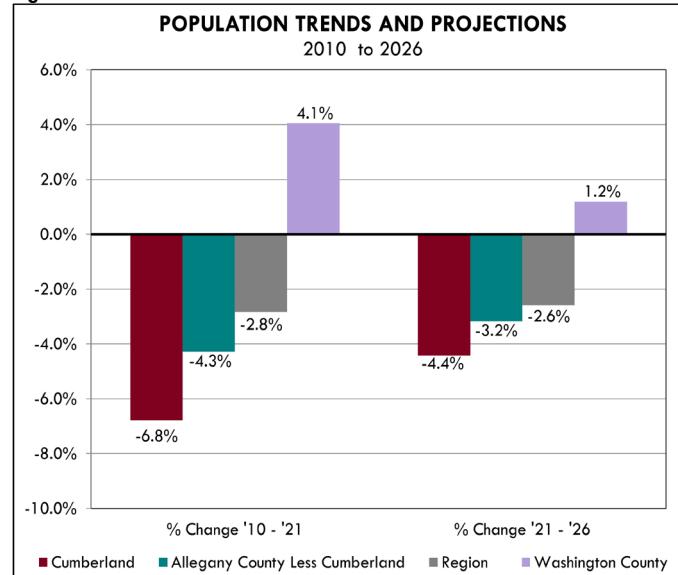
D. DEMOGRAPHIC ANALYSIS

The Demographic Analysis assesses demographic conditions and trends in Cumberland and throughout the Region. In effect, gaining a better understanding of the potential impacts to the local economy and community that will shape future economic development efforts. Where appropriate, the analysis includes suggestions of practical interventions or initiatives for the CEDC to consider.

1. Population

Cumberland's and Allegany County's population significantly declined. Between 2010 and 2021, Cumberland's population declined by 7%, a loss of 1,145 persons (Figure 3-1). The population of Allegany County residing outside of Cumberland declined by 3,736 persons between 2010 and 2021. Largely, the population decline of both areas resulted from outmigration, as the average household size remained constant and labor market depleted with job losses. Major job losses occurred throughout the entire Region, reinforcing the Region's population decline of 7,402 persons between 2010 and 2021. Projections indicate future population losses through 2026 in Cumberland and across the Region, partly a result of limited economic development interventions.

Figure 3-1



Source: Census 2010, ESRI, and RKG Associates, Inc., 2021

Just outside the Region, Washington County's population increased by 4.1%, gaining 6,000 persons between 2010 and 2021. In that time, Washington County lost 3,316 net jobs. However, over half the working population commutes to areas of employment outside the county's boundaries. That said, Washington County's increase in population is not attributed to job growth. But rather, a result of less expensive living costs compared to nearby major employment centers, including Baltimore and Washington D.C. The county offers comparably affordable living opportunities and the opportunity for workers to commute to major employment centers further east (Baltimore) and south (Washington D.C.).

2. Age

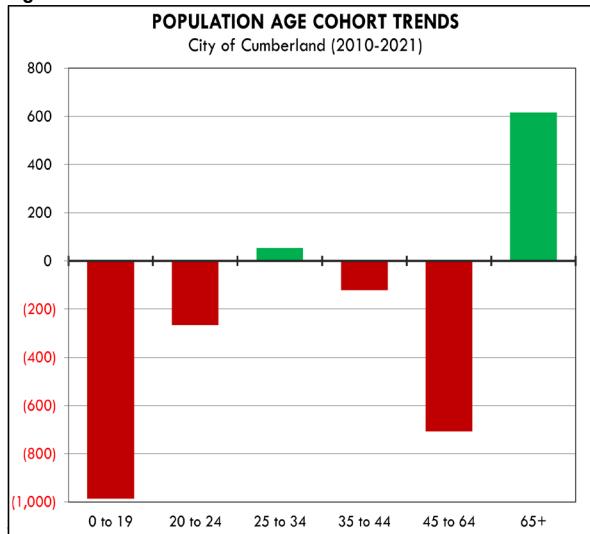
In Cumberland and across the Region, the population declined among most age cohorts. Each cohort is integral to sustaining economic growth and resilience. Between 2010 and 2021, Cumberland lost 1,254 persons under the age of 24 (Figure 3-2). Persons under the age of 24 may include students attending colleges elsewhere, college graduates, and workers early in their careers. Losses among this age cohort represents a 'brain-drain,' a major challenge perceived by local stakeholders. While lucrative job opportunities are limited in Cumberland, students and college graduates may continue to seek more favorable options outside the area. This is a challenge for the Region too, as the population aged 24 years and younger declined by 16%, losing 12,110 persons between 2010 and 2021 (Figure 3-3).

Meanwhile, the population aged 35 to 64 declined in Cumberland and the Region. Among this cohort, Cumberland lost 829 persons while the Region lost 9,567 persons. Most aged 35 to 64 are experienced workers, with many fulfilling managerial roles and representing active spenders in the local economy.



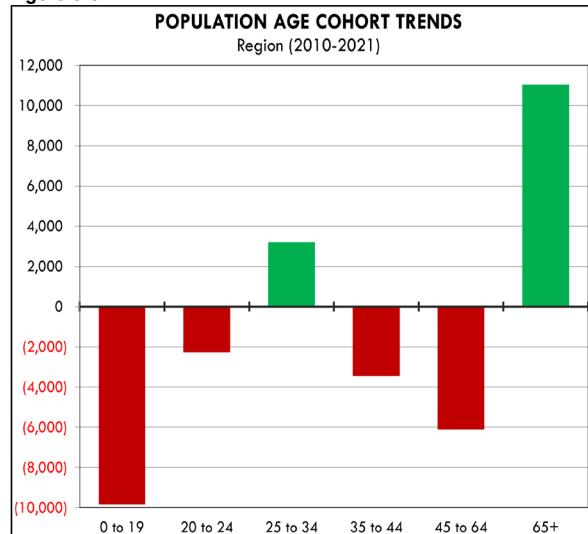
Higher spending volume translates to increased tax revenue, supporting the provision of community and retail services. Providing adequate community services is necessary to enhance a city's quality-of-life, critical for attracting and retaining local businesses and residents. In contrast, persons over 65 years old increased by 75%, gaining 3,100 seniors. Senior residents will increasingly demand community services, particularly healthcare, as they continue to concentrate locally. While Cumberland's working age population decreases and senior population increases, the economic challenges are two-fold—increased pressure to provide community services and fewer labor resources for businesses to utilize.

Figure 3-2



Source: Census 2010, ESRI, and RKG Associates, Inc., 2021

Figure 3-3



Source: Census 2010, ESRI, and RKG Associates, Inc., 2021

3. Racial/Ethnic Composition and Foreign-Born Population

Western Maryland's population is not diverse. Cumberland's population is approximately 88% White, while the Region's population is roughly 93% White (Table 3-1). Together, Black and Multi-Race persons comprise over 10% of the city's population relative to the roughly 6% throughout the Region. The larger proportion of minorities in Cumberland reflects urban areas in general, more likely concentrated there than in rural areas. Encouraging a more diverse community could create economic development opportunities, as areas with more cultural and ethnic diversity can benefit tourism (through diversity of businesses) and entrepreneurship. Further, racial and economic diversity is becoming a critical factor in site location evaluation processes.

One opportunity that could help reverse the City's declining demographic base is supporting immigrant relocation. Post-industrial cities throughout the Northeast and Midwest have absorbed a variety of economic benefits from immigrants moving in. Since 2010, refugees in Buffalo, New York have filled thousands of jobs while helping to reverse decades of population declines within the city. Resettlement agencies in Buffalo spearheaded this transition,

Table 3-1
Race/Ethnic Composition
2021 Estimates

	Cumberland	Region
American Indian, Eskimo, Aleut	0.3%	0.2%
Asian Alone	1.3%	0.7%
Black Alone	6.4%	3.9%
Hawaiian/Pacific Islander	0.1%	0.0%
White Alone	87.7%	93.2%
Other Race Alone	0.4%	0.5%
Multi-Race	3.8%	1.0%
Hispanic Ethnicity	1.8%	1.6%
Not of Hispanic Ethnicity	98.2%	98.4%

Source: ESRI and RKG Associates, Inc., 2021

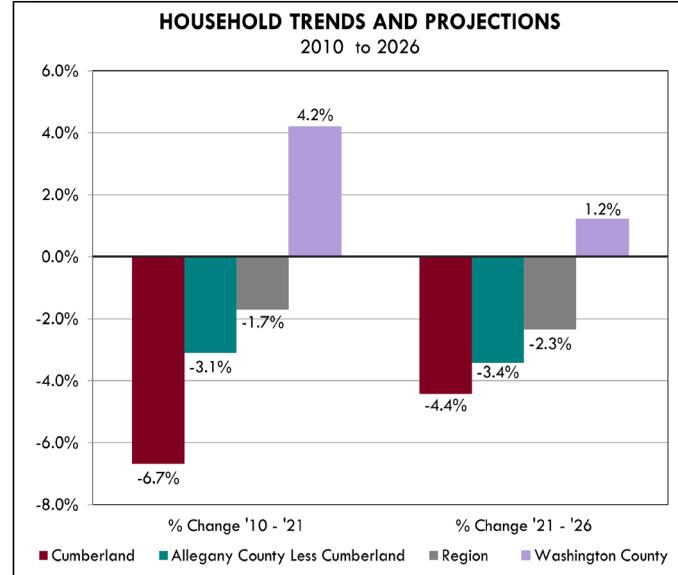


assisting refugees with finding jobs and housing. Cumberland's lower cost of living could be advantageous for attracting immigrants. Especially those with low skills levels and income savings. That said, the CEDC can consider similar initiatives, in coordination with resettlement agencies and the state government.

4. Households

In tandem with a declining population, household bases in Cumberland and areas of Allegany County outside Cumberland declined too. Between 2010 and 2021, Cumberland's household base declined by 6.7%, a loss of 616 households (Figure 3-4). The household base of areas of Allegany County outside Cumberland declined by 2,334 households. Households are critical for supporting the upkeep of infrastructure and provision of community services. The loss of households in Cumberland is evident through the appearance of neighborhood blight, as some areas show signs of deferred maintenance. Visual disrepair of buildings can hamper the CEDC's efforts in attracting and retaining workers and businesses in the area.

Figure 3-4

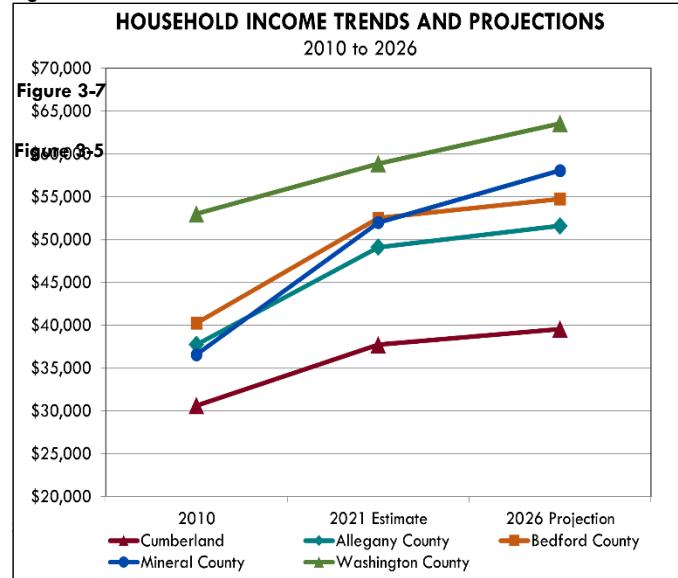


Source: Census 2010, ESRI, and RKG Associates, Inc., 2021

5. Income

In Cumberland, income levels increased over the previous decade. The city's median household income increased from \$30,627 in 2010 to \$37,733 in 2021 (Figure 3-5). The increase coincides with a growth of households earning more than \$100,000 and a growth of persons employed in relatively higher paying industries, such as Management of Companies and Enterprises. As of 2021, however, the city's household median income remains the lowest among the Region, including Allegany County and Mineral County. Mineral County experienced the largest growth of median household incomes in the Region, increasing by roughly 43%. The sharp increase is largely attributed to the expansion of Northrup Grumman's operations in Rocket Center, paying salaries well beyond the Region's average income (\$64,775). Mineral County's median income is projected to surpass the Region's median household income by 2026.

Figure 3-5



Source: Census 2010, ESRI, and RKG Associates, Inc., 2021



While Cumberland's median household income is consistently below the Region's, the city's cost of living is very low, allowing lower income households to afford a comfortable living. This situation can be attractive to businesses seeking to expand their operations, as worker wages will not be as inflated compared to more expensive metro areas. Further, the growth of higher income households indicates the city's relative attractiveness. Anecdotally, there are individuals and investors that have discovered Cumberland and are choosing to relocate/invest in the city. This activity can be amplified through greater marketing and awareness.

E. ECONOMIC BASE ANALYSIS

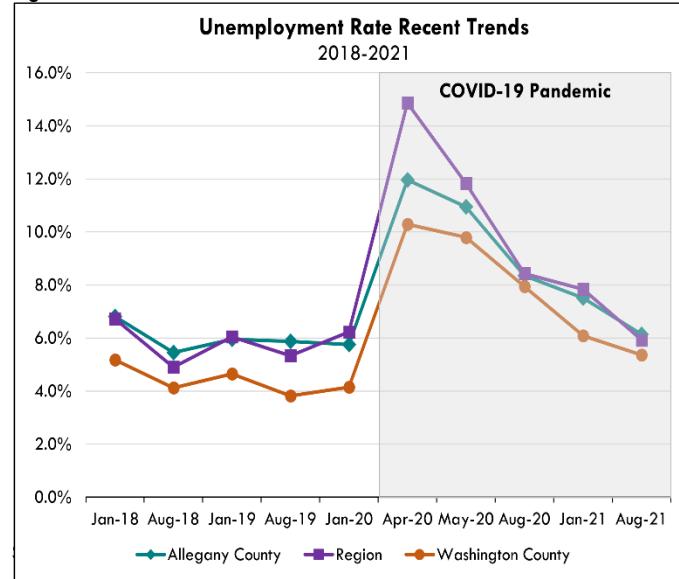
The Economic Base Analysis examines Cumberland's economic conditions and trends. This includes a discussion on unemployment trends, labor force characteristics, industry compositions, and connections to areas outside the city's economy. The analysis' results can assist the CEDC to shape future economic development programs and policies. Due to data limitations, sections of the analysis focus on Allegany County rather than Cumberland. For instance, unemployment data reflecting the COVID-19 pandemic was available for Allegany County but not Cumberland. Therefore, unemployment trends in Allegany County were analyzed instead.

1. Unemployment Trends

The COVID-19 pandemic accentuated Allegany County's economic limitations to weather a recession, resulting in high unemployment and notable job losses. From January 2018 through the months leading up to the COVID-19 pandemic, the unemployment rate fluctuated between 4% and 6% (Figure 3-6). In April 2020, when the COVID-19 pandemic incited a national recession, Allegany County's unemployment rate spiked to 12%. The spike in the unemployment rate stems from the county's high proportion of recession-impacted industries, including Food-Accommodation Services, and Retail Trade. Further, typically industry-resistant sectors, including healthcare and manufacturing were also impacted. All four industries sustained major job losses, primarily due to reduced consumer demand, rising supply costs, and social distancing mandates.

The Region's unemployment rate exceeded Allegany County's unemployment rate at the onset of COVID-19 pandemic, spiking to 14.3% in April 2020. Allegany County's relatively lower spike in its unemployment rate may be attributed to the strength and composition of its local Healthcare industry. UPMC Western Maryland in Cumberland contains more financial and workforce resources to sustain medical operations outside of COVID-19 treatments. Moreover, Allegany County comprises fewer workers in private physician offices and nursing facilities, relative to the rest of the Region. Private physician offices and nursing facilities sustained major job losses due to rising healthcare costs and reduced demand for non-emergent medical procedures.

Figure 3-6



Source: Bureau of Labor Statistics, RKG Associates, Inc., 2021

Washington County weathered the recession better than both Allegany County and the Region. Likely, due to its higher concentration of white-collar teleworking jobs that mostly resisted the economic



recession. As of August 2021, Allegany County's unemployment rate was 6.2%, nearing levels seen before the pandemic. However, the unemployment rate alone understates the impact on the labor market. As of August 2021, the labor force population is significantly lower than it was before the pandemic.

2. Labor Force Population Trends

Even before the COVID-19 Pandemic, Allegany County's labor force was declining. Since 2018, the labor force population peaked at 32,716 persons in March 2019, slowly decreasing to 32,211 persons in March 2020 (Figure 3-7). One month later, in April 2020, the labor force population decreased sharply as the pandemic unfolded. Reasons for the sharp decrease include job losses, inadequate childcare services, and transitions to online learning. Many who lost their jobs dropped out of labor force participation, unqualified to fill skills-based roles that could withstand the recession's devastating impacts.

Signs of recovery seemed apparent as the labor force populations faced short-term fluctuations, eventually increasing slightly through the second half of 2020. By January 2021, however, it eventually decreased to 29,754 persons, the second lowest level recorded in 3.5 years. Since then, the labor force population increased again, as schools reopened to in-person learning, jobs have returned, and higher wages have purportedly attracted people back to working. However, participation remains significantly below than before the pandemic. While the 'Great Resignation' ripples through the U.S., especially among customer-facing roles, it seems unlikely county's labor force population will return to pre-pandemic levels anytime soon. Especially given the county's high concentration of jobs in Food-Accommodation Services and Retail Trade.

3. Educational Attainment

Most of Cumberland's working population has low levels of educational attainment, creating challenges for certain economic development efforts. Nearly 50% of Cumberland's working population has only completed a high school education or less (Figure 3-8). The finding suggests many workers lack qualifications or the expected competencies to fulfill skill-based positions, which generally pay higher salaries and belong to stable industries. Many skills-based positions accommodate workers who earned bachelor's degrees or higher. Only 20% of Cumberland's working population

Figure 3-7

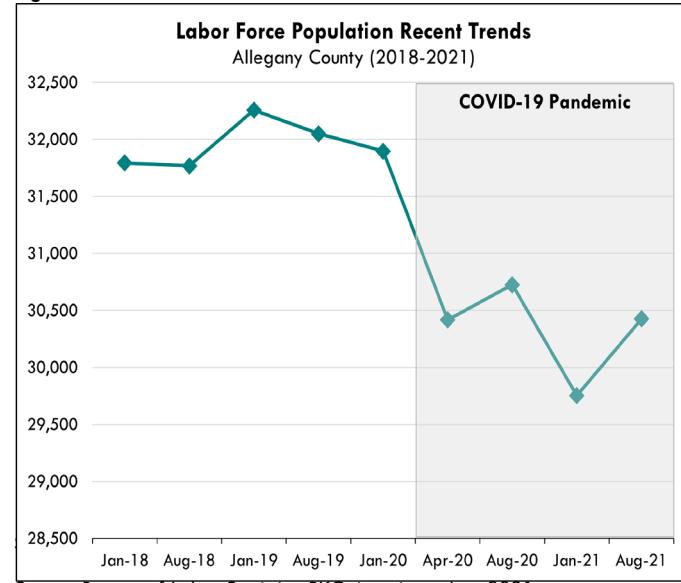
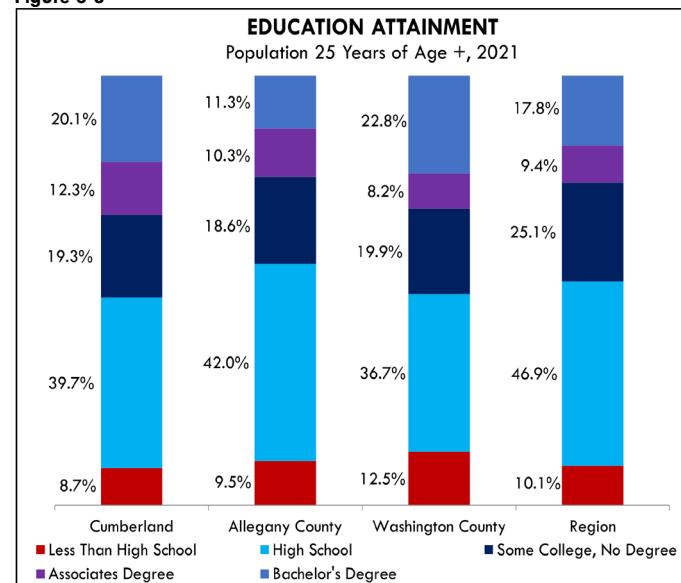


Figure 3-8





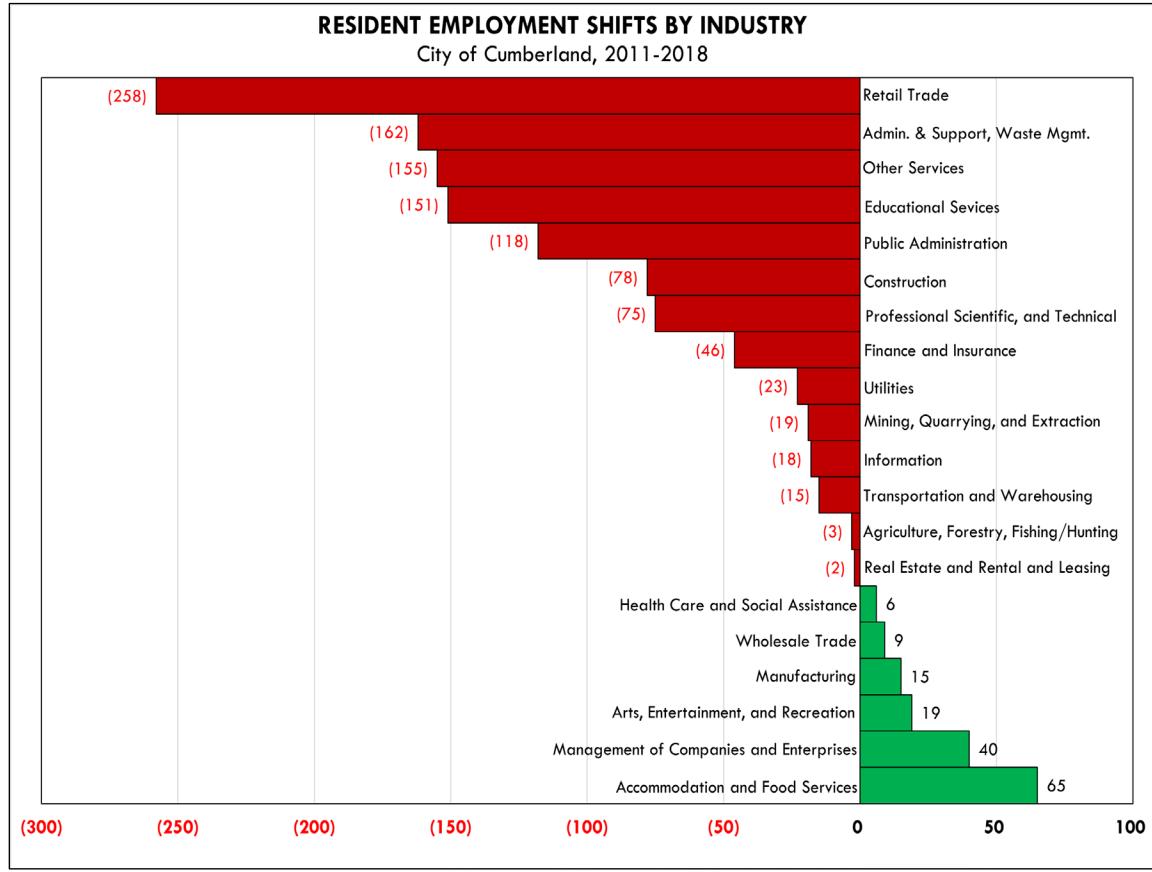
meets this criterion. Not only can this limit the creation of high-wage job opportunities but discourage businesses from considering relocating to Cumberland.

While attaining a four-year bachelor's degree can increase accessibility to lucrative job opportunities, less-intensive educational pathways, including the completion of associates degrees, are becoming increasingly popular nationwide. In comparison to bachelor's degrees, associates degrees are significantly less expensive and offer programs that prepare candidates for skills-based job opportunities. Specific associates degree and certificate programs, such as information sciences and business can resemble bachelor's degree programs, and potentially lead to lucrative job opportunities. As of 2021, over 12% of Cumberland's working population has attained an associates degree or some form of post-secondary education.

4. Resident Labor Force Analysis

Within the previous decade, Cumberland sustained major job losses, especially among working residents. Between 2011 and 2018, Cumberland lost nearly 1,000 employed residents, mostly working in service-based industries (Figure 3-9). The decrease in Retail Trade jobs, reflects increasing demand for e-commerce products and decreasing demand for products sold at traditional brick and mortar stores. Many stores have closed throughout the city and in nearby La Vale. Retail Trade is a Secondary Industry, its performance influenced by the performance of local Primary Industries. The job losses among both Primary and Secondary Industries, largely contributed to reduced consumer demand for retail goods and services.

Figure 3-9



Source: Longitudinal Employer Household Dynamics 2019, RKG Associates, Inc., 2021



That said, the CEDC must consider initiatives for expanding jobs in Primary Industries (e.g., Health Care and Social Assistance, Information, etc.), assisting Secondary Industries (e.g., Retail Trade, Food-Accommodation Services etc.) to stay afloat and retain jobs for residents.

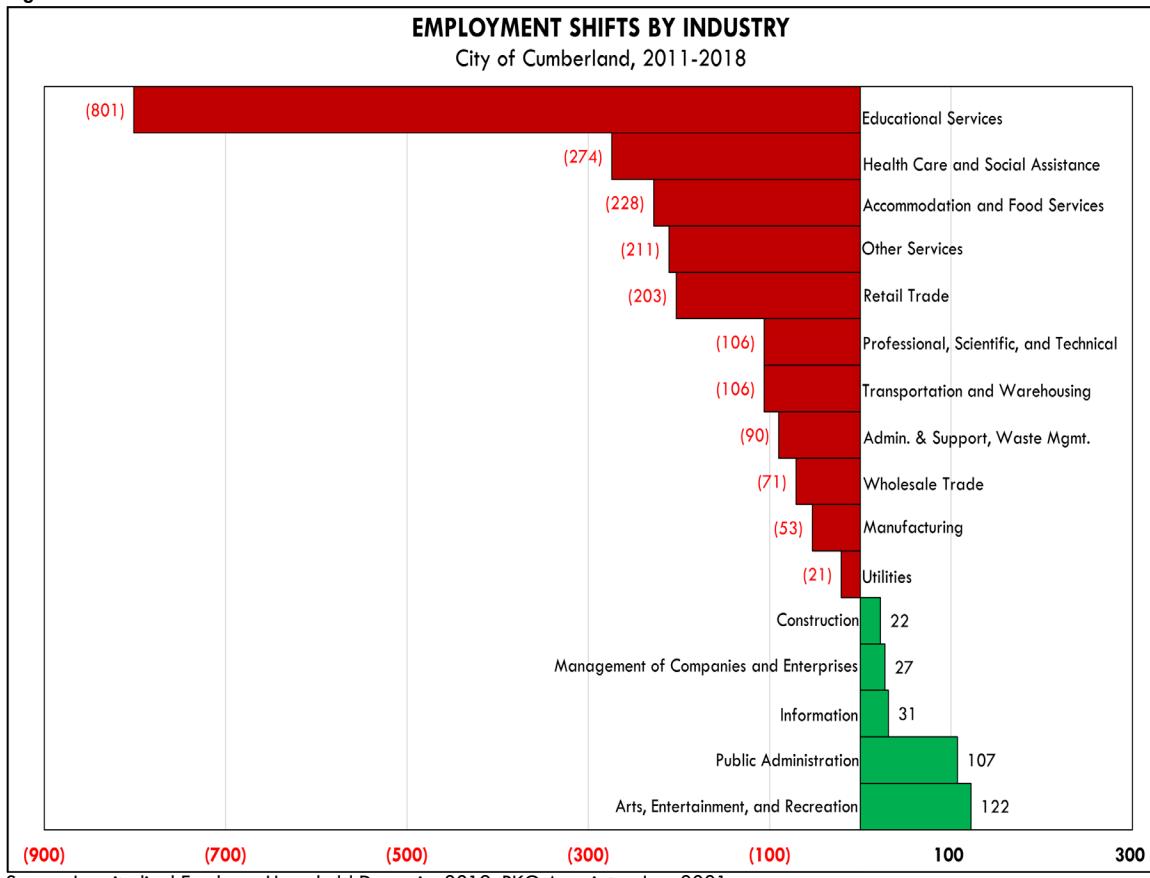
While most industries sustained job losses, a few industries reaped marginal job gains among employed residents. Healthcare, a large proportion of the city's workforce, gained 6 employed residents. Notably, residential employment within the Management of Companies and Enterprises industry increased. In part, a consequence of Northrup Grumman's Facility expanding nearby in Mineral County. Jobs among Management of Companies and Enterprises report higher wages than the city's average income, increasing the spending potential for city services.

5. Industry Analysis

a.) City of Cumberland

From 2011 to 2018, most industries contracted in Cumberland, resulting in nearly 1,900 jobs lost within the city's limits (Figure 3-10). By far, Educational Services sustained the largest losses among all industries, with 800 jobs lost. Losses came from Allegany County Public Schools (ACPS) and Allegany College of Maryland (ACM). Both institutions faced funding shortages from declining student enrollment, sparking attrition and layoffs among staff members. Fewer teachers per student can reduce the quality of instruction, impacting their preparation for eventually entering the workforce.

Figure 3-10



Source: Longitudinal Employer Household Dynamics 2019, RKG Associates, Inc., 2021

Health Care and Social Assistance, Cumberland's core industry, lost nearly 300 jobs from 2011 to 2018. Considering the city's aging population and increased demand for emergency medical procedures, it is critical the CEDC to execute strategic interventions that mitigate future losses. Increased communication



and engagement with local health companies can be an effective intervention, understanding key factors that influenced employee losses. For instance, through conversations with UPMC Western Maryland, upper management personnel suggested many staff workers were compelled to leave their positions, citing a lack of local services and amenities. Developing Cumberland as a place to live, work, and especially play, has been challenging.

While several retail stores and restaurants have faced closures in and around Downtown Cumberland, this challenge could be further amplified. From 2011 to 2018, the Food-Accommodation Services and Retail Trade industries lost a combined 500 jobs. The losses represent the difficulty of retail stores and restaurants maintaining business operations in the city. Such businesses help contribute to a vibrant urban environment, an appeal to both younger and older generations.

While most industries lost jobs, a few industries gained jobs, supporting the CEDC's future economic development efforts. The Arts, Entertainment, and Recreation industry expanded the most, gaining over 120 jobs from 2011 to 2018. The industry's growth coincides with the region's increasing reputation as a tourist destination. However, local stakeholders raised concerns of Cumberland being a short-term tourist destination rather than a long-term tourist destination. Mostly, due to a lack of city attractions and activities. That said, the CEDC must expand on their local amenities to support more tourist activities, consequently creating more direct jobs in the Arts, Entertainment, and Recreation industry while indirectly creating jobs in other industries.

Cumberland gained jobs in lucrative industries, increasing the city's spending capacity and networking opportunities for community enrichment. Combined, the Management of Companies and Enterprises industry and Information industry gained nearly 60 jobs. Both industries pay average salaries well above the city's average. Furthermore, the industries can provide mentoring and educational opportunities, assisting small business development and student development of work-based skills.

b.) Allegany County

The labor force in Cumberland and Allegany County are interdependent, supporting each other's tax base, local businesses, and community development. A significant proportion of Allegany County's labor force is employed in Cumberland while a significant proportion of Cumberland residents are employed in areas of Allegany County outside the city's boundaries. Therefore, it is critical to understand the industry trends in Allegany County, identifying job growth and losses that can influence economic development efforts in Cumberland.

In the previous decade, Allegany County sustained major job losses among industries integral to fostering economic sustainability and community enrichment. Educational Services, integral for workforce preparation, lost 626 jobs from 2010 to 2021 (Figure 3-11). Losses suggest increasing pressures on students, subjected to learning among larger class sizes and fewer teachers. Learning under these circumstances can reduce a student's quality of education, and thus, their preparation for the workforce.

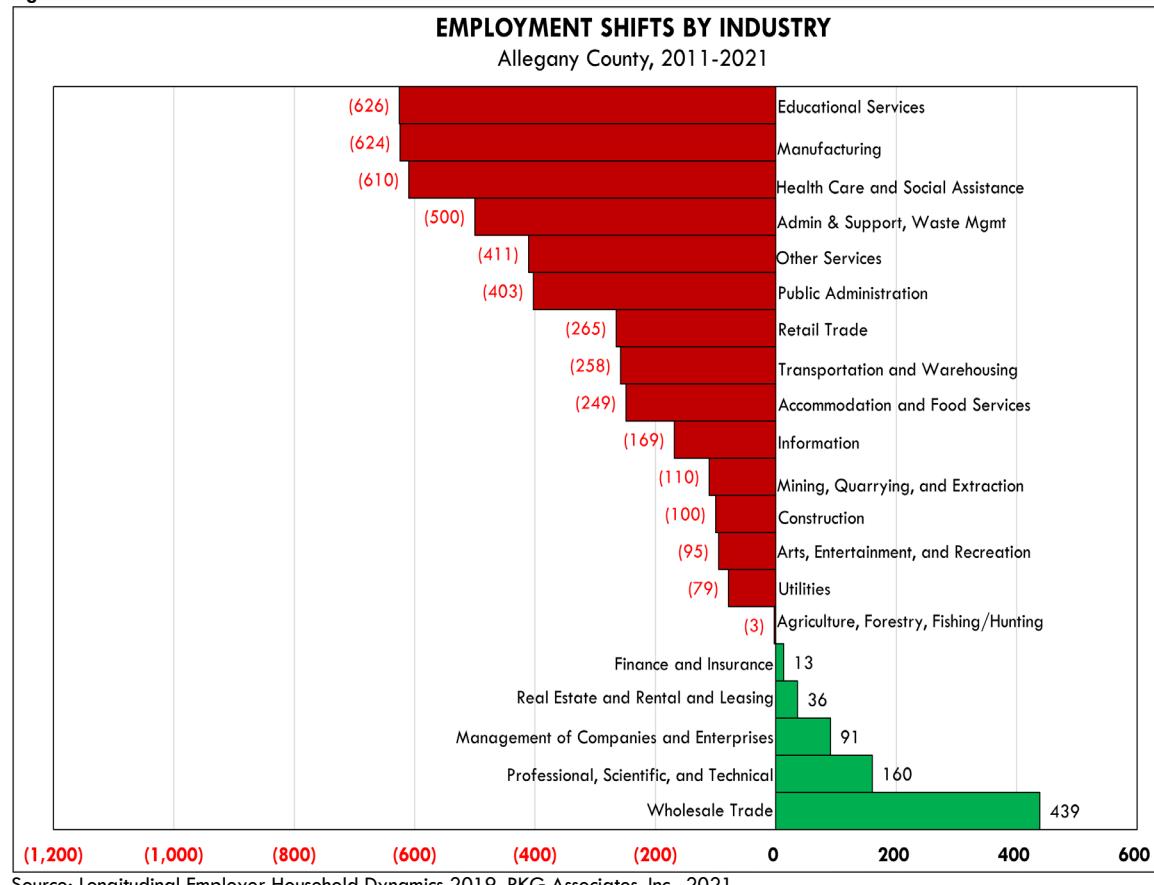
The Healthcare and Social Assistance, integral to population health and economic vitality, lost 610 number of jobs from 2010 to 2021. Losses suggest reduced healthcare services, a potential challenge to accommodate the county's aging population. It also creates an awareness to urgently execute strategies for stabilizing losses in the Healthcare and Social Assistance industry; The county's current economic engine. If neglected, the county's healthcare industry could face severe economic consequences, resembling the perpetual unraveling of the county's Manufacturing industry; The county's previous economic engine.

Manufacturing in the county continued to decline in economic importance, sustaining the most job losses in the previous decade. From 2010 to 2021, the Manufacturing industry and the Transportation and Warehousing industry lost a combined 885 jobs. Notable losses occurred at CSX Transportation and Luke Paper Mill. The decline among manufacturing jobs is a trend among U.S. cities nationwide. Thus,



job creation in the Manufacturing industry may be ineffective. More promising, is job creation through equipping workers with versatile skills, trained for growing and stable industries.

Figure 3-11



Source: Longitudinal Employer Household Dynamics 2019, RKG Associates, Inc., 2021

Particularly, lucrative industries resilient to economic shocks and sustainable amid a post-COVID world. These include Professional Services, Management of Companies and Enterprises, and Finance and Insurance. Combined, all three industries generated 264 jobs from 2010 to 2021. Jobs among these industries support teleworking opportunities, expected to remain a vital practice beyond the pandemic. Furthermore, they support jobs that pay beyond the average income, increasing the spending capacity within the county.

6. Labor Force Dynamics

Cumberland's and Allegany County's labor market are intertwined. Among the 9,306 workers commuting to Cumberland, nearly 55% (5,027 workers) reside in other areas of Allegany County (Table 3-2). Among the 4,761 workers commuting from Cumberland, nearly 25% (2,265 workers) work in other areas of Allegany County (Table 3-3). The labor commuting patterns suggest a symbiotic relationship between Cumberland and the rest of Allegany County, benefitting through shared employment and financial resources. The City of Cumberland and Allegany County can capitalize on this relationship, collaborating on joint economic development efforts. Such efforts include recruiting new businesses or strengthening existing businesses located throughout Allegany County. Bordering counties, including Mineral County and Garrett County could participate too through regional collaboration. Especially since labor commuting patterns extend between those counties and Allegany County.



Table 3-2
Workforce Commuting Patterns (Into Cumberland)

	Count	Percentage
Other Areas of Allegany County	4,757	51.1%
Mineral County	1,337	14.4%
Bedford County	518	5.6%
Garrett County	435	4.7%
Somerset County	278	3.0%
Washington County	216	2.3%
All Other Counties	1,765	19.0%
Total	9,306	

Source: Longitudinal Employer Household Dynamics 2019, RKG Associates, Inc., 2021

Table 3-3
Workforce Commuting Patterns (Out of Cumberland)

	Count	Percentage
Other Areas of Allegany County	2,265	24.3%
Mineral County	322	3.5%
Washington County	260	2.8%
Garrett County	163	1.8%
All Other Counties	1,751	18.8%
Total	4,761	

Source: Longitudinal Employer Household Dynamics 2019, RKG Associates, Inc., 2021

7. Implications

Since the second half of the 20th century, Cumberland has faced social and economic decline instigated through global market changes. With the rise of globalization and technological advancements, the local advantages that once supported Cumberland's economic growth became less important and more obsolete. Only recently has the city been able to execute a proactive effort to reverse the approximately 40 years of impact. Initial efforts that began approximately five years ago are slowly yielding results, but the socioeconomic benefits lag those changes. Progressive economic development efforts involve capitalizing on the skills and ideas of local community assets while maximizing Cumberland's proximity to larger economic centers. Building upon the initial successes through 'staying the course' while enhancing marketing and outreach efforts will be critical to creating socioeconomic growth numbers.



4 REAL ESTATE MARKET ANALYSIS

A. INTRODUCTION

Cumberland's economic conditions and real estate market are inherently intertwined. For instance, the availability of real estate influences the types of industries able to locate their operations in Cumberland. The pace of real estate development reflects the demand from investors, which has been low for more than two decades. Moreover, as demand for goods and services has declined in recent years, many of the city's businesses have closed, vacating building spaces and storefronts. The Real Estate Market Analysis assesses Cumberland's non-residential real estate market, influencing the creation of policies and strategies that capitalize on prevailing conditions and trends.

B. MAJOR FINDINGS

Most of Cumberland is already built out while limited undeveloped land is available for development. The supply of undeveloped land is limited to environmental constraints, such as steep slopes and wetlands. These conditions make development either costly or impractical. The minimal opportunities available for green-field development suggests that future construction will focus on in-fill development or redevelopment of small parcels. Especially since nearly 90% of undeveloped commercial land is located on parcels smaller than an acre.

Cumberland is oversupplied with spaces designed for distressed economic industries. Retail/Service properties account for most of Cumberland's non-residential real estate whereas industrial properties (Manufacturing + Warehouses) account for the second highest proportion of Cumberland's non-residential real estate. Retail Trade, Manufacturing, and Warehousing all sustained major job losses and business closures in the previous decade. Among available spaces in Cumberland, the city must consider identifying alternate uses. For instance, integrating housing with Retail/Service uses to develop mixed-use properties. And converting manufacturing uses to other commercial uses such as restaurant operations. The Footer Building exemplifies a successful conversion project. Deeper analyses must be conducted to understand the appropriate type of retail able to accommodate the consumer market in Cumberland.

Inconsistent and unpredictable policy requirements is discouraging development activity.

Investors voiced concerns about how the city implements permitting and development processes. For example, respondents noted the city's design requirements in Downtown Cumberland are vague and inconsistently administered. Some investors indicated that building permit applications are slow, which can significantly raise the costs of construction and increase the financial risk of investing in Cumberland. Further efforts to create consistent and understandable development processes should be a priority to strengthen the continued reinvestment and rehabilitation of Cumberland's aging commercial infrastructure.

Revitalizing Cumberland's commercial core should be a priority for promoting economic development. In the 21st century, economic development has stressed a greater emphasis on enhancing the quality of life of an area. Today, young professionals are attracted to living and working in vibrant places that are walkable, concentrated with urban amenities and distinctive architecture. Downtown Cumberland has the ingredients to attract young professionals, comprised with a rich collection of historic buildings and pedestrian friendly walkways. The city already is investing in strengthening the existing assets along



Baltimore Street. Similar focus and effort should be placed on strengthening commercial activity centers adjacent to Downtown Cumberland, particularly Canal Place and Rolling Mill. And enhancing physical connections between these centers and Downtown Cumberland in ways that supports walkability and accessibility.

C. METHODOLOGY

The Real Estate Market Analysis utilizes several data sources including the property assessment data from the Maryland State Department of Assessments and Taxation. The assessment records provide the most accurate information on the city's properties among available data sources. To support the validity of the assessment records and gain a deeper insight into Cumberland's non-residential real estate market, RKG conducted several interviews with investors, brokers, and developers.

D. ANALYSIS RESULTS

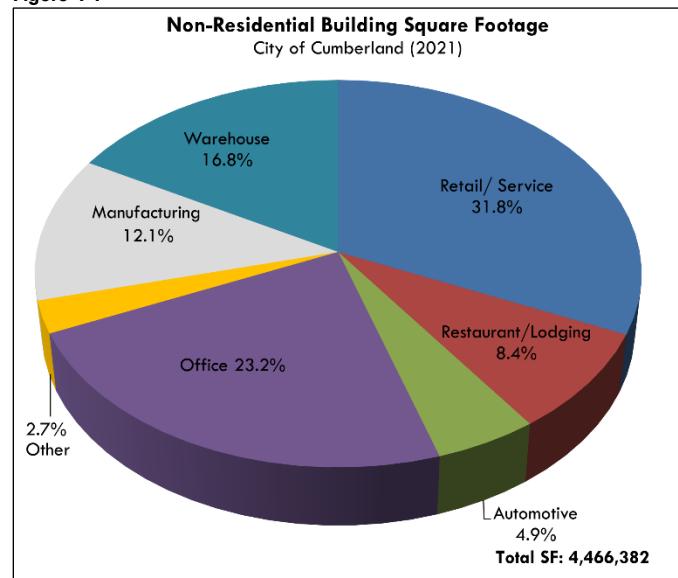
1. Development Location and Patterns

Cumberland's commercial development patterns largely have been dictated by geographical and environmental constraints. Historically, most development is concentrated near the Potomac River. Areas near the Potomac River are the flattest parts of the city, which facilitated the development of Downtown Cumberland. Downtown Cumberland hosts the city's greatest concentration of retail and office properties. Before the automobile, manufacturing and warehouse properties formed around the Potomac River and railroad, which facilitated industrial production and trade. As Cumberland is largely built out, recent development has expanded away from the Potomac River and towards the city's outer boundary (often requiring annexation into the city). Most notably, more recent development has occurred along Interstate 68, capitalizing on the spending potential of through-travelers and convenience of access to regional markets (e.g., Baltimore).

2. Building and Land Uses

Cumberland's building inventory is diverse. Retail/Service properties account for the largest proportion of the city's building space, constituting 31% of all non-residential building square footage (Figure 4-1). Considering the retail industry's downturn in the city, demonstrated by major job losses (detailed in the socioeconomic chapter) and vacant storefronts (observed by RKG Associates), the market is oversaturated. Manufacturing and Warehousing uses account for nearly 28% of non-residential building square footage. Interviews with local real estate and economic development professionals indicate these spaces support more capital-intensive operations rather than labor-intensive operations. This is consistent with national trends, as automation has enabled businesses to increase productivity while reducing labor.

Figure 4-1



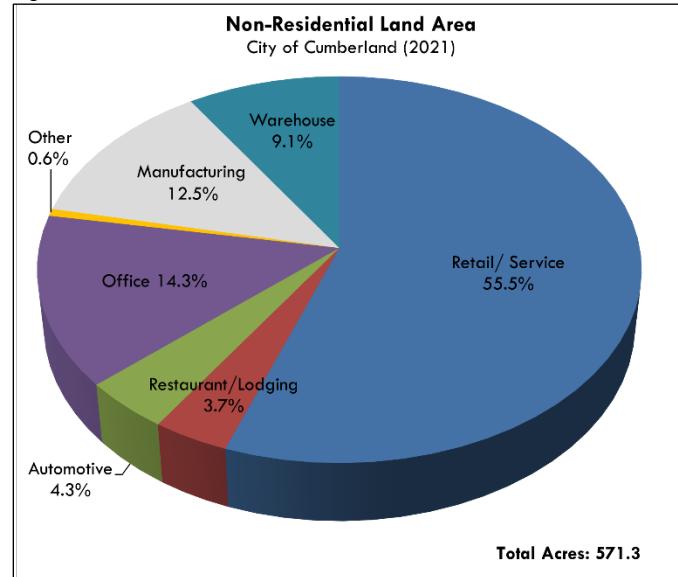
Source: MD Assessments and Taxation, RKG Associates, Inc. 2021



The smallest proportion of building uses is categorized as ‘Other,’ which includes Mixed-Use buildings. This is important to note as mixed use development, particularly in and around Downtown, offer strategic investment opportunities that could support sustainable economic growth in Cumberland’s dense commercial corridors. The lack of existing product is notable, as investors often are reticent to make the initial investment. To this point, the city and CEDC likely will need to be a proactive partner in initial investments—like the Footer’s Dye Works building adaptive reuse effort.

Retail/service properties also consume most of Cumberland’s non-residential land area, accounting for 330 acres, over half of the non-residential land area (Figure 4-2). In addition to the oversupply of retail space, retail properties also have the lowest floor-area-ratio, or FAR, of all non-residential use. FAR is a measure of development efficiency, relating the total building square footage to the total land area. In effect, existing retail developments—particularly aging shopping centers—have the potential to accommodate additional development on site. In other words, strip centers struggling with tenancy are prime candidates for infill development or redevelopment. That said, retail developments are not the only properties that are underutilized. There are several production-based and office properties that can accommodate additional development without disrupting the development character of Cumberland. To this point, the city should consider initiatives that convert portions of underutilized land, particularly to increase housing options, values, and choice for current and potential residents. Creating greater housing inventory also will benefit existing retailers by growing the consumer marketplace.

Figure 4-2

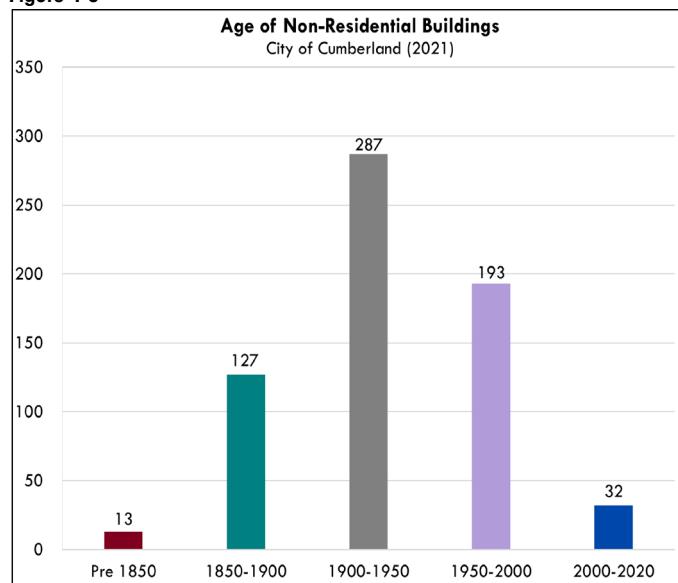


Source: MD Assessments and Taxation, RKG Associates, Inc.

3. Age of Buildings

Most of Cumberland’s building stock is old, creating opportunities and limitations for the city’s economic development efforts. Nearly 70% of non-residential buildings were built prior to 1950, when Cumberland flourished as an industrial hub for manufacturing, transportation, and coal shipping (Figure 4-3). Much of these buildings feature historic architectural details, evoking a sense of authenticity and character identity, demanded by knowledge workers and millennials in urban markets nationwide. Downtown Cumberland features these characteristics to quench this demand, especially if complemented with small independent businesses and diverse housing options. That said, rehabilitation

Figure 4-3





and façade improvement programs must target dilapidated buildings. These programs can be costly. Fortunately, many of the city's buildings are protected within historical preservation districts, eligible for tax credits to support the costs of rehabilitation.

However, many of these older buildings outside of Downtown are dilapidated, either unusable or exhibit deteriorated facades. Further, they also are functionally obsolete, meaning even rehabilitation efforts will not make them competitive to attract businesses (e.g., they do not have modern technology amenities). These factors create both financial and economic incumbrances, impeding opportunities for economic growth. For these buildings, a redevelopment investment program would be most beneficial.

4. Recent Development Activity

The City of Cumberland has experienced a modest amount of development activity over the previous decade. Between 2011-2021, only 7 properties were developed. Most accommodate transient visitors, traveling through Cumberland on Interstate 68. These include 4 gas stations (3 Sheetz + 1 Love's), a hotel, and a fast-food restaurant (Table 4-1). Only one development targets local needs (the medical building). This development activity and pattern are consistent with the city's—and region's—historic economic decline. The loss of jobs and residents has limited growth opportunities that can target internal demand. Further, the city's lack of development sites (detailed later in this chapter) creates challenges for new growth altogether. While creating development to capture through-travelers is creating new investment, such developments can limit the city's long-term economic development goals of creating sustainable growth and quality jobs for Cumberland residents.

Table 4-1
Developments Since 2010
Cumberland, MD

Name	Year Built	Type	Building SF
Sheetz	2011	Automotive-Convenience	6,323
Carefirst BlueCross Blue Shield	2011	Medical Services	46,785
Sheetz	2011	Automotive-Convenience	4,108
Love's Travel Stop	2015	Automotive-Convenience	53,267
Sheetz	2016	Automotive-Convenience	4,632
Roy Rogers	2016	Fast Food Restaurant	2,942
Hampton Inn	2018	Hotel	48,041

MD Department of Assessments and Taxation, RKG Associates, Inc. 2021

From an economic development perspective, the city needs to prioritize the type of growth it wants. On one hand, there are ongoing projects that further target the I-68 through traffic. These projects will create fiscal benefits, but marginal impacts for existing residents (e.g., the jobs will be low-paying retail/service jobs with few/on benefits). However, these projects currently are more feasible since the through-traffic market is strong. Taking a more strategic position on projects that create community growth as well as economic development growth (e.g., production-based projects or mixed-use projects) may be longer term and/or require greater public investment/involvement to bring to fruition. This is critical given the scarcity of remaining developable land in the city.

5. Non-Residential Vacant Land

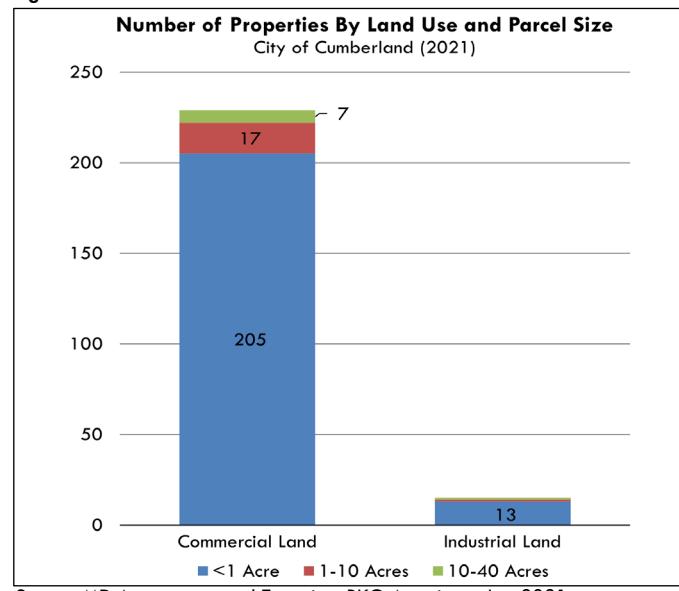
Developers and businesses build on vacant land to reap economic benefits. In 2011, CareFirst Blue Cross and Blue Shield purchased vacant commercial land in 2011 and constructed a building to eventually add jobs and increase their bottom line. Similar opportunities like this are available in Cumberland, but more likely at a smaller scale. Of the 229 vacant commercial parcels, 205 parcels are less than one acre (Figure 4-4). Only 17 vacant commercial parcels are between 1-10 acres while 7 vacant commercial parcels are greater than 10 acres. The minimal number of vacant commercial parcels greater



than 1 acre suggests most future development efforts will focus on in-fill development. Or the use of 'temporary' structures (e.g., pop-up tents and food trucks) that can generate economic benefits on underutilized parcels.

While Cumberland seems abundant in vacant parcels that can support large-scale developments, most are undevelopable. A high proportion of parcels larger than 10 acres face construction limitations, impeded by environmental constraints. Particularly steep slopes and wetlands. Nevertheless, these constrained parcels can be creatively reconfigured to support economic generating uses. For instance, portions of wetlands can likely support competitive sports complexes, hosting regional youth sports tournaments.

Figure 4-4



6. Sales Analysis

a.) Non-Residential Building Sales

Arms-length sales were analyzed to better understand Cumberland's current market conditions. Arms-length sales involves the buyer seeking to minimize the price of a building and the seller seeking to capture the maximum value of the building. The pace of sales and types of building sold suggests the performance of Cumberland's economic conditions and shapes the creation of policies that cater towards the local market.

The rate of sales suggest that minimal sales activity occurred since 2016. Between 1 and 16 properties were sold each year, reflecting annual activity levels between 0.2% and 3.0%. The average market ranges from 3% to 4% each year. The slow market activity coincides with business closures and contractions, suggesting the city's challenging conditions for investing in non-residential real estate.

Most non-residential sales are buildings classified as Retail/Service and Office uses, comprising over half of recent sales (Table 4-2). The larger number of retail/service and office sales coincides with the higher concentration of these properties within the entire non-residential inventory. While these buildings are classified as Retail/Service and Office uses, most contain spaces capable of supporting other uses or contain spaces of being reconverted to other uses without substantial investment. Especially among sales in Downtown Cumberland, capable of supporting mixed uses such as ground floor retail and above ground housing units or office spaces. The success of the Footer Dye Building, a former industrial building converted to a mixed-use building, evidently supports this concept.

Minimal sales occurred for industrial buildings since 2016. Only 6 warehouses were sold, and no manufacturing buildings were sold. The minimal sales of industrial buildings are consistent with the condition and competitive potential of much of the city's inventory. These older, often minimally maintained buildings create a financial challenge to an investor seeking to make a return. While only 3 buildings classified as Mixed Use were sold, the minimal sales do not necessarily represent low market demand for these building types. Mixed use buildings are a relatively new concept for



Cumberland, representing only 3% of the non-residential inventory. That said, understanding the market potential for Mixed Use buildings is difficult to measure.

Table 4-2
Recent Non-Residential Building Sales, 2016-2021
Cumberland, Maryland

Land Use	Count	Assesseed Value		Sales Value		
		Prop Value	Avg. Prop Value	Sales Value	Avg. Sales Value	SV/AV
Retail/Service	18	\$3,974,100	\$220,783.33	\$4,026,105	\$223,672.50	1.01
Restaurant/Lodging	6	\$14,349,500	\$2,391,583.33	\$14,813,925	\$2,468,987.50	1.03
Automotive	6	\$973,700	\$162,283.33	\$1,014,900	\$169,150.00	1.04
Office	27	\$25,981,600	\$962,281.48	\$30,927,715	\$1,145,470.93	1.19
Mixed Use	2	\$259,300	\$129,650.00	\$260,000	\$130,000.00	1.00
Warehouse	5	\$729,000	\$145,800.00	\$807,500	\$161,500.00	1.11
Total	64	\$46,267,200	\$722,925.00	\$51,850,145	\$810,158.52	1.12

Source: MD Department of Assessments and Taxation, RKG Associates, Inc., 2021

That said, the sale value to assessed value ratio (sale-to-value ratio) indicate that buildings being purchased are attracting reasonable returns. Sale-to-value ratio measures contract price with the assessed value of the property. A ratio of 1.00 means the sale price is equal to the assessed value. While this measure is not absolute in determining demand, stronger real estate markets often have sale-to-value ratios above 1.00 while weaker markets often are below 1.00. As seen in Table 4-3, the city's non-residential building sales average at or above 1.00. This finding is positive, indicating that those buildings positioned to accommodate new businesses are attracting investors. This further reinforces the potential for rehabilitation and redevelopment investment programs for those buildings that require substantial reinvestment to be market viable.

b.) Non-Residential Land Sales

Most non-residential land sales have been classified as commercial. Of the 55 undeveloped parcels sold since 2016, only 1 was classified as industrial. This suggests the city's zoning has severely limited the potential for new industrial development in Cumberland. This is exemplified by the recent City/County investment along Messick Road to create new industrial development through annexation into the city. Cumberland's industrial land areas are largely built out, so future industrial investment will require rezoning or further annexation.

Many commercial land sales involved an assemblage of multiple parcels, creating opportunities for large-scale commercial developments. Of the 34 undeveloped parcels sold in 2018, 26 undeveloped parcels were purchased together for the future development of Rolling Mill. Rolling Mill is strategically located within walking distance to Downtown Cumberland. The site is conducive for developing complementary uses (both commercial and residential) that will support Downtown businesses. This has been considered by the Rolling Mill developer, who touted the economic benefits of constructing vertical housing at the site.

7. Additional Considerations and Opportunities

a.) Parking Lots

Most of Cumberland's workforce and residents depend on cars for transportation. In good judgement, the city recognized the importance of providing enough parking spaces to accommodate transportation demand and enhance local businesses' operations. Despite these efforts, however, many parking lots appear to be underutilized with many empty spaces. And so, underutilized parking lots miss opportunities to generate economic value. Large parking lots can also discourage walkability, limiting the potential for vibrant downtown corridors. The CEDC must consider contracting a third-party vendor to conduct a city parking analysis, to better quantify the number



of parking spaces needed to support the city's workforce and residents. Also, the analysis could determine how portions of underutilized parking lots can be reconfigured for other commercial uses.

b.) Downtown Housing

Cumberland's highest concentration of jobs are in Downtown Cumberland. As of 2019, Downtown Cumberland employed 4,438 workers and provided 1,106 housing units. Nearly 98% of workers employed here commute from other areas of Cumberland and beyond. The major imbalance of workers to housing units can limit Cumberland's potential to develop a vibrant downtown, as a place to work, live, and play. To encourage more workers to reside within the city limits, more housing options need to be provided, especially within walking distance to the downtown corridor. Housing prices must accommodate a variety of income levels, stimulating living opportunities for a diverse workforce population. Buildings along Baltimore Street can provide housing on the upper floors complemented with commercial uses on the ground floor.

E. KEY STAKEHOLDER FEEDBACK

RKG spoke to local real estate developers, investors, and brokers to better understand the challenges and opportunities of Cumberland's real estate market. These interviews provide knowledgeable insights about the community as well as reinforcing findings from prior analyses. The following themes were most common among respondents.

1. Unenforced Performance Requirements

Many buildings and vacant sites remain idle without economic activity. The inactive spaces create major opportunity costs on consumer activity, tax revenues, and jobs. Performance requirements are regulations or incentives that encourage developers and landlords to meet their project objectives established in a contract, such as agreeing to create a specified number of jobs or beginning construction by an agreed upon date. Failure to meet the established objectives are supposed to result in penalties to a developer or landlord. When performance requirements are not enforced, developers are less inclined to begin and complete construction projects. The city should enforce these requirements to improve timely development.

2. Inefficient Development and Permitting Processes

Investors voiced concerns about how the city implements permitting and development processes. For example, respondents noted the city's design requirements in Downtown Cumberland are vague and inconsistently administered. Some investors indicated that building permit applications are slow, which can significantly raise the costs of construction and increase the financial risk of investing in Cumberland. Further efforts to create consistent and understandable development processes should be a priority to strengthen the continued reinvestment and rehabilitation of Cumberland's aging commercial infrastructure.

3. Non-Existent Real Estate Inventory

Investors and brokers cited the challenge of identifying vacant properties and sites available for development. Effectively, real estate transactions require word-of-mouth connections or fortuitous timing for inquiries. Several respondents indicated that having a comprehensive listing of available properties could increase real estate investment and development activity. These individuals acknowledged the benefits of a real estate inventory that included this information, especially for locating unused spaces that can support growing, local businesses and marketing unused spaces to remote investors.



4. Tourist Demand May Improve Cumberland Outlook

Investors were optimistic about Cumberland increasing their reputation as tourist destination, especially during the COVID-19 pandemic. According to them, Cumberland saw more tourists than ever before, taking advantage of Canal Place and the Trail. Apparently, many tourists were residents of nearby metropolitan areas interested in Cumberland as a relatively affordable alternative. This interest is concentrated among persons that work remotely or own a small business. Respondents even recounted stories of tourists eventually settling in Cumberland to live while continuing to work remotely. However, these respondents indicated that many of these new visitors found Cumberland inadvertently or through word-of-mouth from relations that had been to the city before. They recommended a stronger, more proactive marketing strategy that targeted tourists and potential entrepreneurs/investors as well.

5. Housing as an Economic Development Tool

Local stakeholders acknowledged the need for increasing housing opportunities, especially catered towards young professionals. A few investors took advantage of buildings in Downtown Cumberland, planning to develop luxury condos atop ground floor retailers. The developer of Rolling Mill stated an interest in developing housing units at the site, citing the benefit of its walkability to downtown. Businesses, including UPMC Western Maryland, expressed that limited housing options have hampered recruiting efforts for healthcare professionals such as nurses. The need for greater housing type, price, and location diversity is inextricably linked to the city's potential to attract new workers, businesses, and investors. However, it is also important to help existing businesses continue to thrive. Downtown Cumberland was repeatedly noted as an underutilized asset to attract new talent, as it provides the character being sought out throughout the U.S. in a more affordable environment.



5 TARGET INDUSTRY ANALYSIS

A. INTRODUCTION

The identification of industry clusters is an integral component of strategic economic development planning. It allows the CEDC and implementation partners to focus on recruiting businesses among industries with growth potential and evaluate how the city can capitalize on local assets to bolster economic growth. The Target Industry Analysis evaluates the city's business climate, strengths and weaknesses, and quality of life factors. The comprehensive evaluation enables the CEDC to identify industries that are advantageous by locating in Cumberland.

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 industry groups selected. Several data sources were used to perform the analysis.

B. BUSINESS CLIMATE FACTORS

Business climate factors measure an area's economic advantages for executing business operations. Prosperity Now, a nonprofit focused on expanding economic opportunities in communities nationwide, identifies the following business climate factors: Financial Assets and Income, Businesses and Jobs, Housing and Homeownership, Healthcare, and Education. Each of these factors constitute multiple metrics, which measure the business climate performance of an area (Table 5-1). An evaluation of these metrics can influence the development of programs and policies that distinguish Cumberland as an advantageous place to do business. Due to data limitations, Prosperity Now evaluates most metrics at the state level and not at the local level. For instance, household savings rates, a metric under 'Financial Assets and Income,' was assessed for Maryland but not for Cumberland. Nevertheless, analyzing metrics at the state level can benefit Cumberland, enabling a comparison of local conditions to those throughout the state.

On metrics that Maryland performs well, such as their Income Poverty Rate (2nd in nation), Cumberland can determine whether the city meets this metric at the local level. If not, Cumberland can explore options for reducing income poverty. Such as designing programs that assist low-income households with budgeting and accumulating financial assets or develop job skills that offer residents the chance to improve their income potential in high-demand job (e.g., healthcare workers). On metrics that Maryland performs poorly (e.g., ranked 40th for rental affordability among all U.S. states), Cumberland can market their relative rental affordability compared to the rest of Maryland to attract new residents/workers. Similar efforts can elevate Cumberland's position as a favorable business environment, fostering business retention and expansion as well as improving the city's quality of life.

The following analysis mostly focuses on Maryland's business climate factors in comparison to Cumberland. Maryland manages a greater source of state government programs and incentives made available to Cumberland and not surrounding states. Table 5-1 does include state rankings on business climate factors for Pennsylvania and West Virginia for comparison purposes.

1. Financial Assets and Income

Metrics among the Financial Assets and Income category measure a state's total wealth and income distribution. States with more wealth and equitable income distribution usually correlate with more stable



marketplaces and entrepreneurship opportunities. Maryland's per capita net worth is high at \$195,150, over \$100,000 more than the United States (\$92,110). Its state's income levels are inflated by the prevalence of high-income communities serving the Baltimore and Washington D.C. metro areas. Maryland's distinction as a high-income state is reinforced by its low poverty rates and liquid asset poverty rates. In fact, Prosperity Now ranks Maryland second among both metrics.

Prosperity Now metrics also support that Maryland's household base has an aptitude for saving financial resources. Maryland ranks among the top ten states with Unbanked Households, Emergency Savings Accounts, and household savings accounts. However, conflicting metrics suggest many of the state's households struggle to manage their financial resources. Relative to other states, Maryland ranked 33rd in Consumers with Prime Credit and Borrowers over the 75% Credit Card Limit while ranking 31st in Severely Delinquent Borrowers.

The financial performance of Cumberland differs from the entire state of Maryland. For instance, Cumberland's Income Poverty Rate is 16.9% while Maryland's is 8.9%. Cumberland's Income Inequality ratio is 5.33 compared to Maryland's 4.51. Cumberland's comparatively low financial performance suggests that the CEDC must consider community initiatives that work towards reducing poverty and income inequality in the city. Such initiatives could be effective through enhanced community engagement and strategic public-private partnerships (e.g., Allegany College of Maryland (ACM), local banks etc.).

Allegany College of Maryland (ACM) offers workforce training programs that can enable workers to access more high paying job opportunities. However, ACM reports inadequate enrollment rates. This signals that the CEDC and ACM must partner together to increase engagement with local workforce, to better understand how ACM can remodel its workforce training programs to increase enrollment rates. Another initiative involves partnering with local banks to provide financial management advisory services for disadvantaged households and aspiring small-business entrepreneurs.

2. Businesses and Jobs

Metrics within the Business and Jobs category measure the quality of jobs and access to business ownership opportunities. Maryland is home to large companies and government contractors that capture a substantial proportion of state's workforce. That said, microenterprise ownership rates are moderate by U.S. standards, ranking 25th among all U.S. states. Microenterprises are businesses that typically employ ten employees or fewer. While Cumberland is disadvantaged for attracting major enterprises, opportunities exist for developing microenterprises, capitalizing on state incentives and strategic partnerships.

In response to declining economies in isolated areas throughout the state, including Allegany County, Maryland's Department of Commerce instituted the 'One Maryland Tax Credit.' This tax credit finances the capital costs of small businesses, based on the number of jobs created. As of now, financing is available for businesses that create a minimum of ten jobs. Given Cumberland's declining working age population, RKG expects that small businesses of ten employees or fewer are more likely to prosper in the short-term. **And so, the CEDC must consider lobbying for reforms, allowing smaller businesses to access financial incentives and encourage more microenterprise opportunities while developing locally funded programs to augment any state resources made available.**

Making local incentives available for small business development among lucrative, stable industries is a unanimous long-term goal solidified among Working Group members. Cumberland lacks high-quality jobs, paying decent wages among stable industries in today's knowledge economy (e.g., Information). To promote small business development within these industries, the CEDC must consider forming strategic partnerships with local institutions, such as the Western Maryland IT Center of Excellence, Frostburg State University, and Allegany College of Maryland. And through these partnerships, expanding entrepreneurial training programs and facilitating mentorship opportunities from industry leaders.



3. Housing and Homeownership

Metrics within the Homeownership and Housing category includes measurements on housing affordability. Too high of housing costs can deter business attraction and retention. Especially attraction from small businesses, with limited capital reserves. Overall, Maryland's housing costs are high, ranking 34th in home affordability; The median home value is almost four times higher than the median household income. Moreover, 27% of homeowners are cost-burdened, spending more than 30% of their gross monthly income on housing costs. Cost-burdened households are more vulnerable to foreclosures and missing mortgage payments.

Cumberland's homeownership costs are low, affordable to a variety of household income levels. As of 2021, Cumberland's median home value is \$105,115; A 20% down payment and all monthly homeownership costs accounted for, a household earning the city's median income (\$37,733) can afford a home valued at \$172,589. To this point, homeownership opportunities are very affordable in Cumberland. Renting is an affordable option too. However, local investors and businesses have cautioned the limited housing choice and pricing available near Downtown Cumberland, an attraction to millennials and knowledge economy workers.

4. Healthcare

Metrics within the Healthcare category measure the degree of healthcare coverage, access to healthcare, and levels of residents' health and wellbeing. Health care is an integral component of Cumberland's economy, comprising over 20% of the city's workforce while contributing to the area's reputation as a premier medical hub. In September 2021, U.S. News & World Report recognized UPMC Western Maryland as Western Maryland's best hospital. Moreover, the hospital earned high performing ratings for five specialties—heart failure, kidney failure, stroke, chronic obstructive pulmonary disease, and pneumonia. Specialties that receive high performing ratings exceed the national average. The accessibility of quality health care strengthens the city's competitiveness for attracting businesses and seniors. As the population ages, the demand for health care will rise.

5. Education

Metrics within the Education category measure an area's level of educational attainment and quality of education. Maryland is a highly educated state, ranking 4th among U.S. states with 4-year college degrees. Businesses prefer to locate in areas with higher levels of educational attainment to increase the likelihood of recruiting talented workers. That said, Cumberland is equipped with local educational institutions to train talented workers and facilitate the City's business recruitment efforts.

Cumberland's local educational institutions can help facilitate the CEDC's business recruitment efforts and creation of entrepreneurial development programs. Frostburg State University (FSU) offers four-year degrees catering to various industries, including knowledge-based industries. Degrees are offered in computer science, engineering, and business. Allegany College of Maryland (ACM) offers 2-year advanced degrees in similar programs. While strong opportunities are available at these institutions, stakeholder interviews suggest that graduates are predisposed to leave the area, citing shortages of relevant industry jobs. That said, the CEDC should consider stronger coordination efforts with FSU and ACM to create small business development and entrepreneurial programs in the city. That effort could help retain local talent and expand the local labor market, eventually attracting businesses seeking relocation.



Table 5-1
2020 Business Climate Factors and Metrics

	Metrics Data		State Rankings		
	United States	Maryland	Maryland	Pennsylvania	West Virginia
FINANCIAL ASSETS AND INCOME					
Income Poverty Rate	12.7%	8.9%	2	22	48
Asset Poverty Rate	24.1%	19.9%	-	-	-
Net Worth	\$92,110	\$195,150	-	-	-
Unbanked Households	6.5%	2.5%	4	20	42
Underbanked Households	18.7%	19.7%	36	32	26
Liquid Asset Poverty Rate	36.9%	22.3%	2	14	35
Households with Zero Net Worth	15.7%	16.2%	-	-	-
Saved for Emergencies	57.8%	67.7%	7	20	51
Income Inequality	4.93 : 1	4.51 : 1	21	34	39
Income Volatility	20.1%	16.3%	6	28	8
Households with Savings Accounts	71.4%	83.7%	4	29	50
Consumers with Prime Credit	53.0%	52.7%	33	19	41
Access to Revolving Credit	74.0%	78.1%	14	27	46
Borrowers Over 75% Credit Card Limit	25.4%	26.0%	33	19	39
Severely Delinquent Borrowers	14.8%	14.3%	31	28	40
Consumers with Collections	21.2%	21.0%	28	21	43
Bankruptcy Rate	2.3%	2.8%	39	18	17
Fell Behind on Bills	13.2%	12.4%	20	46	37
Low Financial Well-Being	18.0%	14.0%	4	30	16
BUSINESSES AND JOBS					
Microenterprise Ownership Rate	18.2%	17.6%	25	47	50
Unemployment Rate	3.7%	3.6%	26	34	46
Business Ownership by Gender	1.3x as high for men	1.2x as high for men	20	45	31
Business Ownership by Race	17.6%	16.4%	-	-	-
Business Value by Race	1.84 : 1	2.06 : 1	-	-	-
Business Value by Gender	1.9x as high for men	1.8x as high for men	-	-	-
Underemployment Rate	7.3%	6.8%	22	38	48
Employers Offering Health Insurance	46.8%	56.4%	3	22	25
Low-Wage Jobs	18.7%	16.6%	17	27	44
Average Annual Pay	\$57,266	\$55,897	19	17	30
HOUSING AND HOMEOWNERSHIP					
Homeownership Rate	63.9%	66.9%	21	14	1
Homewonership by Income	2x as high for top 20%	2.2x as high for top 20%	-	-	-
Homewonership by Gender	1.02x as high for single women	.99x as high for single women	-	-	-
Affordability of Homes	3.71 : 1	3.90 : 1	34	15	7
Housing Cost Burden - Renters	49.7%	49.8%	40	28	36
Housing Cost Burden - Homeowners	27.7%	27.0%	31	20	14
Foreclosure Rate	0.9%	1.2%	37	40	31
Delinquent Mortgage Loans	1.1%	1.4%	43	41	43
High-Cost Mortgage Loans	7.6%	5.4%	22	24	41
HEALTHCARE					
Uninsured Rate	10.4%	6.9%	16	13	19
Uninsured Low-Income Children	7.1%	5.7%	24	27	16
Employee Share of Premium	27.8%	32.1%	46	8	3
Employer Provided Insurance Coverage	59.5%	65.3%	13	14	39
Forgoing Doctor Visit Due to Cost	13.0%	11.2%	19	8	40
Poor or Fair Health Status	18.4%	15.9%	17	32	51
EDUCATION					
Early Childhood Education Enrollment	48.2%	47.6%	20	21	50
High School Graduation Rate	84.1%	87.6%	12	21	3
Disconnected Youth	11.3%	10.8%	28	24	50
Four-Year College Degree	32.6%	40.8%	4	23	51
Four-Year Degree by Income	57% in Top 20%	66% in Top 20%	-	-	-
Four-Year Degree by Gender	1.05x as high for women	1.04x as high for women	-	-	-
Reading Proficiency - 8th Grade	33.6%	36.0%	13	16	45
Math Proficiency - 8th Grade	33.8%	32.6%	26	8	47
Borrowers with Student Loan Debt	21.9%	22.8%	29	48	15
Median Student Loan Debt	\$18,366	\$21,116	50	45	12
Severely Delinquent Student Loan Debt	15.2%	14.3%	25	23	47

Source: Prosperity Now, 2020



C. TOP SITE SELECTION FACTORS

Site-selection factors influences firms' decisions on where to locate and where to remain. Such factors include an area's quality of life, availability of skilled labor, accessibility to highways, etc. Every year, Area Development Magazine, a real-estate publication, ranks twenty-eight site-selection factors (Table 5-2). The rankings are based on the calculated degree of importance of each factor for attracting businesses to geographical areas and retaining them there. Prior to globalization and technological advances, firms prioritized areas with abundant raw materials, accessible railroad and waterway service, and proximity to suppliers. Cumberland was able to capitalize on these resources, fostering the city's economic growth during industrialization. By the 21st century, however, these factors decreased in importance. Meanwhile, other factors grew in importance to keep pace with the knowledge economy—availability of skilled labor and quality of life concerns, etc. The subsequent analysis examines Cumberland's assets and characteristics, identifying critical barriers and opportunities that can shape the city's future economic development policies and programs. Specific policies and programs will focus on enhancing Cumberland's circumstances to increase its competitiveness as a place to do business in the 21st century.

Table 5-2
Site Selection Factors Ranked
Area Development Magazine

Rank	Site Selection Factor	Degree of Importance
1	Availability of skilled labor	91.4%
2	Highway accessibility	88.7%
3	Energy availability and Costs	85.3%
4	Quality of life	84.8%
5	Labor costs	84.2%
6	Occupancy or construction costs	80.6%
7	Corporate tax rate	80.0%
8	Tax exemptions	78.6%
9	State and local incentives	77.2%
10	Inbound/outbound shipping costs	76.8%
11	Right-to-work state	71.8%
12	Proximity to major markets	71.7%
13	Environmental regulations	71.6%
14	Available buildings	70.6%
15	Low union profile	70.0%
16	Available land	65.2%
17	Proximity to suppliers	64.2%
18	Training programs/technical schools	63.3%
19	Expedited or 'fast-track' permitting	61.8%
20	Availability of long-term financing	59.4%
21	Raw materials availability	59.1%
22	Availability of unskilled labor	53.0%
23	Water availability	50.1%
24	Accessibility to major airport	47.8%
25	Availability of advanced ICT services	36.9%
26	Proximity to R&D centers	29.9%
27T	Railroad Service	24.6%
27T	Waterway or oceanport accessibility	24.6%

Source: Area Development Magazine, 2020, RKG Associates, Inc., 2021



1. Cumberland Strengths

- **Labor Costs:** Cumberland's labor costs are significantly lower than nearby metropolitan regions and Maryland altogether. As of 2021, the Cumberland's household median income was approximately 180% less than Washington D.C. MSA's and nearly 130% less than Maryland's household median income. Cumberland's lower labor costs can allow prospective employers to capture larger savings reserves, paying their employees' salaries that accommodate the city's low living costs.
- **Highway Accessibility:** Cumberland is adjoined with Interstate-68, facilitating convenient shipping transactions, and enhancing the area's tourism industry. Interstate-68 connects to Morgantown and Pittsburgh to the West, Baltimore to the East via Interstate 70 and Washington, D.C., via interstate 270. All these markets are within a two-hour drive. Interstate-68's visibility of the city can attract people driving by to spend their incomes in the downtown commercial corridor and visit the city's tourist attractions.
- **Quality of Life:** Cumberland's location between the Potomac River and Allegany Mountains offers residents and visitors various outdoor recreational activities. While winters can be frigid, the city's summer climate is temperate, less humid than major cities near the eastern coastline. Finally, the city flourishes with historical architecture, promoting a sense of authenticity and character identity, desired by millennials and knowledge-based workers.
- **Available Buildings:** A sizable proportion of Cumberland's building stock is vacant, including in and near the city's downtown commercial corridor. These buildings can help contribute to a vibrant downtown, supporting a mixture of retail, housing, hospitality, and office uses. The availability of buildings also allows developers to avoid significant renovation and construction costs.
- **Training Programs/Technical Schools:** Allegany College of Maryland (ACM) in Cumberland offers educational programs and advanced degrees in computer science, nursing, engineering, and business. ACM is responsive to local business community needs as nursing students have eventually filled jobs at UPMC Western Maryland. Also, graduates of Allegany College of Maryland have filled roles at Northrup Grumman, in nearby Rocket City, WV.
- **State and Local Tax Incentives:** Maryland operates the 'One Maryland Tax Credit Program,' offering substantial tax credits to businesses relocating to economically distressed counties, which includes Allegany County. The amount of tax credit offered depends on the amount of jobs created and costs related to construction or rehabilitation. While the availability of land is limited for construction, the program could restore and equip existing buildings for small businesses forming in the city.

2. Cumberland Weaknesses

- **Availability of Skilled Labor:** Cumberland has a low supply of skilled workers, reducing the attraction to large companies considering relocation. Therefore, the CEDC should focus on small business development and attraction, especially in collaboration with Western Maryland Works to bolster technical skills for high-growth industries.
- **Construction Costs:** Due to land and labor constraints, construction costs are high in Cumberland. Steep slopes, encompassing large areas of Cumberland, induce high premiums on construction. Also, a shortage of construction workers drives up the price of construction. Finally, local stakeholders cite that shipping construction materials to the city is costly.



- **Available Land:** Cumberland has a limited supply of available land, especially to support large-scale commercial developments. Cumberland effectively is built out, with almost all remaining vacant areas being undevelopable, limited by steep slopes or the prevalence of wetlands.
- **In Bound/Outbound Shipping Costs:** Cumberland's isolated location beyond the Allegany GAP raises shipping costs. High outbound shipping costs have discouraged trade outside the Region, especially for consumer products. High inbound shipping costs have discouraged construction activity, as transporting construction materials is a major challenge.
- **Expedited, Fast Track Permitting:** Investors voiced concerns over development permitting processes, citing inefficiencies due to slow approval processes and vague restrictive covenants.

3. Cumberland Opportunities

- **Availability of Unskilled Labor:** Local opportunities are available to decrease the high proportion of unskilled workers. Allegany College of Maryland (ACM) has a comprehensive workforce and training program for participants to develop skills in lucrative industries, such as Information and Professional Services. However, stakeholders suggest that residents are discouraged from participating in these programs. The CEDC must ramp up engagement and communication efforts with residents, understanding their limitations to participation and identifying strategies to encourage their participation. Skilled labor is a critical community asset to support business recruitment and retention.
- **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. Furthermore, many buildings are embellished with historical characteristics, evoking a sense of authenticity and character identity. Such characteristics are attractive to millennials, including knowledge and creative workers.
- **Waterway Accessibility:** The Potomac River can offer many recreational opportunities to support the local tourism industry. Such opportunities include boating and kayaking in the river and walking alongside the river. Investors have expressed interest in taking advantage of the river for recreation, including the development of a kayaking park.

D. QUALITY OF LIFE FACTORS

An area's quality of life is increasingly important for fostering economic development in the 21st century. Younger generations are attracted to places with thriving social scenes and active recreational opportunities. Families are attracted to places with strong school systems and healthcare facilities. Overall, people value places that are safe, enjoyable, and accommodate their work-life balance. The following analysis evaluates Cumberland's quality-of-life, highlighting its local assets and conditions that either promote or obstruct economic development efforts.

1. Crime

Residents and businesses prefer places with low crime rates, engendering feelings of safety and security. Understanding the types and instances of crime, influences perception of place. According to the Uniform Crime Reports from 2016-2020, provided by the Federal Bureau of Investigation (FBI), most incidents were property crimes. Since 2016, the number of property crimes significantly decreased, from 1,218 reported incidents in 2016 to 545 reported incidents in 2020 (Figure 5-1). On average, nearly 98% of property crimes are theft. The high rate of theft is a feature of areas with high rates of poverty, where people resort to crime for financial gain in the face of limited legal financial generating opportunities. While criminal activity occurs in Cumberland, most residents report feeling safe.



2. Healthcare Facilities

Cumberland is home to UPMC Western Maryland, a premier hospital in the region and integrated with a global hospital network. UPMC Western Maryland specializes in several areas, including heart failure and stroke. Such services will be critical for retaining older generations, as the population aged 65+ is projected to increase over the next few years. UPMC Western Maryland also provides specialized childcare services, otherwise not available throughout the county.

3. Housing Costs

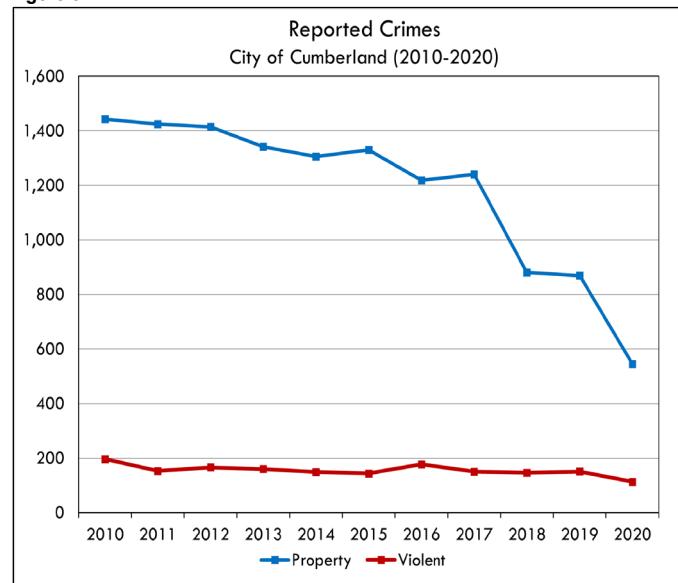
Cumberland's low housing costs are advantageous, reducing a household's financial burden on housing while allowing them to save more for other living expenses. This can be especially attractive for high-income earners, seeking affordable living options. Cumberland's median gross rent and median owner-occupied housing values are lower than both Allegany County and Maryland (Table 5-3). The median gross rent in Cumberland is \$662 and the median owner-occupied housing value is \$98,000. At the state level, the median rents and home values are two to three times higher than values in Cumberland. While housing costs are low in Cumberland, local stakeholders indicate that much of the housing stock is in poor condition. Thus, ongoing household costs for upkeep and maintenance may be expensive.

Table 5-3
Comparison of Housing Costs

	Median Gross Rent	Median Owner Occupied Housing Value
Cumberland	\$662	\$98,000
Allegany County	\$644	\$131,900
Maryland	\$1,401	\$308,500

Source: U.S. Census Bureau, RKG Associates, Inc, 2021

Figure 5-1



Source: FBI 2020, and RKG Associates, Inc., 2021

4. Public High Schools and College Readiness

Families consider the quality of public schools in their evaluation of an area. Through standardized test scores, Allegany County Public Schools outperformed public schools across Maryland in multiple subjects spanning elementary through high school (Table 5-4). The county's elementary schools outperformed the state's elementary schools in all subjects. At the high school level, the county scored on par with the state in English and above the state in Math. All these indicators suggest that Allegany County Public Schools

Table 5-4
Student Population by Proficiency Level (2019)

	Elementary School		Middle School		High School	
	Allegany County	Maryland	Allegany County	Maryland	Allegany County	Maryland
English	54.6%	43.9%	47.2%	45.1%	41.7%	42.6%
Math	44.9%	36.7%	9.3%	12.5%	32.8%	27.2%
Science	34.7%	29.1%	35.3%	37.9%	19.0%	34.7%

Source: Maryland State Department of Education, 2019, RKG Associates, Inc., 2021

*High School Math proficiency based on Algebra I scores

*Elementary School proficiency based on 5th grade scores, Middle School proficiency based on 8th Grade scores

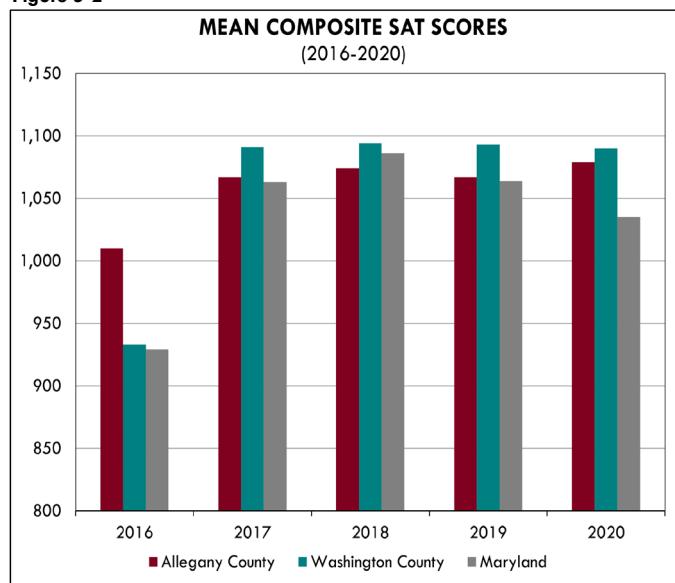


offer a competitive education relative to the state, a potential attraction for families considering moving to a new area.

STEM education has become essential to prepare students for jobs in the 21st century economy. Strikingly, Allegany County High Schools scored significantly below Maryland High Schools in Science. Many factors influence standardized test scores, outside the quality of instruction. Local educational organizations and relevant stakeholders must consider evaluating the county's science curriculums and programs to understand the prevailing challenges that may affect student performance outcomes. Allegany County Public Schools can encourage teachers to participate in externships at technology businesses, extracting ways to incorporate lessons in school curriculums that prepare students for the workforce. Currently, Maryland's Chamber Foundation offers these types of externships.

As mentioned, Allegany County Public Schools outperformed public schools across Maryland in multiple subjects from elementary through high school. Notwithstanding, a further analysis of Allegany County High Schools can generate insights on student preparedness for educational opportunities beyond high school graduation. Allegany County high schools (includes Fort Hill High School and Allegany High School) scored SAT scores ranging from 1010 in 2016 to 1079 in 2020 (Figure 5-2). Except for 2018, SAT scores among Allegany County high schools were higher than SAT scores compared to the rest of Maryland. Since 2017, Washington County has outscored both Allegany County and Maryland. On average, Washington County high schools and Allegany County high schools maintained a score differential of thirty-two points since 2016. College Board, the owner and developer of the SAT, claims that a difference in scores of at least sixty points indicates a true difference in ability.

Figure 5-2



Source: MD Department of Education, 2020, RKG Associates, Inc., 2021

5. Recreation

Convenient access to recreational activities enables workers to promote a strong work-life balance, valued highly by millennials and knowledge-workers. During the COVID-19 pandemic, a popular trend is working remotely from places with abundant outdoor activities and natural amenities; places that resemble Cumberland. While remote working is expected to continue, the CEDC can take advantage of this trend, marketing Cumberland's extensive hiking and biking network, including the GAP Trail and nearby state parks. Wills Mountain State Park and Rocky Gap State Park provides outdoor recreational activities year-around. Furthermore, the Rocky Gap Casino and Resort and Downtown Cumberland provide additional entertainment opportunities, for those not interested in outdoor recreational activities.



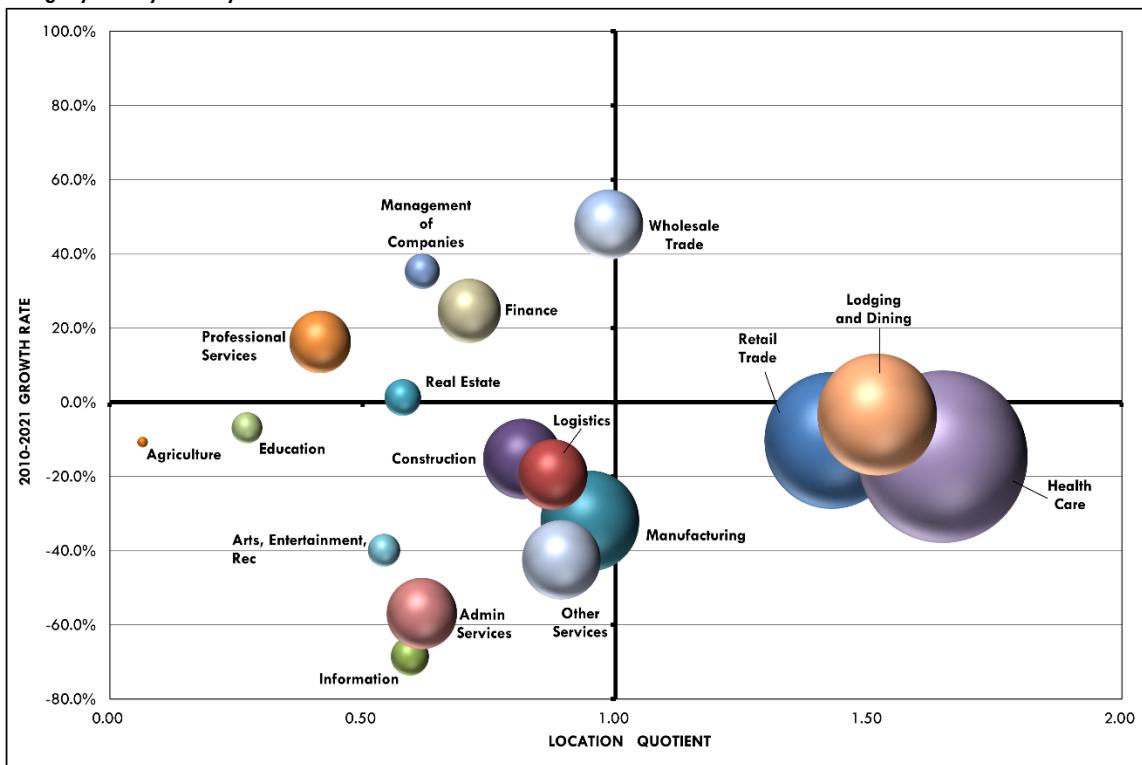
E. TARGET INDUSTRIES

The following section identified the following target industries for the CEDC to pursue in the near term:

- **Health Care and Social Assistance (NAICS 62)**
- **Remote Business Services (NAICS 51, 52, 54, 55)**
- **Construction Contractors and Rental Leasing (NAICS 54 & 53)**
- **Tourism and Recreation (NAICS 72)**
- **Retail and Dining (NAICS 44, 71)**

These industries were identified based on data analytics of local business trends, which includes a calculation of a 'Cluster Score.' The Cluster Score indicates the strength of an industry. Scores are influenced by an industry's total number of jobs, location quotient relative to the Region, and employment growth rate. The cluster analysis focused on Allegany County since current data was unavailable for Cumberland. The chart below (Figure 5-3) illustrates three of the key drivers of an industry's cluster score: the size of the bubble illustrates the number of local jobs, its position on the x-axis indicates the concentration of jobs relative to the Region, and its position on the y-axis indicates the local employment growth rate.

Figure 5-3
Allegany County Industry Clusters



Source: EMSI, RKG Associates, Inc., 2021

The chart illustrates that Allegany County's largest employment sectors are Healthcare and Social Assistance, Retail Trade, and Lodging and Dining. Numerically, all three industries sustained major job losses, however their relative concentration of employment is high which explains their minimal



percentage decline of job losses. Professional Services, Finance, and Management of Companies all gained jobs since 2010, but their relative employment comprises a negligible proportion of the workforce. The Manufacturing and Logistics sectors experienced a declining growth rate since 2010, coinciding with the county's decrease of industrial production. However, the Logistics sector is projected to experience job growth over the next couple of years with the windfall addition of a FedEx Distribution Center. Distribution centers are being developed nationwide. In part, from the continuing market expansion of e-commerce.

1. Health Care and Social Assistance

Healthcare and Social Assistance is Cumberland's largest industry, bolstered by UPMC Western Maryland. UPMC Western Maryland has an expansive customer base, serving the health needs of Allegany and Garrett Counties, as well as surrounding counties in West Virginia and Maryland. The hospital is community-centric, providing a variety of medical services, including mental health services and pediatric specialty care. For Cumberland to remain a strong healthcare hub, the CEDC must cooperate with UPMC Western Maryland and other healthcare institutions, responding to economic shifts and accommodating the living needs of healthcare professionals.

Allegany County's aging population will increase the demand for medical services. Medicare and UPMC Western Maryland, part of a global enterprise, can provide financial support for households across a variety of income levels. A boon for Allegany County, given the high proportion of lower income households. In wake of the rising demand among older residents, the CEDC must capitalize on UPMC Western Maryland's extensive resources; Leveraging partnerships to develop senior living assisted facilities and outpatient treatment programs for seniors seeking to remain in their homes.

In Allegany County, shortages among healthcare professionals are rising, especially among nurses. In part, shortages stem from higher salaries offered at private physician offices and competitors outside the region. The growth of traveling nursing agencies, offering higher salaries have resulted in nursing shortages, a challenge among local hospitals spanning nationwide. To reduce labor shortages, recruitment for healthcare professionals outside the county has become restrictive. Instead, workforce training programs could help residents access jobs in medical support. UPMC Western Maryland has coordinated with Allegany College of Maryland (ACM) to expand their nursing programs to train additional students seeking to become nurses at the hospital.

Per conversations with UPMC Western Maryland, recruiting and retaining healthcare professionals has been challenging due to the lack of urban amenities, social opportunities, and decent housing options. Trending nationwide, young professionals are demanding housing in walkable and vibrant neighborhoods. As the CEDC works to revamp Cumberland's Downtown, mixed use development should be prioritized, equipped with diverse housing options and retailers.

2. Remote Business Services

Cumberland offers a high-quality of life, year-round outdoor recreation amenities, and a low cost of living. These are attractive features to workers that seek a less urban lifestyle and access to outdoor amenities, a trend popularized during the COVID-19 Pandemic. Communities such as Asheville, North Carolina and Johnson City, TN have developed large markets for remote workers, in search for a better-work life balance. In general, remote workers have incomes that exceed wages in the area.

While job losses have spanned across most industries in the previous decade, Allegany County gained jobs in a few lucrative industries. The job gains among these industries signal a potential to attract remote workers that could also work in these industries. In effort to recruit remote workers, the CEDC needs to consider offering financial incentives and enhancing Cumberland's urban fabric with a vibrant downtown and increased walkability. Incentives to lure remote workers has been common among local governments nationwide, such as supporting moving and housing costs as well as offering cash up front.



3. Construction Contractors and Rental Leasing

The CEDC should consider pursuing construction and remodeling contractors to improve the city's built environment. Cumberland is burdened with several dilapidated buildings deemed unusable and or burdened with degenerated facades. These attributes can hamper the CEDC's efforts to recruit and retain businesses. The look and feel of physical spaces are a critical factor of a business' evaluation of a place, preferring to conduct operations in places with updated buildings features and strong neighborhood aesthetics. Fortunately, Cumberland contains a rich collection of historical buildings, an attractive feature to businesses and residents. Many require rehabilitation, a challenging task requiring contractors with specialized skills. Preservation Maryland, a nonprofit dedicated to historical preservation throughout the state, connects preservation building contractors with communities. The CEDC should coordinate with Preservation Maryland and other state entities, securing grants and rehabilitation services to help improve the historic building stock in Cumberland.

Limited housing opportunities for workers is a challenge among local businesses, constraining their labor recruitment efforts. Businesses have voiced concerns that recruiting workers is difficult, citing a lack of rental options and housing opportunities that cater to younger generations. Considering these concerns, the CEDC should target contractors and rental leasing companies to help expand rental units, especially within the available building stock in Downtown Cumberland. These opportunities could appeal to remote workers, seeking more affordable rental opportunities relative to their current place of work.

4. Tourism and Recreation

Cumberland is at the center of a four-season recreation and tourism market. The city boasts exquisite hiking and biking trails and hosts arts venues, holiday/community events, outdoor music concerts. The proximity to the river and GAP trail has enabled the growth of a small bed & breakfast market and recent development of hotels and resorts. Earlier in the report, the Economic Analysis revealed that the hospitality, entertainment, and recreation gained jobs over the previous decade. In part, this is due to the addition of Rocky Gap Resort and Casino.

While tourism is a vital source of Cumberland's economic growth, the CEDC must consider forming strategic partnerships to efficiently grow and sustain the tourism industry. Multiple entities maintain objectives that are inextricably linked to growing the tourism industry in Cumberland and the surrounding region. These include Mountainside MD, Canal Place Preservation & Development Authority, Allegany Arts Council (AAC), and the Downtown Development Commission (DDC). These organizations must increase cooperation with each other or rather, formulate into a single entity. Doing so, would reduce inefficiencies for increasing tourism in the area while maximizing the objectives of each individual entity. For instance, the AAC and the DDC could develop innovative beautification strategies that enhance the physical connection between the GAP trail and Downtown Cumberland to encourage greater foot traffic along businesses on Baltimore Street.

5. Retail and Dining

Retail and Dining is not a target industry. They are complementary industries, expanding because of demand generated from workers and households connected to primary industries—Healthcare and Social Assistance, Management of Companies etc. Thus, the recruitment and creation of retailers and restaurants must be less prioritized. However, retailers and restaurants can affect economic development outcomes and must be strategically planned to maximize benefits.

Between 2010 and 2021, department stores accounted for approximately 60% of job losses within the Retail Trade industry. These losses coincide with department store closures at the Country Club Mall in La Vale. With the rise of ecommerce and trend towards independent stores in walkable neighborhoods, retailers may be better served in denser areas near housing opportunities. Rolling Mill is a strategic



location to support a mixture of retailers and housing, especially due to its walkability to Downtown Cumberland.

Most recent developments were gas stations, equipped with convenience stores. Since 2016, 3 Sheetz and 1 Loves Country Store were developed. While these retailers provide few jobs and generate tax revenues, they constrain Cumberland from advancing towards their economic development objectives: Creating jobs within stable industries, maximizing scarce land resources, and revamping Cumberland's image as a long-term destination.



6 IMPLEMENTATION STRATEGY

A. INTRODUCTION

Historically, Cumberland has been an economic hub for Allegany County and the Western Maryland region. The city's economy developed and flourished as an industrial center for manufacturing and shipping until the unintended consequences of globalization and technological advancement unfolded. As manufacturing jobs were exported internationally (particularly Mexico), Cumberland's economy suffered; Demonstrated by major job losses across most industries, massive population declines, and physical deterioration of the built environment. To reverse these challenges, Cumberland has progressed in many areas, growing into a regional medical hub, strengthening their local educational programs, capitalizing on local tourist attractions, and planning for downtown revitalization. The updated implementation strategy positions Cumberland and the CEDC to continue to build on this progress while meeting the city's economic development goals.

To pursue Cumberland's economic development goals, the CEDC must coordinate and cooperate with a variety of local stakeholders under a unified vision. That includes the City of Cumberland, Allegany County Economic Development (County), local businesses, educational institutions, non-profit organizations, etc. Strategic partnerships and mutual dependence between local stakeholders are essential for reaching the defined economic development goals (detailed below). The implementation strategy is a collection of recommended strategies, focused on furthering Cumberland's recent successes, which guide the city and CEDC over the next five years.

B. PROPOSED ECONOMIC DEVELOPMENT GOALS

The CEDC assembled an Advisory Group to represent the various economic development interests in Cumberland and assist in creating the updated implementation strategy. The Advisory Group helped identify, refine, and select the city's economic development goals through interactive presentations and consistent communication. The following goals identified in this section resulted from the Advisory Group's input and recommendations.

- Develop a revised council-endorsed economic development vision- A clear economic development vision with unanimous support from all members of city council that embraces the recommended strategies while advancing Cumberland's economic development goals. Without defining a unified vision and remaining vigilant to the focus of that vision, advancing economic development will be cumbersome and inefficient. Competing interests will obstruct essential policies and programs from being created that advance Cumberland's economic development goals. The unified vision must recognize that successful economic development is an incremental process, involving substantial financial and time investments from multiple government entities and community stakeholders.
- Strengthen coordination and cooperation among implementation partners- Cumberland and Allegany County are filled with individuals and organizations committed to promoting economic development in the area. Many execute similar initiatives targeted at the same objective (e.g., the CEDC and Allegany County Economic Development both work on job creation and retention in the area). The lack of coordination and cooperation between separated entities with the same objectives create inefficiencies to advance economic development objectives. The Advisory



Group recognized the productive value of joint-collaboration, among the CEDC and Allegany County Economic Development well as local institutions—Chamber of Commerce, Downtown Development Commission etc. Future economic development efforts must capitalize on consistent coordination and cooperation.

- Increase public support for defined economic development vision- Community participation is essential to achieve the Advisory Group's defined economic development goals. Therefore, the local community must understand what economic development is and what it will take for economic growth to occur in Cumberland. Economic development is an investment, not an expense, which many community members perceive it to be. Proactive outreach to provide information, address concerns, and simply listen, will be essential for the city and CEDC to advance their collective efforts.
- Empower the CEDC to proactively create rehabilitation/new development opportunities- According to the codified by-laws, the CEDC is designated as the lead role for catalyzing development and rehabilitation in the city. However, political barriers have limited their role, impeding the potential of some real estate projects from advancing, able to generate long-term economic and social benefits for the city. While maintaining a series of checks and balances is critical to building and maintaining trust, some efforts done under the guise of 'maintaining control' have infringed upon the effectiveness and efficiency of the economic development process established under the previous plan.
- Continue to build Cumberland's image to stimulate growth and investment- Outside Cumberland and Western Maryland, Cumberland generally maintains a perception as a rust-belt community with minimal economic potential and social attractions. While some individuals and organizations have 'found' Cumberland, the true opportunities and potential of the city generally remains unknown. Reshaping this perception through proactive marketing efforts is integral to stimulate growth and investment into the city. The resulting image should convey Cumberland's true nature, a place with a beautiful historic downtown, abundant recreational activities, and expansive medical network.
- Improve Cumberland as place to live, work, and play- Cumberland contains the ingredients to become a thriving place to live, work, and play. The city is equipped with a pedestrian friendly downtown and abundant recreational activities, attractive to millennials and remote workers. To capitalize on these local assets, the city needs more housing opportunities, mixed use developments, and updated building features.
- Create the environment conducive to encourage job growth and retention in a variety of stable industries- Cumberland is overabundant with low-skilled jobs among industries vulnerable to economic shocks. The COVID-19 pandemic reinforced the need for higher quality jobs that pay wages above the median income. The increased spending capacity from adding these jobs will create a more stable and self-sustaining economy.

C. BUILDING FOR SUCCESS

Since the CEDC's inception, Cumberland has regained positive momentum with its economic development efforts. The update of the strategic plan intends to build upon those efforts, providing the city with new tools and reinforcing strategies recommended from the original 2014 strategic plan. Moving forward, economic development efforts will emphasize community cooperation and strategic investments to minimize risk.

- Increased cooperation and consolidated efforts are critical- The CEDC has limited staff and resources to achieve all the Advisory Group's defined goals. Fortunately, several entities that



exist already focus on improving economic and social conditions in the area. The CEDC must continue to cooperate with local, regional, and state entities, leveraging their financial and technical resources to support Cumberland in reaching its goals. Consolidation of economic development functions should be highly considered, especially with the Downtown Development Commission. Further, the City of Cumberland and Allegany County should continue to build collaborative efforts to reduce duplication and inefficiency in implementation.

- *Do less to gain more-* While this strategic plan identifies the need for additional full-time staff to comprehensively pursue the economic development goals identified by the Advisory Group, not all strategies need to involve high-cost professionals and interventions. For instance, many marketing efforts can be done through part-time interns from local colleges and through community volunteers providing in-kind contributions. Various placemaking activities can be cost-effective to enhance the built environment (i.e., street art and improved signage). Moreover, Cumberland has several business leaders and corporate citizens either engaging or willing to engage that are economic development efforts. Organizing and soliciting in-kind contributions are an effective way to fulfill the CEDC's responsibilities in the short-term with little additional investment.
- *Define the city's narrative-* Cumberland's reputation largely has been defined by past economic successes and failures. Interviews with business leaders, investors, and consumers through this process revealed that there are some perceptions about Cumberland as a place to recreate, work, invest, and live are antiquated or incorrect. Communication throughout the region and to potential investors/economic opportunities has been inconsistent and infrequent. Proactively marketing the community—and the region—should be a priority focus for the city and CEDC.
- *Be creative and flexible when implementing-* The update of the strategic economic development plan is not a literal guide to follow. But rather, a collection of recommended strategies based on comparable strategies used in communities with similar population and political dynamics. The strategies also account for the community's responses through stakeholder interviews. Given the long-term timeframe of several recommended strategies, Cumberland's market conditions and access to resources will likely change over time, requiring the CEDC to find alternative approaches to reach the defined goals.
- *Maximize Cumberland's potential through risk and reward-* Capturing long-term economic benefits is an incremental process, requiring substantial financial and time investments. The CEDC does not receive enough financial support for pursuing all the defined goals. Funding sources that advance the CEDC's efforts must understand that successful economic development will take time. Further, some funding strategies that may appear negligible can make a difference in the long term.
- *Reframe focus to look inward rather than outward-* While recruiting businesses outside the region can create jobs, Cumberland's greatest potential for job creation will be through capitalizing on the skills and resources of the local existing community. This includes stimulating opportunities for small business development, improving workforce development programs, and enhancing the city as a place to live, work, and play.

D. PRIORITY ACTIONS

The Priority Actions are a collection of recommended strategies and interventions to meet the goals and objectives put forward by the Advisory Group. The recommendations are divided into six topic areas: [1] Business Retention and Expansion; [2] Asset Development; [3] Marketing Communication, and Outreach; [4] Business Recruitment and Attraction; [5] Organization and Coordination; [6] Toolbox Development.



The prioritization of these actions was executed through a combination of the Advisory Group's vision, current and projected market influences, and feedback from community leaders. The following sections describe how the CEDC can leverage local resources to encourage job creation and retention, maximize real estate and business investments, and sustain long-term economic growth. The end of this chapter is a structured implementation matrix which includes additional recommendations not addressed in the narrative.

1. Organization and Coordination

The importance of pursuing economic development through joint-cooperation and strategic partnerships cannot be emphasized enough. To achieve the Advisory Group's defined goals, the CEDC needs financial and technical support from all relevant partners and stakeholders. This includes the City of Cumberland, Allegany County, non-profit organizations, businesses, and educational institutions. Overall, any entity involved with mobilizing economic and social outcomes in Cumberland, broader Allegany County, and throughout the entire region. Many recommendations were previously identified in the initial economic development plan completed seven years ago and remain pertinent today.

Objective #2: Staff the CEDC commensurate with stated goals- The economic development expectations in Cumberland continue to exceed what is possible given the current volume of financial investments and staff capacity. The depth and breadth of existing economic development activity is not commensurate with the appropriate output from two economic development professionals. Further, it was reported during this effort that the CEDC often is asked to address tangential, or even unrelated, efforts due to lack of capacity/capability within the city's staffing. This creates an ineffective cycle where expectations are raised while the existing capabilities available to meet these expectations are incompatible. As a result, the CEDC should reduce its focus to the most critical tasks until additional staff and resources are made available. **RKG Associates and the Advisory Group recommend the CEDC's efforts should focus on business retention and expansion and asset development. The CEDC can expand its efforts as additional staff members are hired; Specifically, related to marketing, small business development, and development review.** The order of described positions is the recommended order of hiring from RKG Associates and the Advisory Committee.

- **Marketing Director-** Marketing efforts currently are reactive and not proactive. This primarily is due to the lack of staff and resources to develop, produce, and maintain a comprehensive outreach strategy to potential targets (e.g., entrepreneurs) and increase awareness of opportunities that exist in Cumberland (e.g., investors and telecommuters). The Marketing Director position will be responsible for creating and maintaining marketing materials, coordinating information-sharing programs with community members, and recruiting part-time staff members to assist with website development and write economic development memos. Specific efforts include writing the monthly newsletter, designing the quality-of-life brochure, supervising website content and design, coordinating networking and outreach events, and advertising economic development related events.
- **Small Business Development Specialist-** The County's Small Business Development Center is an excellent start to developing 'home-grown' businesses. However, it lacks focus and is not incubated for capitalizing on the specific opportunities available in the City of Cumberland. RKG and the Advisory Group recommend a joint City-County entrepreneurial effort that maximizes the resources already available through the County while creating a stronger, more proactive marketing campaign to increase awareness locally and regionally. The Small Business Development Specialist position will augment existing efforts and allow the City and County to consider operating physical space for entrepreneurial development (e.g., a permanent facility for classes/lectures and assistance). This position also can administer the mentorship program and lead the efforts on rural-sourcing campaigns.



- Ombudsman- An ombudsman assists property owners and businesses through development review and entitlement processes. Often, these individual addresses the mistakes made by applicants (e.g., failing to have all the proper paperwork) and assists in challenging processes (e.g., sequencing for multi-faceted review processes). Whether that be a rezoning or variance request, the ombudsman assists applicants navigate Cumberland's rules and regulations. Current CEDC staff provide these services when asked/or know of the challenges, but do not have the capacity to proactively market these services or address all the potential needs of Cumberland businesses/property owners. Additional staffing is required to proactively engage existing and potential businesses in an effective manner.

Ideally, these positions would be fulfilled by full-time staff members. Additional support can be supplemented through part-time interns from local community colleges and community volunteers willing to provide in-kind assistance.

Objective #3: Create greater coordination and collaboration with economic development entities and partners within Allegany County-

- Strengthen relationships with local partners and define their roles and responsibilities within economic development efforts through a Memorandum of Understanding (MOU)- As noted, the CEDC has limited staff and financial resources to achieve all the goals identified by the Advisory Group. To help offset these limitations, the CEDC needs to continue to build coordination with local mission-based entities focused on enhancing the economic and social climate in the area. Such organizations include, Allegany County Arts Council, Downtown Development Commission, Tri-County Council etc. Coordination among these organizations is vital for bolstering the CEDC's efforts on business recruitment, communication, and outreach, and various placemaking activities. While these efforts remain undefined, creates overlap and confusion on specific roles and responsibilities for each organization. To encourage the most effective results, the CEDC and relevant organizations must clearly define their responsibilities and roles for advancing economic development objectives in a written MOU.
- Form strategic public-private partnerships to finance economic development activities- Due to limited funds, most economic development efforts will require financial assistance through public-private partnerships. RKG recommends that the CEDC work with the Appalachian Regional Commission (ARC) and Allegany County Economic Development to develop a revolving capital fund focused on real estate rehabilitation and investment. This fund can help finance a variety of economic development activities including land acquisition, building rehabilitation, and small business development. A potential mechanism to create the fund e is a partnership with local banks, offering low interest loans with government guarantees. Whenever appropriate, the CEDC should capitalize existing resources from the state government and continue to lobby for the development of realistic, mission specific investment programs. One example would be providing more aggressive tax credits for small business/entrepreneurial development within the city's downtown area.
- Continue to build partnerships with Allegany County Economic Development- **RKG Associates reiterates the potential effectiveness and efficiency gained by having the city and county efforts work harmoniously.** As stated in the city's previous strategic economic development plan, RKG Associates believes the most effective and efficient approach to economic development for the City of Cumberland and Allegany County is through a joint public private partnership. A consolidated economic development organization can help bridge the depth of financial and technical resources needed to advance the Advisory Group's defined goals. That said, RKG understands efforts to achieve this strategy were attempted but fell short. RKG also recognizes that continued efforts to build trust and collaboration is necessary to fully reach the potential of having a single, comprehensive economic development effort for all Allegany



County residents. While the timing of a true joint initiative may be longer-term than hoped for, many of the expected economic development initiatives should be executed at the county level as a joint initiative with joint funding strategies to minimize having to hire multiple staff members to perform similar job tasks. The fragmentation of economic development efforts continues to generate potential duplication of services, cost inefficiencies, and barriers to creating a fruitful environment for business development and attraction. To this point, the Advisory Group and RKG have offered several ‘first step’ opportunities to engage with Allegany County Economic Development and recognize the importance of the recent joint investment in property acquisition. Hopefully, these incremental investments and efforts will allow all economic development partners in Allegany County to reconsider how to best serve the community’s economic development needs over time.

2. Business Retention and Expansion

Objective #1: Enhance relationships with existing businesses- The CEDC must continue to develop consistent communication and engagement with local businesses to nurture their existing operations and growth. This involves understanding local businesses’ key challenges that are impeding their operations and how the CEDC can respond to mitigate such challenges. Without proper outreach, local businesses are more prone to break down under adverse market conditions, making them less likely to continue to participate in Cumberland’s overall economic market.

- Create and maintain database of all businesses in Cumberland- The CEDC must establish and manage a list of all businesses throughout the city. This is helpful for facilitating consistent communication with all businesses, providing updates on economic development, and ensuring each business is aware of programs, opportunities, and incentives available for them to sustain and grow in Cumberland. An initial step is for the CEDC and City of Cumberland to develop a comprehensive business license tracking and reporting system. As the CEDC builds its business database and executes its annual business survey (detailed in the next recommendation), engaging a Customer Relationship Management (CRM) system will be essential to track engagement efforts and progress with local businesses. Purportedly, Allegany County Economic Development is in the process of creating a CRM system which the CEDC will be able to access and use.
- Arrange and moderate one-on-one meetings with all businesses- In-person meetings can nurture trust and transparency between the CEDC and local businesses particularly for small businesses that are underrepresented at networking events. The CEDC must meet and engage with all businesses throughout the city and establish metrics that indicate the length of time to meet with all businesses (e.g., meet with all businesses within a two-year time frame). A defined metric can be effective to maintain accountability in the CEDC’s outreach efforts and should be established based on staff availability (RKG recommends hiring an additional business retention specialist to execute this effort). Local partners that have relationships with existing businesses can help with these efforts, including Allegany County Economic Development and Downtown Development Commission (DDC).
- Train ambassadors and board members to assist in outreach efforts- The CEDC’s existing staff capacity is not capable to meet with all businesses throughout Cumberland in a reasonable time frame. In addition to hiring a business retention expert, deploying business ambassadors to engage in outreach efforts will amplify the existing staff capacity of the CEDC. While the CEDC and local partners continue to meet with the city’s businesses, trained ambassadors can begin to meet with businesses that already share a strong relationship with the CEDC. Ambassadors must be trained to ask protocol questions for moderating conversations and be proficient at using the CRM system.



- Continue to build relationship between businesses and local educational institutions- Businesses can have changing labor demands based on market developments and will seek workers with specific skills and interests. The CEDC can expand its existing relationships with local educational institutions (e.g., Allegany College of Maryland, Allegany County Public Schools) to facilitate the development of educational programs and curriculums that prepare students for working opportunities in the area. More specifically, there are opportunities to build workforce development opportunities for middle and high school students in growing employment sectors, Healthcare, in particular.
- Host career-day events with local stakeholders- The CEDC should consider hosting career-day events with a variety of local stakeholders, including Allegany College of Maryland (ACM), Frostburg State University (FSU), the Western Maryland Information Technology Center for Excellence (WMITC), and Allegany County Economic Development. These events should be designed to bring local and regional businesses to discuss opportunities with local adult, college, and high school workforce participants. Such discussions should focus on marketing existing job opportunities as well as detailing the type and scale of education and training to be able to compete for these jobs. Understanding the educational and training credentials for job placements is critical for building and maintaining the community's labor resources.

Objective #2: Implement an annual business survey with Allegany County Economic Development- An annual business survey can be an effective medium to engage with local businesses to learn prevailing market conditions and trends, identify thematic challenges and needs across specific businesses, and capture feedback on economic development priorities. Survey responses can facilitate the creation of programs and policies that address familiar challenges and concerns among businesses. The results of the survey can also reveal specific businesses most vulnerable to downsizing or closing, stimulating the CEDC to prioritize in-person visits to those specific businesses. Tracking the results of the survey will be critical for assessing changing market climates. To track and organize results, the creation of an excel database is an effective tool. This can be created through coordination with local institutions, gaining connections to individuals with the skillset for creating databases and performing predictive data analyses (e.g., FSU, ACM, WMITC, etc.)

Objective #3: Expand industry roundtables into new market areas Industry roundtables convene representatives from specific industries to meet on a quarterly basis. These meetings enable discussions on business-related challenges and opportunities in Cumberland. The CEDC's participation at meetings is critical, allowing them to draw insights on how existing programs and policies can be modified for sustaining and growing specific industries. Moreover, the CEDC can develop valuable networking opportunities to assist in business recruitment. While all industries are encouraged to form roundtables, the Advisory Group prioritizes the following industries to form roundtables:

- Manufacturing
- Logistics
- Hospitality
- Tourism (with Cumberland Visitor Center)
- Construction
- Healthcare

Outside the annual business survey, roundtables are integral for generating initial concept and policy ideas on workforce and entrepreneurial development programs, financial and regulatory incentives, and market and asset development. While many existing businesses share ties with the CEDC and Allegany County Economic Development, collaboration between the CEDC and Allegany County Economic Development is an effective and strategic approach to develop industry roundtables, particularly for the Manufacturing and Tourism industries.



Objective #4: Execute business networking events and seminars- Networking opportunities encourage local businesses to garner professional connections, recruit workers, and expand their knowledge capacity. Such opportunities can be engineered through interactive events and seminars, especially in casual stress-free environments. These events are different than traditional social and happy-hour type gatherings. Typically, these events bring in outside experts or keynote speakers, engaging the business community to provide emerging market information or provide insights into existing challenges identified in the business survey/business outreach initiatives. The CEDC can partner with Allegany County Economic Development and the Cumberland Chamber of Commerce to develop specific subject matter events and create hybrid events for businesses located inside and outside Cumberland.

3. Asset Development

Objective #1: Create area-focused plans with the help of real estate community-

- **Define economic focus and vision for each economic activity area-** A strategic plan has been created to revitalize Downtown/Baltimore Street as a central gathering place through an emphasis on multi-modal transportation and mixed-use developments. Similar plans should be created for a variety of areas throughout the city with a clear economic vision that accommodates existing land uses. For example, a plan for Rolling Mill should not emphasize manufacturing uses, given its proximity to housing and existing investments in highway commercial businesses. Rather, a more efficient plan for the secondary areas in Rolling Mill/Cumberland Gateway (e.g., Maryland Avenue corridor) would emphasize housing infill and redevelopment, fostering walkability to Downtown businesses. All these plans should be developed in coordination with property owners and the development community to embrace a vision for each area. Other areas include (but are most limited to) the hospital/ACM, I-68 exits, and South Cumberland/Virginia Avenue. These plans should include specific site-based strategies that will require engagement with those property owners.
- **Enact regulatory changes to allow defined vision to occur-** Through conversations with investors and brokers, RKG recognized that advancing developments and renovations can be challenging due to restrictive building covenants, unpredictable permitting processes, and ambiguous ordinances. These challenges must be addressed area to generate greater interest in pursuing development opportunities in each economic activity area.
- **Identify and market transformative sites for economic development-** Due to the prevalence of steep slopes and wetlands, Cumberland is largely built out. A few undeveloped sites remain while only a handful of sites can accommodate substantial economic development investments. The CEDC should identify and market sites that have transformative potential for the city (e.g., Messick Road site, CSX property, and the Times News building) **AND have owners willing to participate in an economic development growth strategy.**

Objective #2: Inventory and Market Available Buildings and Land- The CEDC lacks a centralized database that inventories available buildings and land for business operations and development. A lack of a database complicates Cumberland's business recruitment and expansion efforts. The creation and maintenance of a database will involve cooperation with community members, including residents and building owners. It will also require additional investment in staffing and technology resources to maintain and operate the database.

- **Inventory vacant buildings through on-the-ground surveys-** Many buildings throughout Cumberland are either completely or partially vacant. While the availability of data from real-estate brokers is scarce, the CEDC should hire part-time workers or volunteers that will travel on every street throughout the city and identify vacant building spaces. The identified buildings will then be cross-referenced with the property assessment database to identify the corresponding



owner to contact. If struggling to hire participants to help with surveys, a cost-effective alternative is to recruit students from local colleges or high schools.

- Create a public, user-friendly online database of vacant assets that connects to the CEDC website- The resulting database should be marketed online, enabling investors and developers to search for vacant buildings and land opportunities. Ideally, the database could be added as an extra feature to Allegany County's existing GIS platform. If not, the CEDC must consider hiring a part-time staff member with website development and GIS capabilities. A few of the essential features of the online portal include:
 - Map interface to visualize property location in city
 - Key property indicators: year built, available square footage, sales/lease price, degree of rehabilitation
 - Link to property assessment record

Objective #3: Create connected and accessible places to foster vibrant public spaces-

- Catalyze housing opportunities that reflect prevailing local and national trends- Housing has emerged as a cornerstone for successful economic development, responsible for invigorating downtown corridors, attracting businesses, and enhancing residents' well-being. To maximize benefits, housing opportunities must be planned that reflect prevailing trends of younger and older generations, alike, including the growing demand for walkable neighborhoods with convenient access to jobs and community amenities. Cumberland contains neighborhoods and existing buildings able to support the demand for such housing opportunities. Especially along Baltimore Street in Downtown Cumberland.
- Maximize spaces on underutilized parcels- Underutilized areas can create major opportunity costs to a community, forgoing sources of tax revenue, job creation, and vibrant street activity. Given the scarcity of developable land in Cumberland, these areas must be capitalized on with any productive uses. That said, such uses can be the result of cost-effective strategies that do not require intensive construction activities. For instance, minimal impact placemaking interventions aimed to enhance the vitality of Cumberland's urban environment, which can ultimately generate a variety of economic spillover effects.
- Identify parking lots with excessive space- Parking lots are essential to accommodating the city's reliance on car transportation. However, windshield surveys suggest an overabundance of parking lots. Particularly around Downtown Cumberland, creating distances between businesses while reducing their walkability and accessibility. The CEDC should identify parking lots throughout the city that may contain excessive space and how they can be realtered to enhance vitality in the spaces.
- Ensure small area plans emphasize physical connectivity between areas- Detached areas, isolated with physical barriers can discourage street activity that support local businesses, such as restaurants and retailers. Physical barriers may include railroad tracks, freeways, deteriorated buildings, and parking lots. These are pervasive throughout the city, especially surrounding Downtown Cumberland. For instance, Canal Place and Baltimore Street lack a seamless connection that catalyze GAP trail users to travel to Baltimore Street's retailers and restaurants. Not all connections have to be costly developments. Inexpensive placemaking activities such as street art can involve local entities such as the Allegany County Arts Council and nearby high schools.
- Identify opportunities to execute land swaps between developable public amenities and privately held land that has limited development potential- The City, County, State, and CEDC should



work collaboratively to determine a more economically sustainable way to use developable public resources to expand economic activity in Cumberland while protecting the amount and variety of public amenities in the city. Given the regional topographical and environmental constraints, repurposing developable public land for economic growth through land swaps with private entities with little/no development potential strengthens the local economy while preserving (and even potentially increasing) the area's quality of life. One example would be swapping a private parcel that has limited construction potential for redevelopment into a public park.

Objective #4: Expand CEDC's role in developing and executing public-private partnerships- In Cumberland, public-private partnerships are essential to finance redevelopment and infill projects. Without proper financing, developers are unable to complete projects aimed to reflect the city's development objectives and community outcomes. The City of Cumberland must be involved in the real estate development process, to the extent of financing projects and recommending building features to include on finished projects. However, involvement beyond these responsibilities can slow approval processes and minimize the CEDC's entrusted responsibilities for advancing real estate projects. These challenges were recently exemplified during the acquisition of Messick Road and future redevelopment of Rolling Mill.

All that said, RKG strongly recommends the city expand the CEDC's role in administering ongoing and future real estate projects. The City can retain final approval for financial incentives but positions the organization it created years ago to execute real estate deals. The Board of Directors for the CEDC already includes a combination of public and private sector leadership, ensuring execution of these projects will comply with the city's defined economic development goals and objectives (presumably codified through this document).

4. Marketing, Communication, and Outreach

As noted previously, the full depth and breadth of the marketing, communication, and outreach efforts detailed here and in the implementation matrix will require the addition of a full-time marketing director at the CEDC. It is not possible to implement business retention and expansion efforts, execute the city's asset development needs, and implement a comprehensive marketing campaign with **only** two professional staff members.

Objective #1: Enhance Cumberland's Marketing Collateral-

- **Revise and update the CEDC website to be more 'user-friendly'-** The purpose of the CEDC's existing website is to promote Cumberland as a business-friendly location to entice investors for business and development opportunities. While the website fulfills this purpose, it can be improved to be more 'user-friendly' and informative. Improvements could ease navigation through the CEDC website, encouraging more investors to consider Cumberland as a place to do business. Work on the website should be executed with community support, especially in collaboration with local universities.

The usability of the CEDC's website plays a vital role in facilitating efforts to attract and grow businesses in Cumberland. A website must ease the user's (investors) experience to navigate and identify information relevant to their business interests. The existing website makes this challenging through a collection of elusive or broken links and unorganized navigation menus. For example, the website's home page contains two separate menus for the same topic. This can confuse the user and even reduce their level of interest in Cumberland as a place to do business.

- **Modify target industry briefs with detailed metrics-** The CEDC's website contains industry briefs that describe how Cumberland is a viable location for specific industries. The industry briefs should be expanded to highlight information on employment and establishment growth data,



regional wage rates, current businesses operating in the area, unique incentives available (where applicable) and local business contacts (ambassadors).

- Quality-of-Life Brochure- The quality-of-life brochure must focus on Cumberland's intangible assets that are ideal for living and working. The content should emphasize Cumberland's quality of life, focused on the area's distinctive architecture, abundant recreational opportunities, and low cost of living. Especially with the rise of remote working, promoting quality of life factors are increasingly important for advancing economic development objectives. This should be updated on a tri-annual basis and developed in collaboration with a hired marketing director (new staff position) and local partners including Allegany County Economic Development, Canal Place, and Mountainside Maryland etc.
- Increase Accessibility to Programs and Incentives Document- The document must include local, county, and statewide incentives and programs. This is particularly important for small business development and entrepreneurs with minimal experience. The document can gauge the financial benefits of jumpstarting a business in Cumberland and inform existing businesses of programs to ensure their presence in the city. While an existing document is available on the CEDC website, it is hard to find due to disruptive broken links. Making the document easier to access is critical for guiding small businesses seeking to initiate their operations and grow.
- Cooperate with local universities on marketing efforts (e.g., website design/development, social media content, written memos, etc.)- Collaborating with professors and students at Allegany College of Maryland and Frostburg State University can be a cost-effective strategy to enhance the CEDC's website. Assistance for enhancing the website can come in the form of part-time internships for students and in-kind contributions from professors.

Objective #2: Implement a proactive community engagement and education initiative- Community support is integral to advancing economic development initiatives. Residents may misunderstand the importance of economic development and how economic development benefits them. This is particularly true in communities where economic growth has been limited for extended periods of time. To bridge this knowledge gap, RKG Associates recommends the CEDC to implement a series of community engagement and educational outreach initiatives. Such outreach initiatives can come in the form of in-person discussions, surveys, and interactive online forums.

- Facilitate in-person and virtual workshops- This is the most direct form of communication, which involves educating residents on what economic development is and how economic development benefits them. This should include a special focus on how economic development has transformed in the 21st century, emphasizing the increased importance of dedicated community participation and how economic development is an incremental process. While primary in-person discussions will be hosted by the CEDC, a series of supplementary discussions should be moderated by residents with strong ties to local civic organizations or neighborhood groups to increase the effectiveness of the message.
- Implement bi-annual survey to residents- A bi-annual survey targeted to residents can gauge local understanding and support of economic development as well as identify any community-based goals and concerns. Their responses can help facilitate the creation of programs and policies that advance community goals and provide content to develop targeted approaches to address common/detailed community concerns.
- Initiate interactive online forums- To ensure constant and consistent communication with residents and civic organizations, an online tool should be integrated with the CEDC website for providing feedback on economic development programs and requesting meetings with economic development staff. Having a dedicated communication portal on the CEDC website can offer



individual citizens the opportunity to ask questions, provide recommendations, or seek clarification on the city's economic development efforts.

Objective #5: Create a progressive economic development dashboard to augment community support-
Traditional economic development metrics include job creation, business attraction, and tax revenue growth. These metrics alone gloss over the performance of all economic development activities in a community. That said, additional metrics are essential to track the effectiveness and efficiency of various implementation programs. For instance, tracking the graduation rate of an entrepreneurship program rather than simply tracking the number of jobs created. A low graduation rate can signal potential issues in the curriculum or deficiencies in the screening process that can be addressed to improve the program which can ultimately lead to increased job prospects

RKG Associates recommend the CEDC establish an economic development dashboard that not only tracks traditional economic development metrics but metrics that track the performance of local programs. The dashboard should be presented to the City of Cumberland on a quarterly basis and printed annually in comprehensive report for city and county residents. Recommended metrics categorized under topic areas are listed below:

- **Business Retention and Expansion**
 - Site visits performed
 - Ombudsman assists
 - Jobs retained/expanded
 - Capital Investment
 - Network event attendance
 - Survey participation
 - Programs/strategies created from roundtable discussions
- **Business Recruitment and Attraction**
 - Number of prospective businesses engaged
 - Successful recruitments
 - Total jobs created
 - Average annual wage
 - Total capital investment
 - Debrief highlights from lost opportunities
- **Entrepreneurial Development**
 - Enrollment inquiries
 - Business enrollment
 - State/regional investment
 - Graduation rates
 - Job created per graduate and associated NAICS code
 - Debrief on businesses leaving the program
- **Workforce Development**
 - Local programs offered
 - Program applications and enrollment
 - Internships, apprenticeships, and employment placements
 - Businesses assisted
 - Business inquiries
- **Fiscal Sustainability Metrics**
 - Number of incentives
 - Value of incentives



- Jobs created/preserved from incentives
- Capital Investment
- New tax revenues
- Infrastructure investments
- **Asset Development**
 - Ratio of downtown housing units/workforce population
 - Time from concept to construction
 - Value of in-kind contributions for placemaking activities
 - Number of rehabilitated commercial and industrial properties
 - Number of investment inquiries
 - Debrief on unsuccessful inquiries

5. Business Recruitment and Attraction

Objective #2: Scale proactive recruitment and marketing efforts- Several entities share similar economic development objectives, including the CEDC, Allegany County Economic Development, TCC, DDC, and the Western Maryland IT Center of Excellence. Minimal coordination among these entities creates inefficiencies in business recruitment, limiting the city's potential for creating jobs and wealth. Local efforts will be most effective by targeting smaller companies (e.g., under fifty jobs), encouraging entrepreneurial development, and marketing to individuals with jobs that allow telecommuting. The city's existing physical assets and market conditions are more compatible for these economic development efforts. Larger, more regionally based businesses are more likely to locate on the city's periphery. Recruiting larger businesses is more feasible through the state's economic development arm or through an economic development entity focused on western Maryland.

Objective #3: Develop a home-based and small business development program in partnership with FSU's Small Business Development Center- The reality of recruiting a large business to the area to redeem the city's depth of economic challenges is unlikely. More practical, involves equipping residents with the resources and tools to pursue small business development opportunities. This can be attained through a multistakeholder approach with the help from local quasigovernmental agencies, universities, and business leaders.

- Form strategic partnerships for staffing and technical assistance- The Western Region's Small Business Development Center (SBDC) operates out of Frostburg State University (FSU), offering educational programs to help enable small businesses emerge and grow. This includes topics on start-up assistance, financing opportunities, digital marketing, and branding. Currently, SBDC employs in-house consultants at regional economic development offices, including at Allegany County Economic Development. The CEDC must consider coordinating with the SBDC at FSU about receiving their own consultant or rather, working with Allegany County Economic Development under a joint city-county operation.
- Develop mentorship program that involves past or current business leaders- Mentors can help enable aspiring entrepreneurs' business development goals through sharing their experiences and business connections. The CEDC should consider developing a program that connects local business leaders to entrepreneurs either seeking to start a business or grow their business. Strong consideration should be given for retirees acting as mentors, able to commit more time for mentorship than current professionals.
- Revive the city's small business revolving loan fund, seeking a financial partner to administer the program on behalf of CEDC- A major challenge for entrepreneurs is to secure financing for their business operations. In response, the city should reactivate the small business revolving fund through the CEDC. Loans can be offered at low interest rates with government guarantees



backed by the City of Cumberland and if possible, the Allegany County Government. The main issue for executing this recommendation is the lack of organizational capacity to originate and administer loans attached to the revolving fund. The CEDC's existing staff capacity do not have the time to oversee this program and execute the day-to-day operations around business retention and asset development. One option would be connecting with the Appalachian Regional Commission or Tri-County Council to administer the program on the CEDC's behalf. However, that could reduce the financial resources available to make loans. Another option is partnering with one (or multiple) banks, having these institutions match the city's investment in exchange for managing the origination and administration of the loans. The bank(s) benefit from reduced risk while capturing origination fees. The CEDC benefits by reaping a larger loan pool and retaining more capital at repayment to sustain the program. This program could be a joint initiative with Allegany County Economic Development to serve aspiring entrepreneurs throughout Allegany County.

6. Toolbox Development

Objective #1: Match land use regulations to economic development vision-

- *Rezoning and Overlay Zones-* Rezone districts comprised of economic activity areas to enable the unified economic development vision. RKG Associates recommends the City of Cumberland allow higher density mixed-use opportunities in and adjacent to downtown and revise design regulations in overlay districts that are too restrictive.
- *Improve consistency and predictability in regulations and policies-* Per interviews with local entities, expressed their concerns about existing development regulations and permitting processes, describing them as confusing, slow, and inefficient. For example, investors provided examples of how the city's historic preservation ordinances were applied inconsistently. Moreover, it was apparent that slow permitting approval processes disrupted projects from advancing forward. Improving the clarity of regulations and expediting permitting processes can reduce confusion and save time, while mobilizing progress towards achieving the defined economic development goals. The ombudsman position can provide real-time feedback on which components of development regulation are the most challenging and offer specific solutions.

Objective #3: Create economic development incentives that match the City's priorities and performance expectations- Economic development is a competitive environment, with many communities offering incentives to attract and retain businesses. Incentives that encourage attraction and retention include expedited review process, relaxed regulations, and financial assistance. The benefits provide greater predictability for the company and therefore, reduce risk.

- *Create incentives for specific areas to match vision-* The defined incentives are determined by the specific area's stated vision and studied to determine strategic actions to meet the stated vision. The potential local incentives available for those areas—and the criteria to qualify for those incentives, needs to be clearly defined. For instance, providing a dining and entertainment license incentive in Downtown Cumberland.
- *Define metrics for meeting incentives-* The incentives must indicate a collection of criterial requirements companies and developers must meet for receiving incentives. For instance, the net new number of jobs created, average wage rates, and amount of capital investment. This approach will involve 'claw-back' requirements ensuring the company or developer meets the metrics it promises to access the incentives. If metrics are not met, the company or developer must reimburse the city for not reaching the agreed levels of performance. Once the metrics are established, they should be marketed so that prospective investors are aware of what is available and the expectations of the community to obtain those incentives.



E. IMPLEMENTATION MATRIX

The following implementation matrix presents the full range of objectives and corresponding action items to consider for future economic development efforts. The timing, estimated costs, and implementation partners for each action item identified in the matrix reflect of the level of effort demanded by the Advisory Group. The final timing, focus, and potential costs will be better determined by the CEDC and the dedicated participation from various public and private partners.



City of Cumberland, MD Strategic Economic Development Plan Implementation Matrix	Implementation Lead		Implementation Timing (Year)										Estimated Cost	Cost Type
	Public/NP	Private	1	2	3	4	5	6	7	8	9	10		
Organization and Coordination (OC)														
Objective 1 Fund economic development commensurate with economic development goals														
Action 1.1 Increase economic development funding proportional to the City's implementation expectations, recommend minimum \$500,000 annually by year 3	CU, AC												E	Annual
Action 1.2 Consider establishing a real property tax set-aside for funding economic development (Update annually)	CEDC												ST	Annual
Action 1.3 Stimulate funding opportunities from private sector through a public-private partnership	CEDC	I, O, R, D											ST	Annual
Objective 2 Staff the economic development organization commensurate with the stated goals														
Action 2.1 Capitalize on local assets to support staffing needs (e.g., part-time interns from ACM, in-kind donations from talented volunteers)	CEDC, FSU, ACM												A	Annual
Action 2.2 Hire a marketing director to execute the creation of marketing materials and writing grants	CEDC, CU, DECD												MCO 1.1	Annual (Salary)
Action 2.3 Hire a small business/entrepreneurial development consultant to support entrepreneurs, small business owners, and rural sourcing	CEDC, CU, DECD, FSU												BRA 3.1	Annual (Salary)
Action 2.4 Hire a business ombudsman that can assist businesses and developers through the city's permitting processes	CEDC, CU, DECD												AD 4.2	Annual (Salary)
Objective 3 Create greater coordination and collaboration with economic development entities and partners within Allegany County														
Action 3.1 Create a memorandum of understanding (MOU) that defines each municipality's roles and responsibilities (CEDC, DECD, City of Frostburg), review MOU Bi-Annually	CEDC, DECD, FB												A	Bi-Annual
Action 3.2 Continue to build partnerships with DEDC	CEDC, DECD												ST	Continuous
Action 3.3 Strengthen relationships with local partners (GCC Technologies, AAC, APS etc.) and define their roles and responsibilities within economic development through an MOU, review MOU Bi-Annually	CEDC												A	Bi-Annual
Action 3.4 Create specific communication protocols to ensure all economic development efforts are reviewed by the CEDC	CEDC												A	Annual
Action 3.5 Establish a quarterly coordination meeting with all public county partners to discuss any ongoing or upcoming coordination efforts	CEDC, DECD, FB, DDC, DCBA, AAC, MSMD												A	Quarterly
Action 3.6 Form strategic public-private partnerships to finance economic development activities	CEDC, DECD, ARC, MD	F											ST	Continuous
Objective 4 Enhance strategic relationships with local and statewide implementation partners														
Action 4.1 Establish a quarterly strategic meeting schedule with regional and statewide partners including: Tri-County Council, Appalachian Regional Commission, and surrounding counties' economic development entities (Garrett County, etc.)	CEDC, DECD, TCC, ARC, GC, MC, MD	I											A	Quarterly
Action 4.2 Create a quarterly coordination meeting schedule with representatives from state government, reviewing ongoing and upcoming initiatives in Cumberland and determining their correspondence to state initiatives	CEDC, DECD, MD												A	Quarterly
Action 4.3 Have a staff member serve as direct liaison with ACM and FSU, focusing on [1] Admissions and Facilities, [2] Workforce Development Programs [3] Research, and [4] Small Business Development Center	CEDC, ACM, FSU												ST	Monthly



City of Cumberland, MD Strategic Economic Development Plan Implementation Matrix	Implementation Lead		Implementation Timing (Year)										Estimated Cost	Cost Type
	Public/NP	Private	1	2	3	4	5	6	7	8	9	10		
Business Retention and Expansion (BRE)														
Objective 1 Enhance relationships with existing businesses														
Action 1.1 Create and maintain database of all businesses in Cumberland	CEDC, DECD												ST	Annual
Action 1.2 Arrange and moderate one-on-one meetings with each business in Cumberland	CEDC, DECD, DDC												ST	Annual
Action 1.3 Maintain database of visited businesses to track frequency and results of the visit through a Consumer Relationship Management (CRM) software, partner with DEDC if they already have one	CEDC, DECD, DDC												ST	Annual
Action 1.4 Develop at least six (6) business ambassadors, individuals who can work with economic development staff to engage with existing businesses and moderate one-on-one meetings	CEDC, DECD, DDC	I											A	Bi-Annual
Action 1.5 Maintain role in connecting businesses with workforce resources (e.g., facilitate conversations with educational institutions, host career day events etc.)	CEDC, DECD												ST	Continuous
Objective 2 Implement an annual business survey with the County's DEDC														
Action 2.1 Establish a fixed date (i.e. week) that the survey will be released. This should be consistent year over year. Recommend the Fall	CEDC, DECD												A	Annual
Action 2.2 Work with partners to refine questions and expand awareness of the survey each year	CEDC, DECD, DDC	I											ST	Annual
Action 2.3 Invest in multimedia marketing and outreach at least 2 months prior to the release of the survey each year (e.g., print, social media, direct outreach)	CEDC, DECD												ST	Annual
Action 2.4 Share general results of the survey with roundtables, partner organizations, and the community through the monthly newsletter	CEDC, DECD												ST	Annual
Action 2.5 Use results of survey to prioritize retention/expansion visits for the year	CEDC, DECD, DDC	I											ST	Annual
Action 2.6 Work with respective roundtables about industry-specific findings from survey to determine annual action items	CEDC, DECD	I											ST	Annual
Action 2.7 Retain all survey results to create a longitudinal assessment tool (i.e. Excel database) that can help economic development efforts become more predictive to changing market climates	CEDC, DECD, FSU, ACM, ITC												ST	Annual
Objective 3 Expand industry roundtables into new market areas														
Action 3.1 Create an industry roundtable for every key market sector including [1] Manufacturing [2] Tourism; [3] Hospitality; [4] Professional Services; [5] Construction	CEDC, DECD, DDC, AAC, MSMD	I											ST	One Time
Action 3.2 Make sure all partner organizations have representation on roundtables that have crossover missions (i.e. TCC, ITC)	CEDC, DECD, DDC, AAC, MSMD, TCC, ITC												ST	One Time
Action 3.3 Meet each roundtable semiannually or as necessary, with one meeting targeted immediately after the release of the business survey results	CEDC, DECD	I											A	Semiannual
Action 3.4 Use roundtable meeting to discuss: [1] market climate; [2] regulatory issues; [3] growth opportunities; [4] implementation coordination	CEDC, DECD	I											ST	Annual
Action 3.5 Use feedback from roundtables to help set annual action plan	CEDC, DECD												ST	Annual
Action 3.6 Execute quarterly business networking events and seminars (e.g., industry themed cocktail parties, coffee socials, and out-of-town retreats	CEDC	I											A	Quarterly



City of Cumberland, MD Strategic Economic Development Plan Implementation Matrix	Implementation Lead		Implementation Timing (Year)										Estimated Cost	Cost Type
	Public/NP	Private	1	2	3	4	5	6	7	8	9	10		
Asset Development (AD)														
Objective 1 Create area-focused plans with the help of real estate community														
Action 1.1 Define short-term, midterm, and long-term visions for each area consistent with the economic development plan	CEDC	R, O, I											ST	Annual
Action 1.2 Cooperate with property owners to ensure economic development plans are consistent with short-term and long-term investment strategies	CEDC	O, R, N											ST	Annual
Action 1.3 Enact regulatory changes to allow defined visions to occur	CEDC												ST	One Time
Action 1.4 Create a marketing brochure for each area/corridor that encapsulates the vision, update bi-annually	CEDC												ST	Bi-Annual
Objective 2 Inventory and market available buildings and land														
Action 2.1 Inventory all existing vacant commercial and industrial buildings and land with help of residents and brokers	CEDC	R, N											A	Annual
Action 2.2 Connect with all property owners to detail price, availability, and vision for those asset; include in online listings	CEDC	O											ST	Annual
Action 2.3 Create a public, user-friendly online database of vacant assets that connects to the economic development website	CEDC, DECD	C											C	Annual
Action 2.4 Create an 'open source' database for property owners and brokers to submit new listings and changes to existing listings	CEDC, DECD	C											B	Annual
Action 2.5 Work with regional and state implementation partners to make sure their asset lists are current and complete	CEDC, DECD, SDAT												ST	Annual
Action 2.6 Maintain regular communication with property owners to ensure occupied/developed land is removed	CEDC	O											ST	Annual
Objective 3 Create connected and accessible places to foster vibrant public spaces														
Action 3.1 Catalyze housing opportunities that reflect prevailing local and national trends	CEDC, DDC	D, F, O, C											ST	Annual
Action 3.2 Identify parking lots with excessive space and underutilized parcels for economic activity opportunities	CEDC	O											ST	Annual
Action 3.3 Ensure small area plans emphasize physical connectivity between neighborhoods (AAC, Allegany County Schools etc.)	CEDC, DECD, DDC AAC, ACS	N											ST	Annual
Action 3.4 Develop rehabilitation program with local financial institutions to address deteriorated structures and neighborhood blight	CEDC	F, D											E	Annual
Objective 4 Spearhead public-private partnerships for real estate projects														
Action 4.1 Empower the CEDC to execute development and rehabilitation projects	CEDC, CU	D, F, O											F	Annual
Action 4.2 Hire an Ombudsman (Discussed in Organization and Coordination section)	CEDC												D	Annual (Salary)



City of Cumberland, MD Strategic Economic Development Plan Implementation Matrix	Implementation Lead		Implementation Timing (Year)										Estimated Cost	Cost Type
	Public/NP	Private	1	2	3	4	5	6	7	8	9	10		
Marketing, Communication, and Outreach (MCO)														
Objective 1 Enhance Cumberland's Marketing Collateral														
Action 1.1	Hire Marketing Director	CEDC											D	Annual (Salary)
Action 1.2	Revise and update the CEDC website (ChooseCumberland.org) to be more 'user-friendly', make annual updates if needed	CEDC, DECD, ACM, FSU, ITC, AAC											B	Annual
Action 1.3	Modify target industry briefs with detailed metrics (regional wage rates, current businesses operating in the area etc.)	CEDC, DECD											ST	Annual
Action 1.4	Create quality of life brochure that highlights recreational amenities, historic downtown, cost of living benefits etc.	CEDC, DECD, MSMD											A	Tri-Annual
Action 1.5	Increase accessibility to programs and incentives document	CEDC, ITC											ST	One-Time
Action 1.6	Cooperate with local universities on marketing efforts (e.g., website design/development, social media content, written memos etc.)	CEDC, ACM, FSU											ST	Continuous
Objective 2 Implement a proactive community engagement and educational initiative														
Action 2.1	Hold an annual town hall meeting open to the public (and televised) to discuss accomplishments and ongoing efforts for the previous/upcoming year	CEDC	N										A	Annual
Action 2.2	Implement a biannual resident survey to gauge the goals and concerns of Cumberland and Allegany County residents about the city's economic development efforts. Use the results to inform any changes to approach	CEDC, DECD	N										ST	Bi-Annual
Action 2.3	Hold four (4) to six (6) community outreach meetings dispersed throughout the City and County annually to engage business leaders and residents on economic development issues, opportunities, and challenges the area is facing	CEDC, DECD	N										A	Annual
Action 2.4	Host semiannual expert panel discussions on topics of economic development each year. These discussions should address specific market/location opportunities and challenges facing Cumberland businesses	CEDC	I, C										B	Semiannual
Action 2.5	Provide an online tool for citizens and groups to submit questions, provide feedback on content, or request meetings on the economic development website	CEDC, ACM, FSU, ITC											ST	One Time
Action 2.6	Develop at least four (4) engaged Cumberland and Allegany County residents as advocates that can assist in community outreach and resident interaction	CEDC, DECD	N										A	Bi-Annual
Objective 3 Improve awareness and relationships with the business and economic development community														
Action 3.1	Cohost at least three (3) networking/marketing events annually with the DEDC and other municipal/regional partners	CEDC, DECD, DDC, TCC, DCBA, ITC, ARC, MD											A	Annual
Action 3.2	Host monthly/quarterly networking events for local investors, developers, and business leaders, focusing on specific industry sectors for each event	CEDC, DECD, DDC, TCC, DCBA, ITC	I, O, R										A	Monthly
Action 3.3	Hold two o (2) lecture/guest speaker events annually; bringing in regional/national industry leaders to discuss sector/market trends. This can be co-hosted with local partners	CEDC, DECD, DDC, TCC, DCBA, ITC											A	Quarterly
Action 3.4	Host a "State of the City" event for business leaders to discuss activities over the past year, successes, opportunities, and share the business plan for the next year	CEDC	I										B	Annual
Action 3.5	Create a 'Lessons Learned' report every six months that details the successes and opportunities to share with the site selector and investor contacts	CEDC											ST	Semiannual
Action 3.6	Develop at least eight (6) business ambassadors, individuals who can work with economic development staff to promote the City and engage existing/prospective business owners in targeted industries. Train more as necessary	CEDC, DECD	I										A	Bi-Annual
Objective 4 Implement a regular (monthly) newsletter focusing on recent, current, and future economic development activities														
Action 4.1	Highlight recent economic development activity and successes, maintaining a 'running tally' dashboard of accomplishments for the year	CEDC											ST	Monthly
Action 4.2	Publish regular opinion editorials from business leaders, partner organizations, or invited guests focused on topics that influence (or are influenced by) economic development in Cumberland/Allegany County	CEDC, DECD	I, O										ST	Monthly
Action 4.3	Implement, monitor, and report the results of opinion polls and business surveys through the newsletter	CEDC											ST	Monthly
Action 4.4	Highlight a different City businesses (preferably from the target industries) in each newsletter	CEDC	I										ST	Monthly
Action 4.5	Target writing two (2) or three (3) industry/market white papers each year focused on educating local businesses and residents about current or impending market shifts and how they will impact Cumberland/Allegany County	CEDC, DECD	I										ST	Monthly



City of Cumberland, MD Strategic Economic Development Plan Implementation Matrix	Implementation Lead		Implementation Timing (Year)										Estimated Cost	Cost Type
	Public/NP	Private	1	2	3	4	5	6	7	8	9	10		
Marketing, Communication, and Outreach (MCO)														
Objective 5 Create a more robust performance dashboard to elevate community support													A	One-Time
Action 5.1 Establish a formal economic development dashboard to track performance across each of these topic areas: [1] retention and expansion, [2] recruitment, [3] entrepreneurial development, [4] workforce development, [5] asset development	CEDC, DECD, ACM, FSU, ITC												A	Annual
Action 5.2 Retention metrics should include: [1] site visits performed, [2] ombudsman assists, [3] jobs retained/expanded, [4] capital investment, [5] network event attendance, [6] survey participation, [7] Programs created from roundtable discussions	CEDC, DECD, ACM, FSU, ITC												A	Annual
Action 5.3 Recruitment metrics should include: [1] number of prospects, [2] successful recruitment, [3] total jobs created, [4] average annual wage, [5] total capital investment, [6] debrief highlights from lost opportunities	CEDC, DECD, ACM, FSU, ITC												A	Annual
Action 5.4 Entrepreneurial metrics should include: [1] enrollment inquiries, [2] business enrollment, [3] graduation rates, [4] state/regional investment, [5] jobs created per graduate and NAICS code [6] debrief on businesses leaving the program	CEDC, DECD, ACM, FSU, ITC												A	Annual
Action 5.5 Workforce development metrics should include: [1] programs offered, [2] program applications and enrollment, [3] internships, apprenticeships, and employment placements, [4] businesses assisted, [5] business inquiries	CEDC, DECD, ACM, FSU, ITC												A	Annual
Action 5.6 Fiscal sustainability metrics should include: [1] number of incentives, [2] value of incentives, [3] jobs created/preserved from incentives, [4] capital investment, [5] new tax revenues, [6] other benefits (i.e. infrastructure investments)	CEDC, DECD, ACM, FSU, ITC												A	Annual
Action 5.7 Asset Development metrics should include: [1] downtown housing development, [2] value of in-kind contributions for placemaking, [3] number of rehab investments, [4] number of investment inquiries, [5] debrief on unsuccessful inquiries	CEDC, DECD, ACM, FSU, ITC												A	Annual
Business Recruitment and Attraction (BRA)														
Objective 1 Continue to strengthen the City's strategic networking and data collecting practices to promote business recruitment														
Action 1.1 Engage with regional partners quarterly on recruitment trends, opportunities, and city priorities	CEDC, DECD, DDC, TCC, DCBA, ITC, ARC, MD	I											A	Quarterly
Action 1.2 Maintain local property and land database, coordinating with partners on maintaining an accurate and up-to-date list	CEDC, DECD	R, O											ST	Monthly
Action 1.3 Work with regional partners to build relationships with site selectors in target industry sectors, adding them to the City's economic development newsletter distribution list	CEDC, DECD, DDC, TCC, DCBA, ARC	I											ST	Annual
Action 1.4 Collaborate on leads collected through business outreach and marketing efforts by the City	CEDC, DECD, DDC, TCC, DCBA												ST	Annual
Objective 2 Scale proactive recruitment and marketing efforts														
Action 2.1 Increase coordination and cooperation among local partners for recruitment and marketing efforts	CEDC, DECD, TCC, DDC, ITC												ST	Continuous
Action 2.2 Work with industry roundtable members to identify potential business recruitment targets that have a business connection to Cumberland (i.e. suppliers)	CEDC, DECD	I											ST	Annual
Action 2.5 Develop/refine the City's business recruitment collateral in cooperation with local and regional partners	CEDC, DECD, TCC, DCBA, AAC, GC, MC												ST	Annual
Action 2.3 Integrate a searchable online database of available commercial space and land for prospective businesses onto the CEDC website (Update Monthly)	CEDC, DECD, ACM, FSU, ITC												MCO 1.2	Monthly
Action 2.4 Create a 'tip line' for citizens to call>Email/text ideas on business recruitment and any leads they may have on businesses that may wish to relocate or expand to Cumberland	CEDC												ST	One Time
Objective 3 Develop a home-based and small business development program in partnership with FSU Small Business Development Center														
Action 3.1 Hire a full-time staff member dedicated to small business development and entrepreneurial activity	CEDC, FSU												D	Annual (Salary)
Action 3.2 Provide seminars on how to start, operate, and fund a business	CEDC, FSU												ST	Annual
Action 3.3 Partner with DEDC, Industry Leaders, and FSU program to expand mentoring of existing businesses in Cumberland	CEDC, DECD, FSU	I											ST	Annual
Action 3.4 Fund the training of 2-3 new mentors each year, targeting experienced professionals and retirees	CEDC, DECD	I											B	Annual
Action 3.5 Proactively market small business initiatives to existing businesses, focusing on home-based businesses in Cumberland	CEDC, DECD												ST	Annual
Action 3.6 Develop a Business-2-Business database that businesses can access to find specific services/networking opportunities	CEDC, DECD	I											A	Continuous
Action 3.7 Work with local banks to create a PPP revolving loan fund that offers low/no-interest loans and/or gap financing to start-ups and small businesses seeking to grow. Target an 80% private/20% public resource pool	CEDC, DECD	F, I											F	One-Time



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TOOLBOX DEVELOPMENT (TD)														
Objective 1 Match land use regulation to economic development vision														
Action 1.1 Use small areas plans to establish policies that create consistency and predictability	CEDC, CU												ST	One Time
Action 1.2 Rezone areas to complement economic development vision including housing-focused mixed-use development for infill/redevelopment. Consider overlay zones if easier than rezoning process (review annually)	CEDC, CU												ST	Annual
Action 1.3 Revise regulations to improve consistency and predictability in policies (i.e., ordinance interpretation in historic districts)	CEDC, CU												ST	One Time
Objective 2 Create economic development incentives that match City's priorities and performance expectations														
Action 2.1 Create areas specific tax and business operation incentives consistent with small area vision (i.e., a dining and entertainment business license incentive in Downtown)	CEDC, CU												ST	Annual
Action 2.2 Establish tax incentives for businesses within the City's target industry clusters, connecting performance requirements to level of incentive (i.e., a 30% tax abatement for 10 years in exchange for 10 net new jobs)	CEDC, CU												ST	Annual
Action 2.3 Make all incentives formulaic so that businesses know their potential based on criteria such as [1] net new jobs created, [2] average wage rates, [3] capital investment	CEDC, CU												ST	Annual
Action 2.4 Make a small business license and tax incentives available anywhere in the City, providing the applying company currently has fewer than 10 FTE employees and annual revenues of less than \$2M	CEDC, CU												ST	Annual
Action 2.5 Consider a blight improvement tax/fee incentive to assist property owners with substandard properties, with a maximum benefit of 25% of the total rehabilitation costs capping at \$10,000	CEDC, CU												ST	Annual
Action 2.6 Consider higher incentive values for business owners that also reside in the City	CEDC, CU												ST	Annual
Action 2.7 Require 'claw back' provisions in all incentive packages to ensure compliance with stated agreements	CEDC, CU												ST	Continuous
Objective 3 Empower the CEDC to operate as the City's land bank and development supervisor														
Action 3.1 Empower the CEDC to operate as the City's land bank with owning and disposing of city-acquired properties for the purposes of property assemblage to encourage economic development investment	CEDC, CU												ST	Continuous
Action 3.2 Transfer any properties acquired for economic development purposes	CEDC, CU	O, D											ST	Continuous
Action 3.3 Use an RFP process for the disposition of any Land Bank assets with clearly defined development expectations for any individual or assembled parcels	CEDC, CU	C											ST	One Time
Action 3.4 Grant the CEDC full authority over development permitting processes	CEDC, CU												ST	One Time



LEGEND

Implementation Leaders

Public

CU	City of Cumberland
CEDC	Cumberland Economic Development Corporation
DECD	Allegany County Department of Economic and Community Development

Partners

AAC	Allegany County Arts Council
AC	Allegany County
ACM	Allegany College of Maryland
ARC	Appalachian Regional Commission
DCBA	Downtown Cumberland Business Association
DDC	Downtown Development Commission
FB	City of Frostburg
FSU	Frostburg State University
GC	Garrett County
ITC	Western Maryland IT Center for Excellence
MC	Mineral County
MD	State of Maryland
MSMD	Mountainside Maryland
SDAT	Maryland Department of Assessments and Taxation
TCC	Tri-County Council

Private

C	Consultant
D	Development Community
F	Financial Institutions
I	Industry Leaders
N	Neighborhood Residents
O	Property Owners
R	Realtors/Brokers

Cost Estimate Legend:

ST	Staff Time
A	Under \$1,000
B	\$1,000 to \$10,000
C	\$10,000 to \$50,000
D	\$50,000 to \$100,000
E	\$100,000 to \$250,000
F	\$250,000 to \$500,000
G	Over \$500,000

Action

Implementation