

Memorandum

To: Annapolis Comprehensive Plan Committee
From: Elaine Carmichael- Economic Stewardship, Inc.
Date: October 10, 2007
Re: Economic Development Element

The Economic Development Element ensures that Annapolis provides an environment conducive to jobs-producing uses:

- o sufficient opportunities for diverse commercial and industrial development... and redevelopment;
- o a regulatory system that treats the land use needs associated with commercial and industrial development as legitimate while still protecting the interests of others;
- o a reasonable array of services and programs geared towards fostering economic activity both directly and indirectly.

Although it may be axiomatic, it's worth reviewing why Annapolis needs to accommodate commercial and industrial uses:

- o Local jobs reduce trips, consistent with Comp Plan transportation goals, as do enterprises that provide the goods and services Annapolis residents and businesses need;
- o Most non-residential uses generate positive fiscal impacts, that is, the costs associated with providing them with City services are less than the public revenues they generate directly and indirectly;
- o Basic sector activities, along with tourism, deliver new dollars to the system from outside of the Annapolis economy, which can then circulate locally and generate multiplier effects. Consequently, these uses help pay for the public benefits and the quality of life Annapolis residents have come to expect and enjoy.
- o The existence of commercial and industrial uses contributes to—and is historically and culturally part of—Annapolis' community character, from the watermen to the shops on Main Street to the maritime trades.

As the above bullets make plain, economic development intersects with all matters addressed by the Comprehensive plan; the economic development element therefore becomes the nexus for complementary policies and the spot where inherent conflicts and contradictions become obvious, especially as concerns growth, the environment, transportation, and housing. Examples include:

- o Stance on home-based businesses;

- Workforce/affordable housing availability;
- Requirements for impact analysis;
- Availability of properly zoned land, vacant buildings, etc;
- Transportation management vis-à-vis tourism-supporting uses;
- APFO, and many others;

Implemented successfully, the Economic Development Element will help maintain a healthy jobs-housing balance and allow for a diversity of quality businesses and jobs. Attracting, retaining and creating quality jobs and businesses will enhance the economy and overall quality of life.

Annapolis is investing in economic development. The City recently elevated this function to department status and has been a long-time supporter of local tourism development efforts and historic preservation, which helps Annapolis trade on its character to attract visitors and generate economic activity. In addition to its traditional attraction/retention/expansion duties, the Department of Economic Development is playing a key role in ensuring downtown Annapolis' continued health, having recently inaugurated a "Main Street" programmatic approach. The Department of Economic Development is preparing a strategic plan to guide its activities, which addresses these matters in great detail (note: Virginia can provide a memo describing the difference between the Comp Plan's economic development element and the strategic plan to interested Committee members). Ensuring that the Comp Plan supports these efforts—or at least avoids impeding them—is key to ensuring positive return on these investments for the City.

This memo reviews draft versions of some of the premises for the economic development element and early strategy ideas; policy direction provided by the Committee will then help shape it.

Draft Goal Statement

Annapolis works to safeguard a strong economic base and enhance quality of life, while respecting the natural and cultural environment that makes the community distinctive.

The City's programs and policies work to:

- make Annapolis a better place to live, work, visit, open a business, hold a convention, return or retire.
- retain existing businesses, while attracting new to offer a diversity of quality jobs, products and services to the community.
- attract visitors, preserve heritage and maintain economic stability.
- promote economic opportunity for all citizens of Annapolis, particularly those who are unemployed and/or disadvantaged.
- provide additional employment opportunities for all residents.
- improve the health and competitiveness of Annapolis' maritime industry.

- support diverse commercial and industrial development.
- enable improved public services.
- maintain an appropriate jobs-housing balance.
- encourage business retention and creation.

In Annapolis, economic vitality lends stability to public finance, protects the environment and helps preserve the City's defining character.

Draft Strategies

Annapolis seeks to improve the economic base, accommodate for growth and encourage public and private investment. The following draft strategies for the Committee's consideration are intended to continue and enhance Annapolis' tradition of progressive economic development:

1. Support the efforts of local economic development organizations in the efforts to promote a diversified economic growth in Annapolis.
2. Collaborate with local businesses to determine ways in which the City and local businesses and organizations can work together and agree on common economic development strategies and issues.
3. Demonstrate to the community the importance of economic development and that people who invest in Annapolis build the economy of Annapolis.
4. Evaluate regulatory impediments to economic development.
5. Identify incentives to encourage hiring locally.
6. Improve ability to serve transient boaters and capture revenues.
7. Foster private and public partnerships to advance economic development objectives.
8. Work with county and regional economic development groups to enhance Annapolis' economic opportunity.
9. Build on existing city-county agreements to advance government efficiency.
10. Balance commercial and residential property development with the intention of overall revenue neutrality, that is, the revenues generated cover the cost of providing the services.
11. Encourage a diversity of quality jobs and businesses on a local and national level.
12. Collaborate with educational institutions and economic development organizations to coordinate business skills training provision.
13. Create incentive programs to help and honor environmentally sensitive businesses and organizations.
14. Build on partnerships with the U.S. Naval Academy and St. John's College, along with other educational institutions.
15. Help entrepreneurs and retirees launch small business enterprises.

16. Continuously improve the communications materials that promote Annapolis as a good place to do business, visit and live. (e.g., web sites, brochures, etc.)