

## ECONOMIC DEVELOPMENT

### INTRODUCTION

Providing jobs and the necessary means to enter and advance in the work force is the subject of the Economic Development Chapter of the Comprehensive Plan. It considers such things as the existing and desired job mix, the level and diversity of job training, the appropriate level of government involvement in attracting major employers, and the future of the downtown as a provider of jobs.

### BACKGROUND

The 1997 Comprehensive Plan noted that the Economic Development Chapter of any Plan generally relies fairly heavily on Tables, Graphs, and Charts. Highlights from three tables included in the 1997 Plan from the 1990 Census include:

- o Income is significantly lower and poverty is significantly higher in Easton than in either Talbot County or the State of Maryland.
- o While Talbot County exceeds the State Median Income, Easton does not.
- o Poverty levels in Easton are high across all age groups.
- o Easton exceeds both the State and Talbot County in percentage of students enrolled in Private Schools.
- o The percentage of both high school and college graduates is lower in Easton than in either Talbot County or the State.
- o Both Talbot County and Easton have lower unemployment rates than the State, although the County's is much lower than Easton's.
- o The percentage of Easton Residents who use carpools in order to get to work is higher than both Talbot County's and the State's.

- o Public Transportation usage is almost non-existent in Easton and Talbot County.
- o Easton has a very high percentage of females with young children in the labor force.

The 1997 Plan suggested that some immediate implementation options come to mind in reviewing this list. For example, with relatively high poverty and low education levels, greater exposure to high school equivalency or GED classes seems appropriate. Second, with a high percentage of workers willing to use carpools, but with almost no public transportation available, it seems as if Easton residents might be more inclined to support some sort of public transportation than might be the case in other rural communities where usage rates are generally quite low. Finally, the high percentage of working mothers suggests a need for more day care opportunities and perhaps other support services for young children and their parents.

Table 11 summarizes the available economic data from the 2000 Census.

Table 11 - Select Economic Characteristics

	EASTON	TALBOT CO.	MARYLAND
PER CAPITA INCOME (1999)	\$21,250	\$28,164	\$25,614
MEDIAN INCOME (1999)			
HOUSEHOLDS	\$36,464	\$43,532	\$52,868
FAMILIES	\$48,825	\$53,214	\$61,876
INDIVIDUALS W/ INCOME IN 1999 BELOW POVERTY LEVEL			
ALL AGES			
NUMBER	1,314	2,771	438,676
PERCENT	11.8	8.3	8.5
RELATED CHILDREN			
UNDER 18 YEARS			
NUMBER	383	755	135,892
PERCENT	15.0	10.5	10.3
5-17 YEARS			
NUMBER	303	574	95,561
PERCENT	16.4	10.5	9.8
PERSONS 65 YEARS AND OVER			
NUMBER	229	520	48,854
PERCENT	12.3	7.9	8.5
FAMILIES WITH INCOME IN 1999 BELOW POVERTY LEVEL			
NUMBER	199	510	83,232
PERCENT	7.0	5.3	6.1

Source: 2000 Census, U.S. Census Bureau

Table 12 below provides a broader comparison of Easton, Talbot County, and the State of Maryland in a number of economic and non-economic characteristics.

<b>Table 12 - Comparison of Easton, Talbot County and State of Maryland in Selected Demographic Characteristics from the 2000 Census</b>			
<b>Subject</b>	<b>Easton</b>	<b>Talbot County</b>	<b>Maryland</b>
Total Population	11,708	33,812	5,296,486
% Male/Female	45.7/54.3	47.7/52.3	48.3/51.7
Median Age	38.6	43.3	36.0
% < 18	23.6	21.7	25.6
% 65+	19.2	20.4	11.3
% White	71.8	82.0	64.0
% Black or African American	23.5	15.4	27.9
Total Households	5,031	14,307	1,980,859
Average Household Size	2.22	2.32	2.61
Total Housing Units	5,399	16,500	2,145,283
% Owner-occupied	53.6	71.6	67.7
% High School Graduate or higher	81.4	84.4	83.8
% Bachelor's Degree or higher	23.4	27.8	31.4
% born in MD	64.7	62.4	49.3
Average (mean) commute	19.0 minutes	22.4 minutes	31.2 minutes
Median Household Income	\$36,464	\$43,532	\$52,868
Median value of owner-occupied homes	\$118,800	\$149,200	\$146,000
% lived in home 10+ years	25.3	37.3	36.5
Growth Rate (%) in 90's	24.9	10.7	10.8

## DIVERSITY

The concept of diversity in the Economic Development Strategy of Easton is vital for many reasons. The most obvious is the desire to avoid over-reliance on any one business or type of industry. This recently took on renewed importance in Easton with the announcement that Black and Decker, one of the Town's largest employers, would be ceasing operations in 2003. Without a diverse economy, this could be devastating to Easton's local economy.

An important and growing segment of Easton's economy is tourism. Diversity is important to this segment as well. Simply put, the more things there are to do in Easton, the more tourist-appeal the Town has. Similarly, the more Easton differs from other communities in our region, the more it stands out from those communities and thus the more attractive it becomes to the tourist looking for something a little different.

The level of diversity in the local job base is illustrated by the following list of businesses in Easton with over 100 employees:

<u>Business</u>	<u>Number of Employees*</u>
The Memorial Hospital	1,000
Cadmus Journal Services	350
Wal-Mart	210
William Hill Manor, Inc.	175
Chesapeake Publishing Corp.	150
Wildlife International, Ltd.	140
Delmarva Foundation for Medical Care	138
The Pines-Genesis Eldercare	125
Bob Smith Automotive Group, Inc.	90
Lowe's Home Center, Inc.	80

\* - Based on data supplied by the Talbot County Economic Development Officer, May 30, 2003

This table indicates the relatively small number of major employers in Easton. With a lack of such large-scale employers, Easton's job base is already fairly diverse in terms of number of employers. Future diversification might therefore be focused more on attracting different types of businesses.

Diversity in employment was also important to those completing the Visioning Opinion Survey. Over 90% stated that the Town should be concerned about the number or types of jobs available in Easton and the response to the follow-up question of what jobs the Town should target, yielded a lot of different answers, with High Tech (86.5%), Medical Tech (75%), and Tourism (59.6%) all receiving votes from a majority of the respondents.

One area not specifically offered on the survey as an option, but which may play a significant role in Easton's future is Environmental Technology. This is due to the fact that this particular segment of the economy has been identified by the Talbot County Economic Development Commission as the future basis of Talbot's economy. Their ultimate goal involves Talbot County becoming something akin to the Research Triangle or the Silicon Valley of this type of business. Clearly, with an estimated 75-80% of the jobs in Talbot County being located in Easton, the Town would play a large role in hosting such companies.

## **DOWNTOWN**

Easton's downtown (or Town Center as the area is sometimes described) is a tremendous community asset. Concern over its viability and its future are evident amongst not only the existing downtown business community, but also residents, visitors, and the Town Government.

Easton's downtown is unique in several respects. Most notably is that it continues to function as a healthy and vibrant center for entertainment, commerce, and government. So many downtowns today are either largely abandoned or are struggling to find an identity. Easton's downtown is also unique in that it has been wonderfully preserved at a time when many downtowns are physically deteriorating.

Concern over the future of downtown led the Mayor and Town Council to form the Easton Business Management Authority (EBMA) in 1993. This organization was founded to represent the business community of all of Easton and to work in partnership with the Town government on business issues. The impetus for forming the organization and the group's initial focus was concern over the future of the downtown area. One of the first tasks of the group was to work with a consultant on a study of the downtown, or as it was renamed, the Town Center. The consultant, LDR International, Inc., submitted a Revitalization Strategy for the Easton Town Center in July 1994. This study included a number of recommendations ranging from simple policy changes to bold new physical improvements. EBMA has been working diligently with the Town to implement a number of these changes since 1994. Such things as the Farmer's Market, the revamped parking management, the more active and visible promotion of special events, and the hiring of a full time Executive Director for EBMA are all consistent with the Plan.

The current status of EBMA is unclear. In 2000, rather than directly funding EBMA again, the Mayor and Council decided a different approach might better serve the Town. Eventually, they created a new Town Department Head-level position of Economic Development Manager. This position is responsible for assisting existing Town businesses and attracting new ones. The position also serves as the Town's Main

Street Manager. Easton is also assisted by the Talbot County Economic Development Commission, the Chamber of Commerce and other business leaders in attracting and retaining business in the Town.

Easton was fortunate enough to be selected a Main Street Community in the program's initial year in Maryland. The Main Street program is both an honor recognizing the quality of Easton's downtown, as well as a tool to help ensure that it remains the special place that it is today. It does this by emphasizing a four-point approach to problem solving by looking at the downtown in terms of Organization, Design, Economic Restructuring, and Promotion. It is a tried and proven system that has worked in hundreds of communities across the nation and it should remain the foundation for downtown Easton's future economic development.

There are a great variety of opinions over what downtown Easton's future should include. One particular area which received a fair amount of attention in the last Comprehensive Plan, and which continues to grow as a key segment of Easton's economy, is tourism. Tourism continues to hold a great deal of potential for future economic development in Easton. Further, this type of economic development is particularly beneficial for the local community due to the spin-off effects associated with it. For example, say a family of four comes to Easton for a weekend. Besides the obvious impact they have on the economy by staying at a local hotel, other businesses such as restaurants, shops, museums and other attractions all benefit. Furthermore, the increased business realized by these establishments theoretically means that their owners and employees have more money to spend in the local economy. Thus a dollar generated by tourism has the potential to turn-over many times in Easton.

Tourism relates to the Downtown area in several ways. One, it is one of the destinations, undoubtedly the primary destination, for tourists who target Easton as a place to visit. Second and directly related to the first point, the Downtown is the location of many tourist-based uses like restaurants, lodging facilities, and cultural and entertainment uses.

One issue that comes up from time-to-time directly relates to the future of the Downtown and its role in attracting tourists. That is the appropriateness of franchises in this area. On the one hand franchises can fill a void in the Town. On the other hand, they can diminish Easton's uniqueness by helping to make the Town be much like so many other places. For this reason, the role of national franchises in downtown Easton is limited. When one can truly fill a need that local businesses are not meeting, they should be welcomed. However less emphasis should be placed on attracting franchises that would immediately or potentially compete against local businesses. For example, would Easton be a more unique place with a Starbuck's or Coffee East? GiGi's Lingerie or Victoria's Secret? The Olde Town Creamery or TCBY? Ritz Camera or Hobby Horse? Obviously, the locally owned and operated businesses do more to define a special character than would a franchise that would have Easton be the site of their "store number 3,317." This is not say that such places should or even can be prohibited. They should not, however, be the focus of Easton's Economic Development Strategy.

The final aspect of Downtown that will be discussed is its role as a governmental center. Many Town and County offices and a handful of State offices are located in the Downtown. This is beneficial in a number of ways, plus it makes sense from the perspective of providing such services in the most centralized location

in the County. The presence of these government facilities also provides a reliable base of customers for potential downtown businesses. They also attract businesses that rely on frequent interaction with government, such as attorneys, civil engineers and surveyors, title companies, etc...

The Downtown should remain the focal point of governmental activity. In fact, where possible this role should be expanded. Future government offices should be located in the Downtown and in as close proximity to existing offices as possible to develop a true government office complex campus.

### HISTORIC AND CULTURAL TOURISM

As mentioned previously, tourism plays a vital role in the economy of Easton and Talbot County and obviously the Eastern Shore in general. Eastern Shore Heritage Inc. (ESHI) is a partnership of government, business and civic organizations and individuals dedicated to promoting the historic, cultural, economic and natural resources of Caroline, Kent, Queen Anne's and Talbot Counties. A management action plan is being prepared that will help the four counties and the various municipalities work together and complement each other's resources. This management action plan will enable ESHI to become a Certified Heritage Area and then be eligible for tax credits which can be used to further promote ESHI's mission. There are eight interpretive themes that have been identified for heritage tourism development. Easton is particularly rich in several of these themes, including Colonial and Early National History, Religion, African American Heritage and Small Town Life. Support of ESHI by the Town can only increase the local tourism economy.

## **ECONOMIC DEVELOPMENT GOALS AND OBJECTIVES**

**GOAL:** To nurture a healthy and diverse local economy in Easton.

### **OBJECTIVES:**

- ✓ Promote tourism by making Easton a vacation and leisure time destination.
- ✓ Continue to provide Town funding for Economic Development.
- ✓ Work with Talbot County to develop a training program to ensure that Easton's workers are adequately prepared for our job market and that Easton's businesses can hire workers with the proper training.
- ✓ Encourage the diversification of Easton's industrial base and work to reuse existing underutilized industrial and commercial buildings.
- ✓ Prepare for emerging technologies such as computers, telecommunications, and medical/biotechnology by ensuring that the necessary infrastructure is in place to support these industries.
- ✓ Work to retain and expand existing businesses and industries.
- ✓ Work with Eastern Shore Heritage Inc. to help promote Easton as a destination for heritage tourism as will be specified in the Management Action Plan.

**GOAL:** To maintain and, where necessary, recreate a vital Downtown.

### **OBJECTIVES:**

- ✓ Protect the historic character of Easton and support projects and efforts which enhance that character.

- ✓ Update the 1994 Town Center Revitalization Strategies.
- ✓ Reestablish a Main Street Easton Board of Directors and the associated committee structure.
- ✓ Publicize the availability of State and federal tax credits for Historic Preservation and the use of Maryland Smart Codes as a means to rehabilitate historic structures.
- ✓ Encourage national franchises that meet an unfilled need to locate in Downtown Easton.
- ✓ Discourage national franchises that will directly compete with existing locally owned and operated businesses from locating in Downtown Easton.
- ✓ Encourage infill development and commercial rehabilitation and redevelopment in the Downtown as the top priority for future commercial development. The next priority involves redevelopment of those shopping centers located in close proximity to the Town Center followed by those more removed from Downtown. The final and least desirable priority is for new development on Greenfield sites located remote from the Downtown.

**GOAL:** To work cooperatively with Talbot County to provide an efficient Economic Development Program.

**OBJECTIVES:**

- ✓ Coordinate the goals and activities of Easton's Economic Development Program with those of the Talbot County Economic Development

Commission and the County Tourism Board in order to avoid duplication of effort.

- ✓ Support Talbot County's Economic Development policy of targeting Environmental Technology companies.

**GOAL:** To strengthen the government services segment of the Downtown Easton economy.

- ✓ Locate all future Town of Easton governmental services (with the possible exception of the Public Works Barn) in the Downtown.
- ✓ Encourage Talbot County to locate future County governmental offices in the Downtown.
- ✓ Initiate discussions with the State to locate a State Government multi-service center in Downtown Easton.
- ✓ Pursue funding opportunities to construct a parking garage in close proximity to the government offices in order to provide customer and employee parking as well as additional parking for Downtown Easton businesses.