

# Harford County Maryland

## Economic Development



## Harford County Economic Outlook

June 4, 2010

David R. Craig, Harford County Executive

James C. Richardson, Director, Office of Economic Development



# Harford County Home of Heavy Hitters !

## 12A | HEAVY HITTERS

baltimebusinessjournal.com | BALTIMORE BUSINESS JOURNAL | MARCH 2010

### Largest commercial real estate deals in the Baltimore area

Ranked by dollar value of sale or lease in 2009

Name / Type of deal Address Internet	Dollar value of deal/lease length	Building type/s.f.	Tenant or buyer	Landlord or seller	Tenant or buyer's agent(s)/ brokerage	Landlord or seller's agent(s)/ brokerage
<b>1</b> <b>GATE at APG / sale and lease</b> Md. Blvd. and Guardian Gateway, APG 21005 www.thegateapg.com	\$70 million/ 10 years	office-flex/ 150,000	L-3 and Raytheon	Opus/bankruptcy court	Boetle Smith/ RKS Realty	Matt Holbrook; Pete Briskman; Mia Costa/St. Johns Properties; Jones Lang LaSalle
<b>2</b> <b>24 Hour Fitness/ lease</b> 1906 Towne Centre Blvd., Annapolis 21401 www.klnb.com	\$32 million/ dtd	mixed-use/ 43,157	24 Hour Fitness	Annapolis Town Center at Parole LLC	M. John Meyer, Maury Levin, Adam Miller, Brian Finkelstein/ KLN Retail	M. John Meyer, Maury Levin, Adam Miller, Brian Finkelstein/ KLN Retail
<b>3</b> <b>Walgreen Co. / lease</b> 1801 York Road, Timonium 21093 www.klnb.com	\$20.3 million/ dtd	land/ 65,340	Walgreens	1801 York Road LLC	Michael Patz/ KLN Retail	Michael Patz/ KLN Retail
<b>4</b> <b>CareFirst / lease</b> 10802 Red Run Blvd., Owings Mills 21117 www.us.joneslanglasalle.com	\$17 million/ dtd	office/ 104,000	CareFirst Inc.	Merritt Properties LLC	Philip Leibow, Alex Lassar/ Jones Lang LaSalle	self-represented/ self-represented
<b>5</b> <b>Mitre Corp. / lease</b> 209 Research Blvd., Aberdeen 21002 www.us.joneslanglasalle.com	\$15.7 million/ dtd	office/ 54,335	Mitre Corp.	COPT	Robert Shue, Gregory Prossner/ Jones Lang LaSalle	self-represented/ self-represented
<b>6</b> <b>Hhgregg / sale</b> 14301 Mattawoman Drive, Brandywine 20613 www.cushmanwakefield.com	\$9.5 million/ 7 years	industrial/ 393,440	Hhgregg Inc.	CC Brandywine Investors, 1998 LLC	Michael Eardo, Brian Kruger, Lawrence Shaw/Preston Partners Inc.; Clarus Properties Inc.	Matthew Laraway, Timothy Cahill, Ned Brady/Cushman & Wakefield of Md. Inc.
<b>7</b> <b>S.P. Richards / lease</b> 8231 Station Drive, Jessup 20794 www.transwestern.net	\$8.9 million/ dtd	office/ 193,500	S.P. Richards	Morgan Stanley	Todd Hughes, Richard Clayton, Michael Royce, Jared Ross/ Jones Lang LaSalle	Tom Gentner, Brian Watts, Mark Glagola, Michael Phipps/ Transwestern
<b>8</b> <b>6675 Business Parkway / sale</b> 6675 Business Parkway, Elkridge 21075 www.transwestern.net	\$8.7 million/ n/a	industrial/ 141,600	Cabot Properties	Kennedy Associates	self-represented/ self-represented	Mark Glagola, Gerry Trainor, Tom Gentner, Brian Watts, Michael Phipps/Transwestern
<b>9</b> <b>Prime Source Building Products / lease</b> 600 Hickory Drive, Aberdeen 21002 www.prologis.com	\$7.8 million/ 120 months	industrial/ 205,030	PrimeSource Building Products	ProLogis	Richard Latini/ Cassidy Turley	self-represented/ self-represented
<b>10</b> <b>Sun Products Corp. / lease</b> 1900 Clark Road, Havre de Grace 21078 www.cushmanwakefield.com	\$7.2 million/ 84 months	industrial/ 613,137	Sun Products Corp.	Solo Cup Co.	self-represented/ self-represented	Matthew Laraway, Ned Brady, Timothy Cahill, Kara Parker/ Cushman & Wakefield of Md. Inc.
<b>11</b> <b>Chesapeake Science Point Charter School / lease</b> 7321 Parkway Drive, Hanover 21076	\$7 million/ 10 years	office/ 42,593	Chesapeake Science Point Charter School	7321 Parkway Drive Enterprises LLC	Robert Carr/ Cassidy Turley	Gregory Masi, Liz Tarran-Jones/ Manekin LLC
<b>25</b> <b>Case Mason / lease</b> 9101 Yellow Brick Road, Baltimore 21237 www.klnb.com	\$3.6 million/ dtd	industrial/ 106,500	Case Mason Filing Inc.	Yellow Brick Road LP	Joseph Nolan, Peter Dudley/ NAI KLN	Joseph Nolan, Peter Dudley/ NAI KLN
<b>25</b> <b>Tollgate Marketplace / sale</b> 680 Marketplace Drive, Bel Air 21014 www.klnb.com	\$3.6 million/ n/a	retail/ 33,068	Hhgregg Inc.	Bel Air Square Joint Venture	Ryan Wilner, Bob Morris/ KLN Retail	Ryan Wilner, Bob Morris/ KLN Retail

SOURCE: The companies provided the information for this List. The Business Journal takes them at their word.

dtd=declined to disclose n/a=not applicable

<sup>1</sup> The deal included purchases of development rights, a completed building and ground leases for the sites of more planned buildings.

It also included the leasing of those planned buildings. St. John Properties estimated that the deal will ultimately be worth \$600 million, but as of printing, \$30 million has been spent on the purchases and \$40 million paid for the leases.

Compiled by: Carolyn M. Proctor and Rachel Bernstein.

®Reprint permission must be obtained in writing from the editor of this newspaper.

CURRENT: March 19, 2010

Home to  
4 of the 10  
Heavy Hitters  
in Real Estate  
Awards  
  
5 out of Top  
25 Real Estate  
Deals



# Vision

## ***Diversification, Economic Growth/Sustainability & Quality of Life***

- To grow and expand as a dynamic and diverse business destination where industry supports the highest quality of living.
- To expand upon the creative culture of Central Maryland to become a world class research, development and manufacturing center.



# Vision

## 2009 American Defense Communities Awards

- David R. Craig - John Leigh  
Outstanding Public Sector of the  
Year
- CSSC – Active Base Community of  
the Year
- The CSSC has received \$7.8 million  
in federal funding from the Office of  
Economic Adjustment, DoD





# Statistical Dashboard

Harford's economy is strong and has land, labor and capital to lead the region and the state.

## **Unemployment**

- Harford County – 7.1% (April)
- Maryland – 6.9% (April)
- Majority of unemployment can be attributed to residents reporting their work locations outside of Harford County
- Employment sectors that appear to be the most impacted are: Construction, Finance and Insurance

## **Vacancy Rates**

- Office/Flex: 24.3%
- Retail: 14.5%



# Statistical Dashboard

## Housing Permit Activity

### Housing Permit Activity Increasing

	2007	2008	% of Change	2009	% of Change
Residential Single Family Homes & Townhouses	534	342	<b>35.9%-</b>	360	<b>5.3%+</b>
Apts/Condos # of Units	60	77	<b>28.3%+</b>	109	<b>41.6%+</b>
Other Improvements	1,300	1,038	<b>20.1%-</b>	1,170	<b>12.7%+</b>
<b>Total</b>	<b>1,894</b>	<b>1,457</b>	<b>23.1%-</b>	<b>1,639</b>	<b>12.5%+</b>
<b>YTD Comparison (Jan-April)</b>					
			<b>2009</b>	<b>2010</b>	
Total			419	445	<b>6.2%+</b>



# Statistical Dashboard

- **Housing Market Rebounding**
  - 56% Increase in Properties “under contract” and/or “marked contingent” from January to April – a 40% increase from the same time frame in 2009
  - Number of New Listings rose from 413 in the month of January to 620 in the month of April
  - Houses spent an average of **28 days** less on the market from October 2009 to April 2010 compared to October 2008 to April 2009
- **Median disposable income growing from \$73,000 to \$83,000**



# Statistical Dashboard

- **All Foreclosure Events**
  - Harford made up only 2.8% of Maryland Total Foreclosure Events;
  - Down -28.2% from Q4 09
- **Notices of Mortgage Loan Defaults**
  - Down -15.7% from Q4 09 and -59.8% from Q1 09
- **Notices of Foreclosure Sales**
  - Down -36.8% from Q4 09
- **Hot Spots in Harford County**
  - Severe 0; Very High 0; High 1.6%
  - Edgewood, Belcamp areas



# Statistical Dashboard

	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Notices of Default	299	193	278	143	120
Notices of Sales	5	3	190	389	246
Lender Purchases	28	36	61	42	46



# Statistical Dashboard

## Workforce

### Workforce Projections

2010	129,700
2015	142,300
2020	151,200

80% of early movers reside in Harford County

### Population Projections

2010	248,450
2015	265,700
2020	276,500



# New & Expanding Projects

- From 2005-2010 Over 160 New or Expanding Business Projects resulting in over \$1.2 Billion in new investment and the creation of over 5,380 new jobs
- This ***DOES NOT*** include new employment numbers related to growth on APG which will be an additional 8,200 positions or the job growth in the defense contractor community which is estimated to be about 10,000 additional positions (2010-2015)
- Future Capital Investment will ***exceed*** an additional \$1 Billion

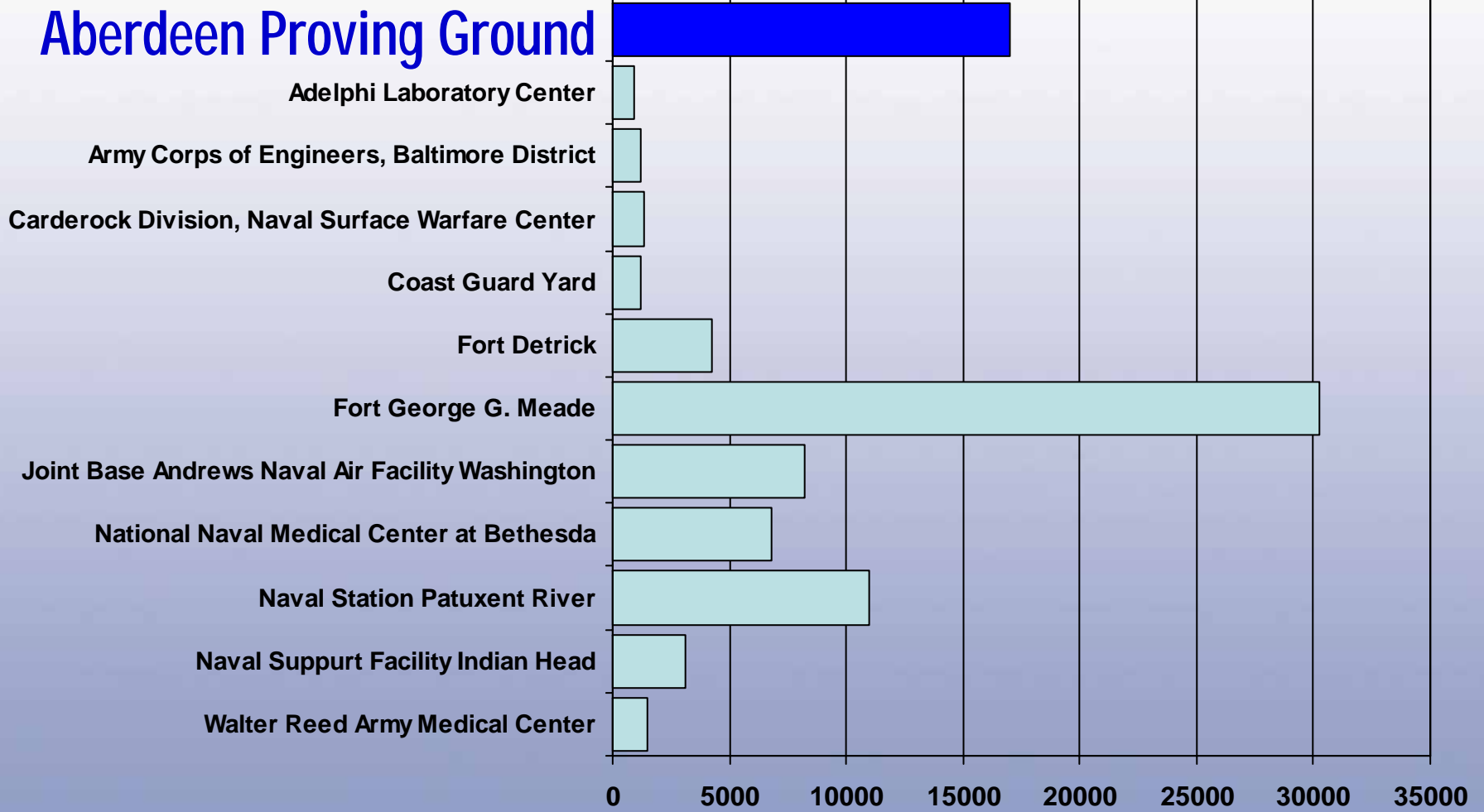


# Harford County & Central Maryland Outlook

- Harford County and Central Maryland Outlook
  - Ft. Meade
    - NSA - National Security Agency
    - DISA – Defense Information System Agency
    - Cyber Security Command
  - APG – Aberdeen Proving Ground
    - C4ISR – Command, Control, Communications, Computers, Intelligence, Surveillance & Reconnaissance
    - ATEC – Army Test & Evaluation Command
    - JPEO – ChemBio – Joint Program Executive Office for Chemical & Biological Defense
    - MRICD – Medical Research Institute of Chemical Defense
- This region will be DoD's main cluster of communications, software development and Cyber Security



# Maryland Military Installations by Number of Employees



# Harford County

**W**elcomes the following  
companies from the  
**C4ISR COMMUNITY**

## 32 New Defense Contractors Moved to Harford County

AASKI

ACE Electronics

Alion Science

BBRTC

Bowhead Technical

CACI

Cape Fox

Envionics USA, Inc.

Engineering Solutions Products, ESP

EOIR Technologies

EPS

Future-Skies

General Dynamics

Janus Research Group, Inc.

JRAD, Inc.

Lear Siegler/URS

MacB Enterprise

MITRE Corporation

Modus Operandi

MSA

Netcentric

Northrop Grumman Info Technologies

ORISE

OSI Guidance Systems

QinetQ

R4 Technologies

RSC2

SRC

Syracuse Research Center

Systemtek

Telcordia Technologies, Inc.

TRAX



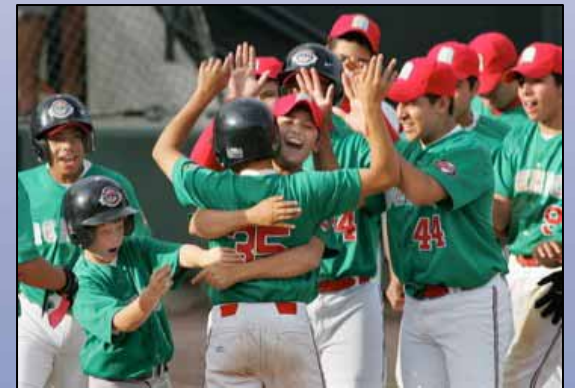
# Pre BRAC Contractors Expanding

- SURVICE Engineering
- Booz Allen Hamilton
- SAIC
- Logicon (CSC)
- ManTech
- LMI
- RTR Technologies
- Smith Detection
- Battelle



# Tourism Sports Marketing Growing

- Cedar Lane Sports Complex
  - 2010 U.S. Women's Division Lacrosse Championship in May (annual event that began in 1933 in U.S.)
  - Won bid to host the 2013 & 2014 U.S. Youth Soccer Region I Championship, generating a projected \$20 Million in revenue for the area and thousands of visitors
- Ripken Stadium
  - Ripken Baseball Academy
  - Ripken World Series



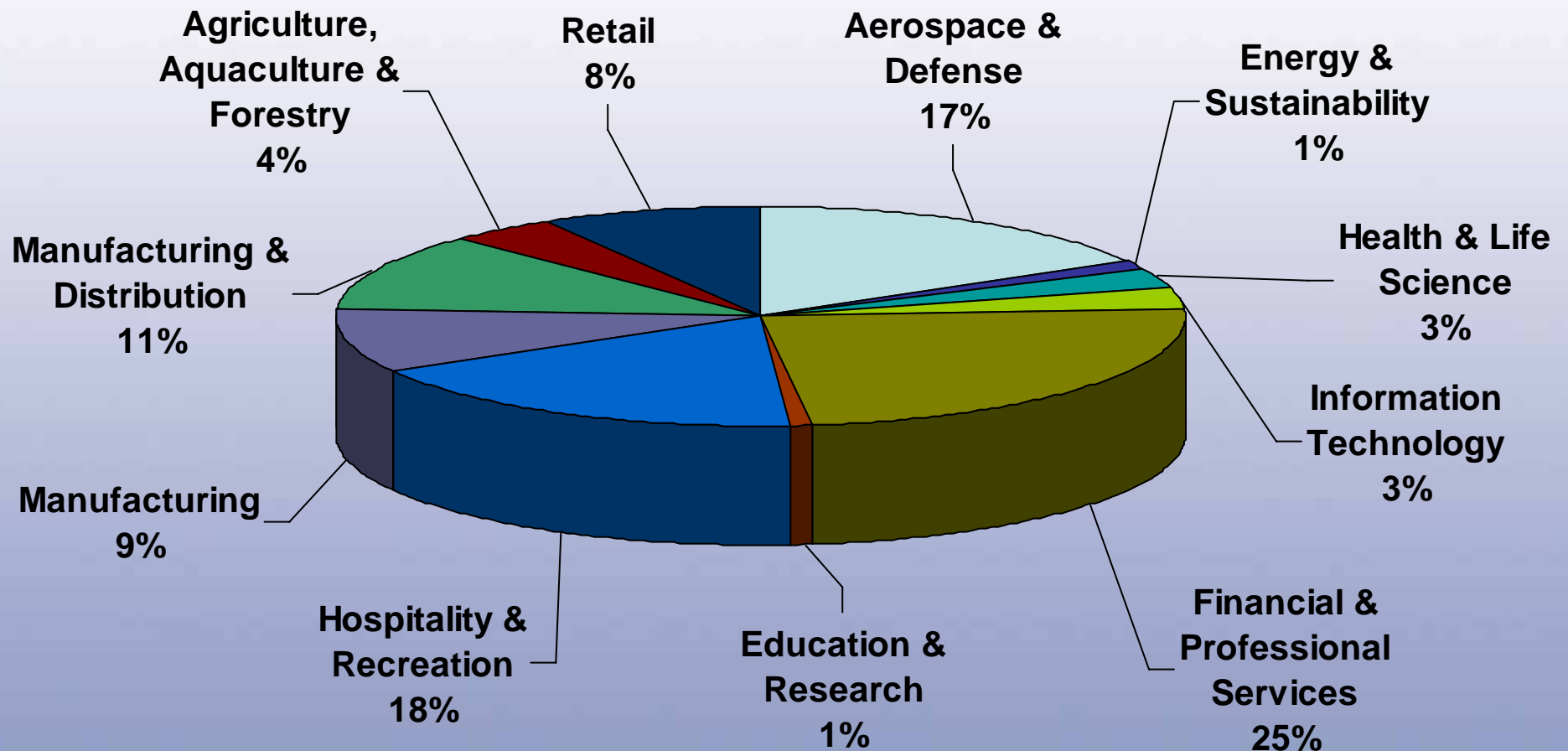


# 2010 Business Survey

- Businesses surveyed ranged from 1 to 1198 employees
- 50% of these companies have multiple locations within the county
- 52% of these companies housed their Headquarters in Harford
- Other Headquarters include:
  - Atlanta, GA
  - Chattanooga & Memphis, TN
  - Oakland & San Francisco, CA
  - Pittsburgh, PA
  - United Kingdom



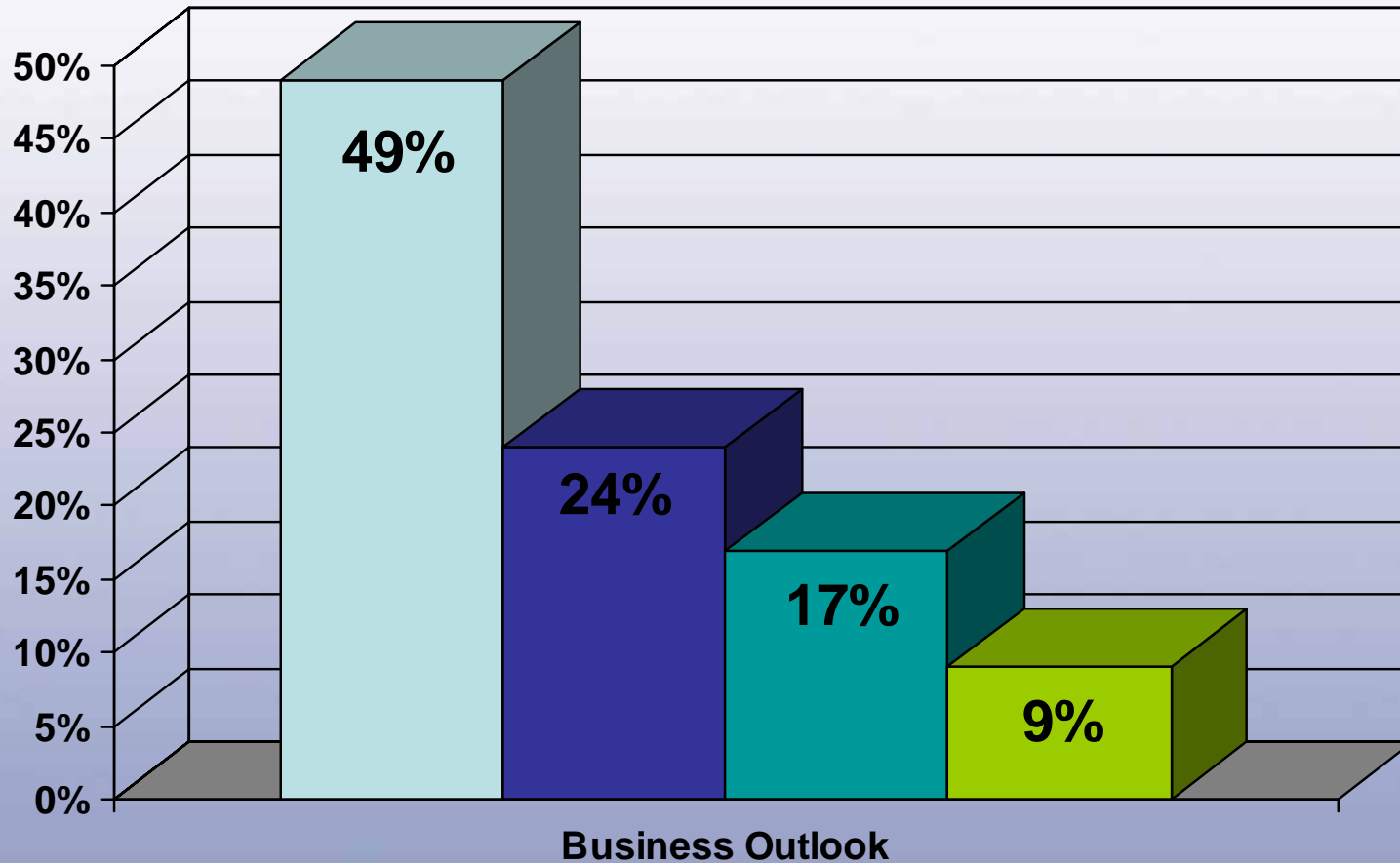
# 2010 Business Survey





# 2010 Business Survey

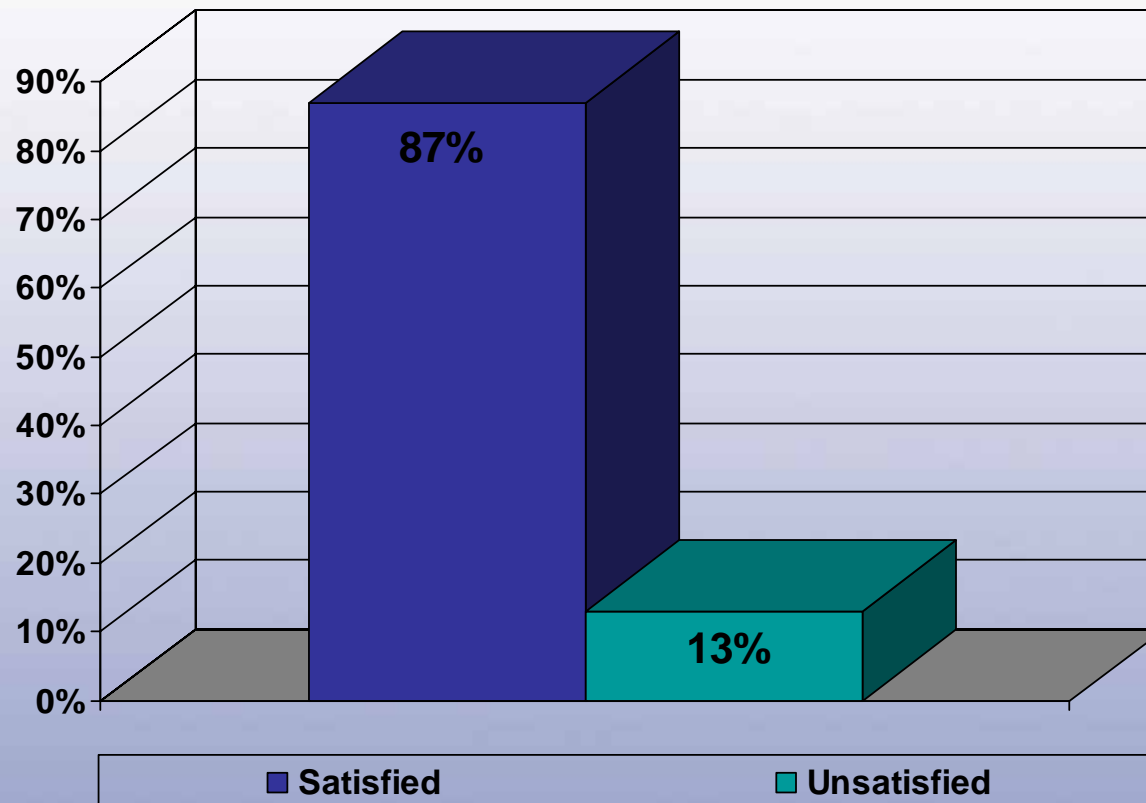
## Business Outlook



□ Remain the Same    ■ Expand    ■ Unsure    ■ Decrease in size



# 2010 Business Survey Current Location Needs



- The 13% unsatisfied is due to the need for expansion, infrastructure and parking issues of current location



# 2010 Business Survey Anticipated Closures

**92% of businesses surveyed responded  
no anticipated phase out or closure**

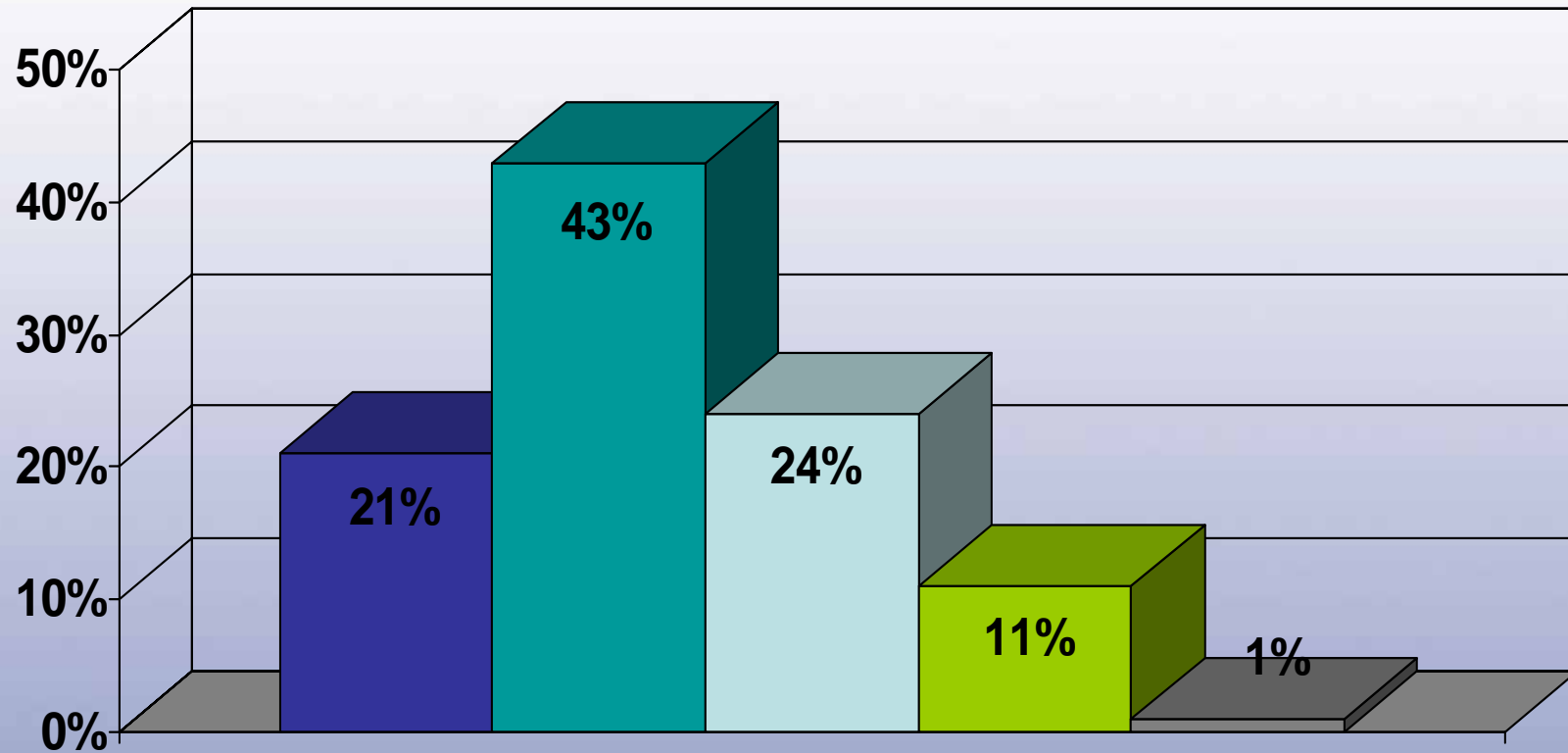
The 8% considering phasing out.....

- ✓ Lease costs increasing
- ✓ Opportunity for sales for company greater in VA
- ✓ Closure uncertain if economy and access to capital does not improve
- ✓ Bank branch closing



# 2010 Business Survey

## Harford Rates Among Business



Very Favorable

Neither Favorable nor unfavorable

Very Unfavorable

Somewhat Favorable

Somewhat Unfavorable



# 2010 Business Survey

## What's Being Said

### **Advantages of Operating in Harford County**

- ✓ Location, Location, Location
- ✓ Close to APG, I-95, NY, DC
- ✓ Quality of Life
- ✓ Local Government is Pro-Business

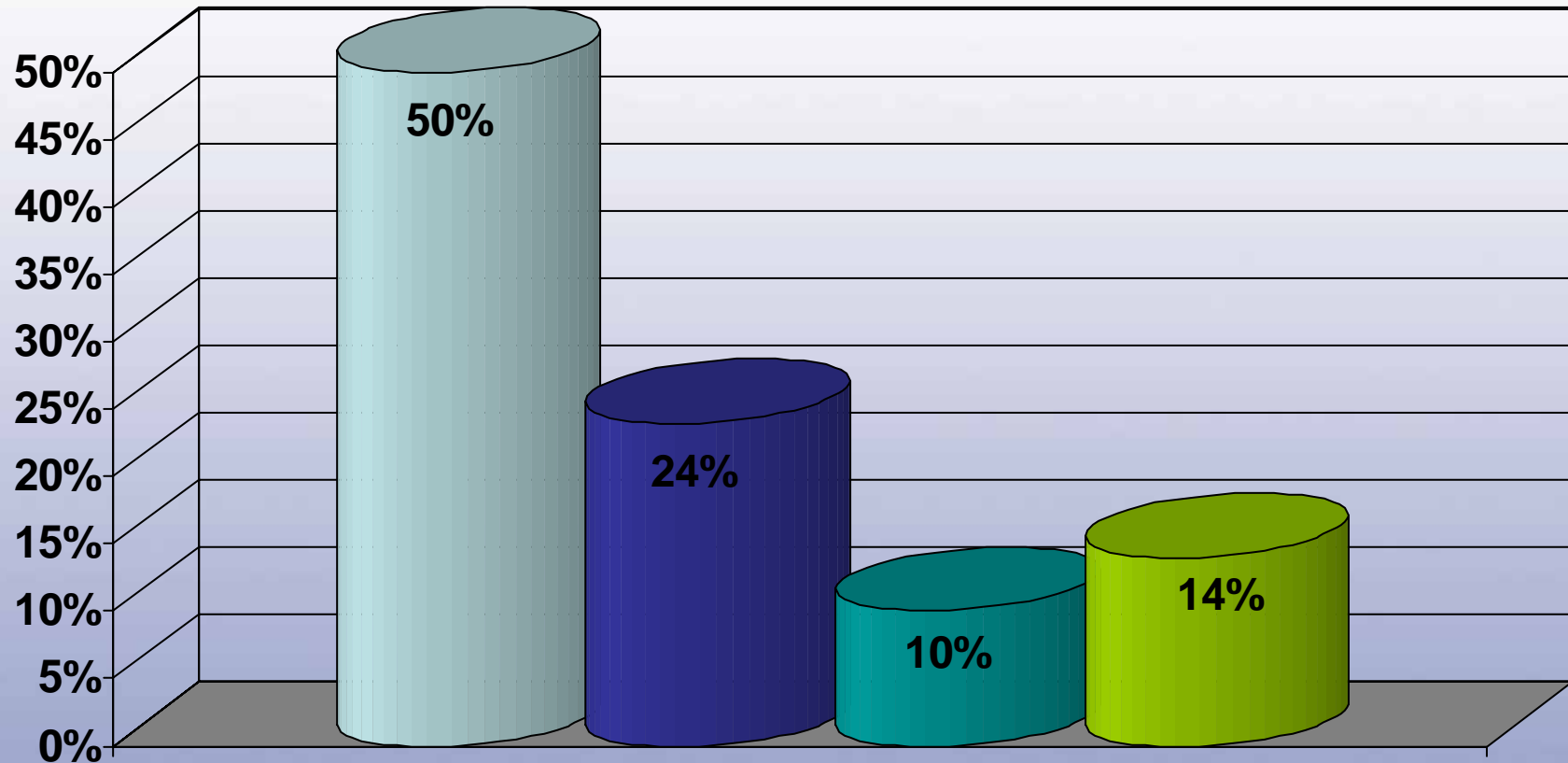
### **Challenges of Operating in Harford County**

- ✓ Overall Economy
- ✓ Access to Capital
- ✓ Higher cost of living limits workforce recruiting



# 2010 Business Survey

## Business Revenue Forecast



■ Increase

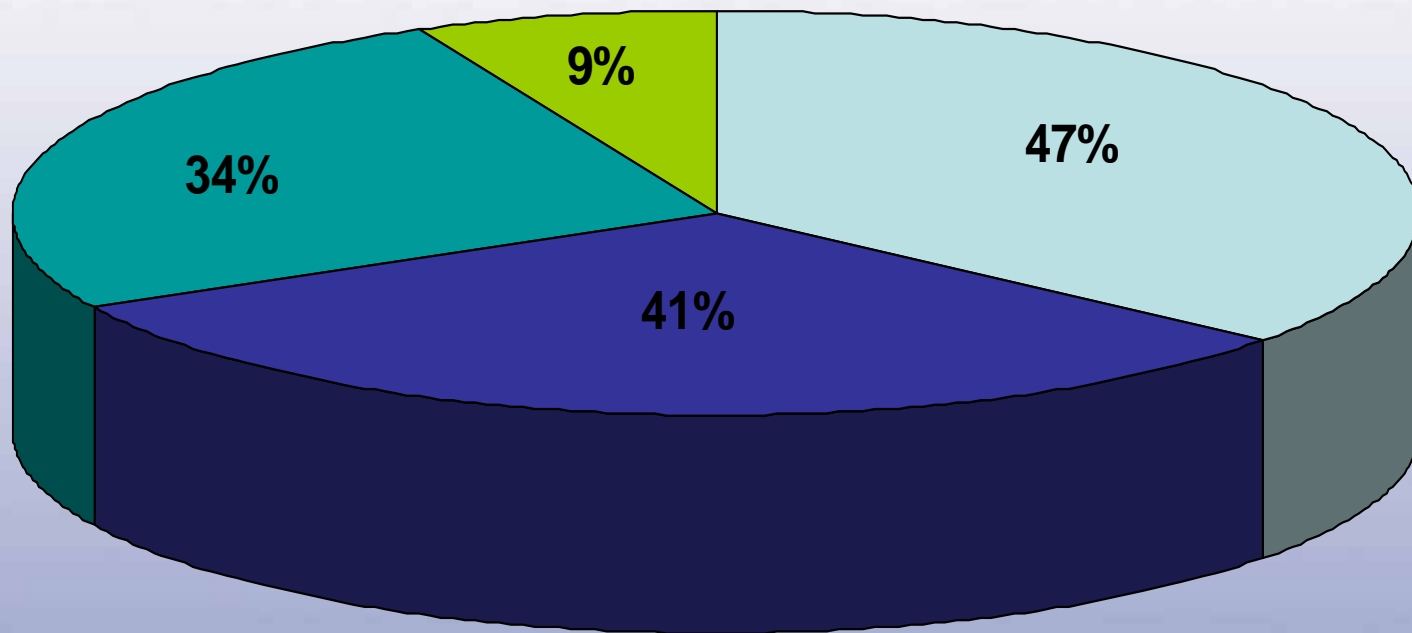
■ Remain The Same

■ Don't Know

■ Decrease



# 2010 Business Survey Capital Investment Forecast



□ Equipment/Machinery

■ Information Technology

■ Building/Land

■ Other



# 2010 Business Survey

## Business Access to Capital

Very Difficult to Access	26%
Somewhat Difficult to Access	23%
Neither Difficult nor Easy to Access	25%
Somewhat Easy to Access	16%
Very Easy to Access	10%



# 2010 Business Survey

## Business Challenges in Recruitment

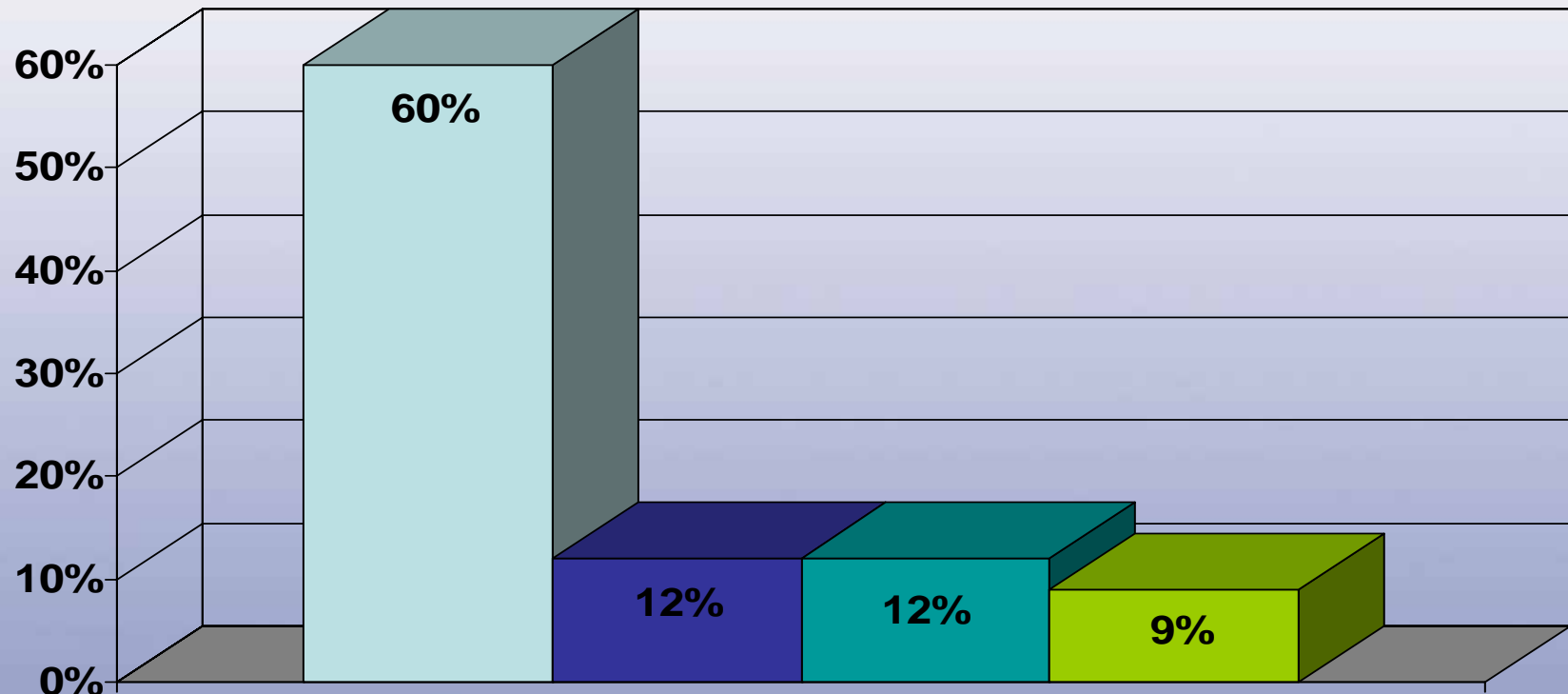
<b>No Challenges</b>	<b>31%</b>
* Inadequate Skills	36%
Labor Supply Shortage	13%
Public Transportation	8%
Available Housing	6%
Work Ethic	3%
Company Affordability to Hire	2%
Other	1%

- \* ✓ Over \$100,000 Workforce Training Dollars have been awarded
- ✓ Development of a new Training Model with OED, SWN and HCC
- ✓ New model to address industry needs for young, entry level employees



# 2010 Business Survey BRAC Impact Perception

- BRAC is a 4-letter Word



□ Potential Opportunity  
■ No Perceived Impact

■ Potential Threat  
■ Unsure

# New & Under Construction Development Projects





# Moving Ahead

- \$1.2 billion in commercial capital investment
- \$12,480,00 in real property taxes for Harford County each year
- 1,000,000 sq. ft. under construction with a potential of 4 million sq. ft to be built.
- Housing sales on the upswing
- Median household income increasing



# Harford County's A Winner



**Moody's Investors Service**

**Aa1**



**Aaa**

**FitchRatings**  
KNOW YOUR RISK

**AA+**



**AAA**

**STANDARD  
& POOR'S**

**AA+**



**AA+**